

KINDERTONS LIMITED CORPORATE GOVERNANCE STATEMENT 2023-2024

Section 172 Statement

The Board of Directors (Board) of Kindertons Limited are aware of and consider they have acted in accordance with their statutory duties under s172(1) of the Companies Act 2006. Consistent with these duties, the directors have acted in good faith, seeking to promote the long-term success of Kindertons for the benefit of its shareholder and in so doing have had regard to their duties to:

- The likely consequences of any decisions in the long-term.
- The interests of Kindertons employees.
- The need to foster Kindertons business relationships with its suppliers, customers and others.
- The impact of Kindertons operations on the community and environment.
- The desirability of Kindertons maintaining a reputation for high standards of business conduct; and
- The need to act fairly between shareholders and ultimate beneficial owners of Kindertons.

About Kindertons Limited

Kindertons Limited is ultimately wholly owned by ExamWorks UK Limited and a leading provider of accident claims management services. Our services are used by both insurers and brokers to assist their clients with their road traffic accident claim. We are FCA regulated for General Insurance and Claims Management Services.

We are committed to the highest standards, recognising that an effective corporate governance framework leads to a culture of long-term success and sustainability. Effective stakeholder engagement recruits a high level of insight, perspective, and diversity to continue to generate value for our shareholders in the long term.

STRATEGIC APPROACH

Industry engagement

In addition to the unprecedented inflation and cost of living crisis, the war in Ukraine has had a significant impact on vehicle and parts availability. This has been compounded by the availability of skilled workers in the body shops who have returned to Europe as a result of Brexit. Kindertons have also been affected by the delayed GTA rate review and whilst a temporary review has been put in place it has been essential to constantly engage with all industry stakeholders, both in an informal and formal manner. Keeping the industry and client at the core, we have been able to positively influence the future. Key activity in this area included engagement with:

- The Credit Hire Organisation (CHO)
- Association of Consumer Support Organisations (ACSO)
- The Institute of Customer Service (we hold the Service Mark Accreditation through the Institute of Customer Service).
- British Vehicle Rental and Leasing Association (BVRLA)
- Chartered Insurance Institute
- The Financial Conduct Authority (FCA)
- Create Solutions

The strategic priorities of the business are:

IT and data management leadership

In a marketplace where client's confidential data is processed, investment in secure IT infrastructure and data management is essential. Kindertons Limited has its own in-house IT team delivering change and improvement projects. We also work closely with the wider Examworks IT and Information Security teams as well as specialist third parties to complement our in-house capability. Sustained investment has been an enabler to maintain our leadership position and to be a trusted partner of choice.

Examples include:

- Ongoing investment in IT infrastructure
- All ExamWorks UK companies share dual third party managed enterprise datacentres. This provides optimum security, resilience and an improved stability of systems
- Centralisation of data through migration of desktops to secure VDI infrastructure hosted in the data centres
- Ongoing investment in IT Security improvements and awareness training
- Launched new ICE claims management platform
- Launched new 'cloud based' Fleet Management System

Strategic report *(continued)*

Section 172 Statement *(continued)*

Culture

As with all major employers in 2023, Kindertons was and continues to be exposed to unprecedented inflation and cost of living changes. In 2023, the board agreed a significant enhancement of our people package, in both salary and benefits. We continue to evaluate our Employee Value Proposition and try to support our employees as much as possible in their financial wellbeing. Furthermore, we support career development through our apprenticeship levy and our sponsorship programmes.

We are an organisation that prides itself on its success and this is underpinned by our core values. These represent who we are as a business and how we behave. Our values of Focus, Innovation, Respect, Standards and Team spirit drive a FIRST class service.

Strategic Context

The business strategic pillars remain as:

- Financial – Sustainable growth in EBITDA and strategies for maintenance of gross margins with improved cashflow.
- Service Offering - Continuation and continual enhancement of market-leading customer offering.
- People & Culture - A highly motivated and engaged workforce, with a sense of purpose and belonging and strong, positive behaviours led from the front.
- Effective Operating – Continually driving innovation with measurable, tangible benefits for the customer and the business.
- Governance and Risk – A robust framework of corporate risk management underpinned by properly executed plans and ownership.

On an annual basis, a business plan is prepared and agreed by the Kindertons board setting the strategy for the upcoming year. Supported by a Communications Strategy, this plan is communicated through the entire business to ensure that every member of staff understands the importance of their contribution to our overall success. Throughout the year, business plan actions and strategies are reviewed and reported on quarterly, making changes

How we interact with our stakeholders

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| <p>Business Shareholders</p> | <p>Kindertons is a subsidiary undertaking of ExamWorks UK Limited, a company registered in England and Wales. ExamWorks Group, Inc. (ExamWorks Group) is the ultimate corporate shareholder of ExamWorks UK Limited. Electron (U.S.) I LP (limited partnership registered in Delaware (USA)) (LP) is the ultimate limited partner put in place as part of the “private equity” ownership structure of ExamWorks Group. The LP is not an operating entity. ExamWorks Group and its subsidiaries (including ExamWorks UK Limited and Kindertons) are indirectly 100% owned by the LP which is controlled by its Board of Managers.</p> <p>The limited partners directly or indirectly holding 5% or more of the Class A Units of the LP are funds advised and / or managed by CVC Capital Partners and its co-investors, Leonard Green & Partners funds and Viggo Investment Pte Ltd, an affiliate of GIC Pte. Ltd.</p> |
| <p>Regulators</p> | <p>As market leader we have a duty to uphold the best possible standards of service and compliance, thereby pushing up the overall standards within the marketplace. Data protection and security is a fundamental part of every process we undertake. We have proactively engaged with the FCA to deliver expert guidance and advice to our brokers around the FCA amendments to the ‘Fair pricing’ rules, as well as providing support and guidance on the consumer duty changes in 2023.</p> |
| <p>Industry bodies and trade associations</p> | <p>Liaison with governing bodies and competitors enables us to benchmark new ways of delivering services, in a compliant way.</p> <p>We engage with industry bodies including:</p> <ul style="list-style-type: none"> ➤ Credit Hire Organisation (CHO) ➤ Association of Consumer Support Organisations (ACSO) ➤ British Vehicle Rental and Leasing Association (BVRLA) ➤ Institute of Customer Service ➤ Road Haulage Association (RHA) ➤ Tier 1 provider – Association of British Insurers (ABI) <p>This allows us to share our views on a wide array of issues that matter to our marketplace.</p> |

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| Our clients | Our clients demand an outsource service from Kindertons that makes their lives easier, allowing them to focus on core business activities. |
| Our suppliers | <p>Suppliers are a key part of our business that have supported Kindertons Limited in maintaining exceptional customer service. In particular we have worked collaboratively with the following supply partners –</p> <ul style="list-style-type: none"> ➤ NEXUS – Vehicle cross hire partner ➤ Mansfield – Outsourced vehicle recovery partner ➤ CoPart – Salvage agents <p>In addition to these suppliers our repair liaison team has had to work closely with our repairer network to ensure that compliance, quality of repair, capacity and technical expertise has been maintained during the pandemic.</p> <p>Our supplier on-boarding and management programme is a fundamental aspect of our control framework. All suppliers are assessed, and contractual provisions are applied accordingly.</p> |
| Employees | <p>Our company values play an integral part in outlining our culture and driving positive behaviours. Objectives are set for every employee. The objectives and values are embedded into our performance management framework, which encourages individual achievements, recognising people for their efforts and further embedding the business plan strategy.</p> <p>We value the employee voice within our organisation and as a result of the feedback from our staff surveys, we have introduced additional benefits. This includes a cost of living payment, hybrid working, salary increases, volunteer days and holiday buy and sell schemes.</p> <p>We have also re-introduced employee social events to reward those that over-perform and allow all our people to gather together, mix and socialise which is key to retaining a strong employee culture.</p> |
| Our local community | <p>As one of the largest private sector employers in the Crewe area, it's important that we support the community with a number of charitable and social activities. Every year, we fundraise internally for our nominated charities, as well as sponsoring local community initiatives.</p> <p>We have a number of nominated charities, but our primary charity is a local hospice called St Luke's for which we raise funds and hold regular volunteer days.</p> |
| The environment | <p>The nature of our business does have a significant impact on the environment, however, we try to control the emission outputs by having a company car policy which encourages EV ownership and our fleet has a significant number of hybrid and EV vehicles on the fleet. Our ICE IT transformation programme will result in a significant reduction in the amount of paper and packaging we utilise.</p> <p>The measurement and reduction of emissions has been part of our strategic planning throughout 2023, utilisation of technology developments and the usage of advanced gathering tools has enabled us as a group to identify areas in which reductions can be achieved.</p> |

Strategic report *(continued)*

Section 172 Statement *(continued)*

DIVISION OF RESPONSIBILITIES

Statutory Directors

Exercising reasonable care, skill and due diligence, the Statutory Directors collectively act to make decisions on behalf of the company. They make the strategic and operational decisions and are responsible for ensuring that the company meets its statutory obligations.

Additionally, the role of the Statutory Directors is to promote the success of the company, giving due regard to:

- The likely consequences of any decision in the long term.
- The interests of Kindertons employees.
- The need to foster the Kindertons business relationships with suppliers, customers and others.
- The impact of the Kindertons operations on the community and the environment.
- The desirability of Kindertons maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the wider Kindertons and Examworks groups.

COMPOSITION, SUCCESSION AND EVALUATION

Succession planning

To ensure the long-term success and stability of our company, we are working to ensure we have succession planning in place to identify and develop future leaders. This will increase the availability of experienced and capable employees prepared to assume senior leadership roles as and when they become available. We use the following high-level approach to ensure we have the appropriate levels of succession planning throughout the business:

- Identify critical roles;
- Assess staff;
- Create development plans;
- Develop successors;
- Review and adapt: and,
- Hold monthly Senior Management meetings.

Evaluating the performance of the Board and Directors

The Board have objectives which are reflected in their incentive plans to deliver on profit targets. The targets set are aligned to the strategic business plan and are cascaded down to the various teams using best practices. Furthermore, the Group Managing Director holds regular 121s with all members of the Senior Leadership Team, which may result in a re-prioritisation of tasks where appropriate, ensuring Kindertons remains agile and able to respond to emerging issues.

AUDIT, RISK AND INTERNAL CONTROL

Group Board Meeting

Managing Directors and the directors of each support area meet on a monthly basis to review group wide team risks and issues raised. Business performance, stakeholder engagement and the company's adherence to internal controls, operational risks and performance forms a key part of this agenda.

Monthly Board Meeting

Board members and the Senior Leadership Team also meet on a monthly basis to review operational risks and performance.

Quarterly Group Managing Director update

Board members and the Senior Leadership Team meet on a quarterly basis to understand the businesses performance and to be made aware of key issues.

Strategic report *(continued)*

Section 172 Statement *(continued)*

Quarterly Risk Committee

Board members meet on a quarterly basis to discuss risk, audit and compliance issues and to oversee the annual compliance and audit plans.

Risk Management

Robust Risk Management continues to be a priority. All risks are managed efficiently and regular risk assessment meetings are attended by Board members and Senior Leadership across the Examworks companies.

Internal audit

Kindertons recognises the importance of providing assurance so our risk management, governance and internal control processes are operating effectively. Internal audit is a key element to regulate this activity, and where colleagues have audit responsibility, this is an explicit part of role profiles and performance Measurement Compliance monitoring. Our compliance team now contains dedicated audit officers who work closely with all business areas to ensure that first line and second line audits provide assurance to the Board and Senior Leadership that business processes and regulatory requirements are being consistently achieved.

Policies and procedures

Our policy and procedure framework forms a fundamental part of our internal controls, as it sets out the principles we apply as a Group to protect us, our customers and their information. We regularly review existing principles and policies to ensure they are in line with our regulatory requirements.

On behalf of the board



J Harman

Director

Date: 14 September 2023