

ENTERPRISE RENT-A-CAR UK LIMITED
SECTION 172(1) STATEMENT
FOR THE YEAR ENDED 31 JULY 2020

Section 172 requires directors to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole. The directors receive guidance on their duties from the Company Secretary, including in relation to Section 172, and have been briefed on these reporting requirements.

The Company considers its key stakeholder groups to be:

- Employees,
- Customers and suppliers, and
- Community/Society/Environment.

The directors have used the Wates Corporate Governance Principles for Private Companies to establish a corporate governance code and have applied this set of guiding principles to the performance of their duties as follows:

1. Purpose and Leadership

The Company's mission is as follows:

- Be the best transportation service provider in the world.
- Exceed customer expectations in terms of service, quality and value.
- Provide employees with a great place to work.
- Serve the community as a committed corporate citizen.

Throughout the fiscal year the directors have ensured that these goals have been considered in their decision-making process. The directors acknowledged their duty to promote the success of the Company and act with integrity in all matters and set this same expectation for all employees and business partners through the Enterprise Holdings Code of Conduct. Each employee, including the directors, must complete mandatory online training on the Enterprise Holdings Code of Conduct.

Enterprise Holdings' Founding Values are integral to the success of all employees, are designed to inform them of the expected behaviours and practices throughout the organisation and are integrated into the business functions and operations. Demonstrable evidence of adhering to and promoting these values is a key component of any promotion opportunity within the Company.

The directors recognise that a healthy culture is vital to the Company's competitive advantage and long-term value, and this is supported by the overall global business model being designed to encourage and promote the long-term, sustainable growth of the organisation. This culture and strategy is clearly articulated by the directors and the Executive Board at the US Parent level in every company-wide communication, including via email and virtual town hall meetings.

A robust and well-publicised whistleblowing policy is in place to both enforce and monitor compliance with the Enterprise Holdings Founding Values and Code of Conduct and ensures a balance between short-term targets and long-term aspirations.

2. Board Composition

The board is comprised of members that have an effective balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. All directors have attended and contributed to all board meetings held during the year. The size and composition of the board has been deemed appropriate given the relative size and complexity of the Company, and the directors will continue to ensure that the board remains effective and appropriately composed.

3. **Board Responsibilities**

The directors receive guidance on their duties from the Company Secretary, including in relation to Section 172, and have been briefed on these reporting requirements. The board and individual directors have a clear understanding of their accountability and responsibilities, with training and updates on the duties of a director performed at regular intervals or in the event of a new board member being appointed. The board's policies and procedures support effective decision-making and independent challenges.

4. **Opportunity and Risk**

The culture of the Company has always been one that supports and promotes the long-term, sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks. The Company has been owned by the Taylor Family since it was first started by Jack Taylor in 1957, and the Taylor Family have had the same ethos of prioritising employee and customer needs ahead of short-term profitability. The directors each have close interaction with and oversight of the relevant risks for their respective area of responsibility in the Company; these risks and their mitigating controls are documented in a UK Risk Register which is updated frequently, and reviewed on a quarterly basis by the Risk Register Committee.

5. **Remuneration**

Executive remuneration structures are closely aligned to the long-term sustainable success of the Company, and specifically tailored to each of the directors' area of responsibility and oversight.

6. **Stakeholder Relationships and Engagement**

Stakeholder engagement has been developed to reflect the core activities of the Company, namely:

- Providing long, medium, and short-term vehicle hire and travel management services to customers across a network of over 420 rental branches and depots in the UK;
- Contributing to the high standard of vehicles on the UK's roads, through fleet acquisition,
- Maintenance and disposition activity;
- Providing regional administrative, shared service, and corporate business support services to our UK branch network,
- As a wholly owned subsidiary of The Crawford Group, Inc., the ultimate parent company and controlling party.

Employees

Integral to the Company's corporate culture is the development of employees and a "promote from within" recruitment policy. This ensures a thorough understanding and appreciation of business operations, corporate values and culture, and also ensures consistency throughout the organisation. Employee engagement is therefore critical to the long-term success of the Company. The Company embraces and understands that collective success is better achieved with an engaged, motivated and highly committed workforce.

The Company has an internal social media application, "Pulse", that is available to all employees both online and via smartphone. Pulse is designed to be a flexible and efficient method of communicating and sharing company news, updating on activities and events, transmitting high-level messages and keeping employees connected around the world.

"The Hub" is the Company's intranet site and contains a wide range of useful information for employees, such as policies, templates, and best practice guides. Any employee or team can create a page in The Hub to share relevant information and exchange feedback, ideas, and solutions. The Company also releases regular Employee Opinion Surveys open to all staff, who are encouraged to provide honest, anonymous feedback via an online, externally hosted portal. The response rates from these surveys are consistently high, and the employee satisfaction, engagement and inclusion results are used to improve communication and drive positive change in the working environment.

Customers and suppliers

The Company maintains an unwavering commitment to customer service, from a focus on complete customer satisfaction to directly linking professional promotion opportunities to the actual level of service provided. Total customer satisfaction is the principle that has guided the Company throughout its journey so far and remains firmly ingrained in its culture today. From the beginning there has been a focus on providing customers with a level of service that keeps them retained across our brands. To maintain that approach the Company has a stringent yet inclusive recruitment policy and provides thorough training from the day they become frontline employees.

The Company embraces customer feedback and understands their needs, which leads to opportunities: from small ways to serve them better, to new lines of business that open up exciting growth prospects. It is deeply understood and appreciated that an open, thought-based exchange of ideas is critical to maintaining a high standard of service and personal success. The Company conducts telephone surveys of customers each month. Each branch location receives a rating based on the percentage of its customers who claim to be completely satisfied with their latest rental experience. That rating is the standard of customer service that is then used to drive better service, and both individuals and locations are performance measured on their results. Local trading scores are compared to the company average and play an important role in employee compensation and promotion decisions.

The Company's Supplier Code of Conduct is issued to all new suppliers and ensures clear expectations are set for our business partners in respect to the Company's commitment to maintaining the highest standards of quality, integrity, excellence, safety, legal compliance and respect for human rights. The code also outlines expectations to respect the customs and culture of the communities we serve. The Supplier Code of Conduct is also published on the Company website.

The Company's Supplier Diversity Policy demonstrates its commitment to maximising opportunities for minority- and women-owned businesses, as well as other socially or economically disadvantaged small enterprises. The Company engages with both local and national businesses to help identify, select, and do business with suppliers who can meet quality, timeline, capacity, and pricing requirements, with the overall mission being to partner with suppliers who resemble the communities in which the Company operates.

Community/Society/Environment

The Company has a presence in thousands of communities, and the directors realise that success is attributable to the support and goodwill of people who live in those communities and do business with the Company.

The Company also has a firm commitment to sustainable development. As a family-owned business, the need to operate with the next generation in mind is always at the forefront of decisions. This deep sense of management plays every day in the way the Company and supply chain are managed, continually balancing the interests of customers, suppliers, and employees, with the communities in which the Company operates.

The Company has partnered with many different stakeholders who not only share the corporate values and commitment to maintaining the highest standards, but also help promote sustainability. The Company therefore maintains a healthy balance between these critical factors and those that are essential for continued long-term growth and for the sustainability of the car rental industry in general. These commitments are articulated in the US Parent Corporate Sustainability reports and updates, and the Company holds itself accountable for meeting them.

The directors firmly believe that excellent customer service, integrity, employee opportunity and community relationships go hand in hand with business growth. The selection of providers helps meet this belief and supports the Company's overall corporate social responsibility strategy. The Company strives to honour the people and environment in which it operates by:

- acting with honesty, integrity and fairness at all times;
- providing employees with a safe and comfortable working environment;
- offering customers a selection of fuel-efficient alternatives, including hybrids and electric vehicles when available;
- minimising the impact on the environment by reducing carbon footprint and waste;
- ensuring that new and adapted facilities are designed, built and managed, through a comprehensive framework for sustainable construction;
- working with suppliers to increase sustainable supply chain performance;
- valuing diversity, and seeking to represent suppliers and employees that fully reflect the communities served;
- contributing to local communities through charitable donations and employee volunteer efforts;
- complying with all relevant laws and regulations;
- operating fuel systems in a safe and responsible manner; and
- listening to stakeholders, responding to their concerns and communicating regularly with them.

Tax strategy

The directors are committed to acting with integrity and transparency in all tax matters, complying fully with UK tax laws, computing tax liabilities accurately, and paying taxes timely. The directors also exercise diligence in adopting adequate procedures designed to prevent evasion of UK or foreign taxes or facilitating evasions by others when acting for the Group. Tax risk is mitigated by utilising an internal audit team to review compliance with internal accounting policies and procedures and employing qualified accountants that understand tax issues and identify areas of tax uncertainty. The directors also recognize the Group's responsibility to pay all taxes required by law where it operates, and balances that with its responsibility to its stakeholders to structure its affairs in a prudent business manner. When structuring the Group's tax affairs, the directors avoid behaviour which could be contrary to existing anti abuse legislation, have a low tolerance for tax risk and do not engage in aggressive tax planning. The Group's Tax Strategy document is publicly available and published in full on the Group's website.