

KINDERTONS LIMITED CORPORATE GOVERNANCE STATEMENT 2020

About Kindertons Limited

Kindertons Limited is wholly owned by Kindertons Holdings 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

Covid impact & response

2020 has been a year unlike any other and, through effective governance and leadership, the business has quickly responded to the pandemic. Despite the reduction in hire volumes, the Kindertons cashflow remained strong, with the Company taking advantage of government backed schemes to protect it. During the early part of 2020, as the COVID outbreak began, we were fully supported by our Global Parent Company to act autonomously in accordance with the geographical challenges placed on the UK business. This allowed for a rapid, strategic response and the establishment of a Covid leadership team at the end of February 2020. This team has a business, legal and HR lead providing framework and governance, including leaders of all the businesses and functions.

The response team quickly established engagement with key stakeholder groups to minimise the impact on the business. These were:

- Shareholders
- Employees
- Clients
- Suppliers
- Industry bodies and regulators

Across each of these stakeholder groups the team ensured that:

- Rapid interpretation and implementation of government guidance to ensure the health and safety of employees.
- Maintaining business continuity and the flow of work through the business.
- Swift communication and decision making, as and when the business environment demands
- Maintaining good customer outcomes in line with the expectations of the FCA

The strategic priorities of the business are:

Industry engagement

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 shape of the market in a Covid impacted 2020. Key activity in this area in 2020 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)

IT and data management leadership

In a marketplace where client's confidential data is processed, investment in secure IT infrastructure, data management and the development of dynamic customer applications is essential. Kindertons Limited has its own in-house IT team delivering change and improvement projects. Sustained investment has been an enabler to maintain our leadership position and to be a trusted partner of choice.

Examples include:

- Ongoing investment in a new CRM system
- Customer App investment
- Investment in secure VDI infrastructure during 2020
- Significant investment in IT infrastructure commenced in Q4, with a migration in 2021 planned to move all ExamWorks UK companies to a managed enterprise datacentre. This will deliver new levels of security, resilience and improved stability of systems.
- The move towards non face to face meetings with all stakeholders resulted in a company wide roll out of Microsoft Teams. This has revolutionised the way we communicate.

Culture

Kindertons has a dynamic culture, built on openness and trust, and this has served us exceptionally well during the Covid pandemic. We have an environment where people support each other by sharing knowledge and ideas in order to drive the business forward. This is supported by our Group Code of Business Ethics which is approved by our UK Group Managing Director. Continuous improvement is encouraged, challenging our teams to innovate and improve their ways of working. Our culture ensures that we can consistently provide good customer outcomes in line with our regulatory obligations.

Acquisitions & material customer

Our UK parent company, ExamWorks UK, continues to seek appropriate acquisitions where both organic growth and synergy benefits can be realised. In Q2 ExamWorks completed one such acquisition, allowing the UK group to strengthen its customer base.

Strategic Context

Our long terms strategic priorities are supplemented by strategic pillars:

- Market leading product offering and focus on customer service and good customer outcomes
- Getting the best out of our people
- Managing our risks
- Minimising wastage - operating efficiently
- Profitable growth only

On an annual basis, a business plan is prepared and agreed by the Kindertons board setting the strategy for the upcoming year. Throughout the year, business plan actions and strategies are reviewed and reported on quarterly, making changes where required to align the business with market dynamism and external factors. The IT and Compliance business plans for 2020 have been maintained and delivered against, but not all normalised business activities have been possible to achieve. For example, whilst we have continued to engage with clients, both existing and potential new clients, there has been a limited amount of traditional face to face business development activities during the year as a result of the pandemic.

How we interact with our stakeholders

Business Shareholders	Kindertons Limited is a subsidiary undertaking of Kindertons Topco Limited. This entity is owned by ExamWorks UK Limited which is wholly owned by ExamWorks Europe, Inc. ExamWorks Europe Inc. is wholly owned by ExamWorks Group, Inc. The "private equity" ownership structure of ExamWorks Group, Inc. is (the following entities are not operating entities), Gold Parent GP, LLC (limited liability company registered in Delaware, USA) (GP), Gold Parent, L.P. (limited partnership registered in Delaware, USA) (LP), Gold Holdco, Inc. (corporation registered in Delaware, USA) and Gold Intermediate Holdco, Inc. (corporation registered in Delaware, USA). ExamWorks Group, Inc. is 100% owned by the LP which is controlled by the Board of Managers of the GP. The limited partners holding 5% or more of the Class A Units of the LP and the members of the GP are EXW Coinvest L.P., Green Equity Investors Side VI, L.P., Green Equity Investors VI, L.P. and Viggo Investments Pte. Ltd.
-----------------------	---

Regulators	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 throughout 2020 by taking part in COVID-19 Financial Resilience surveys.
Industry bodies and trade associations	<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 <p>This allows us to share our views on a wide array of issues that matter to our marketplace.</p>
Our clients	<p>Our clients demand an outsource service from Kindertons that makes their lives easier, allowing them to focus on core business activities.</p> <p>Client relationship management and client communication has been critical during 2020, with regular updates to clients on how Covid is impacting transactions and how working together supports an improved overall experience for clients. We have an account management team to supplement the relationship management activities undertaken by the directors.</p> <p>Our Rant and Rave platform and the feedback we acquire through it helps to align our clients requirements with our service delivery.</p> <p>In 2020 we have invested significantly in our new CRM system, which is expected to be implemented in 2021 and deliver a seamless customer journey.</p>
Our suppliers	<p>Suppliers are a key part of our business, in particular our outsourced repair supply chain. Our repair network liaison team constantly engages with both new and existing repairers to ensure compliance, quality, capacity and expertise. During the health pandemic this group of suppliers have been impacted greatly, for example:</p> <ul style="list-style-type: none"> ➤ Repair garages had to close during the first lockdown ➤ Access to vehicle parts during the pandemic has been more challenging ➤ Self-isolation and sickness among employees at these locations ➤ Shielding among employees at these locations <p>As a key consumer of repair services we have constantly engaged with and supported their requirements, being a flexible partner.</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. During 2020 we have had a restriction on visitors within the physical buildings, but where required have supported suppliers to conduct their business in a Covid secure environment.</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>During the Covid pandemic the health and safety of our internal stakeholders has been at the core of our approach, with a constant flow of information and guidance to our employees so we can run the business safely and effectively.</p> <p>Significant investment in the internal environment has been an important part of the process of making our people feel safe. Work stations are all screened, and the environment is Covid secure with one way systems, environmental brandings and sanitation. We have applied flexibility across the business to ensure colleagues safety and trust. For example with training, development, emotional support and guidance and adapting the appraisal process to name a few.</p>

	<p>We also participated in a national Coronavirus wellbeing and support survey in July, and again in December. A response rate of 54% gave some excellent overall results, including responses as follows:</p> <ul style="list-style-type: none"> ➤ My organisation has put my health and wellbeing first in its decisions about the risk of coronavirus – 82% ➤ The leadership of my organisation has handled the coronavirus situation in the best way possible – 85% ➤ My organisation has made clear what I need to do to keep safe and healthy – 93% <p>The survey also showed the biggest level of anxiety about how the business reverts back to normal and whether or not colleagues feel comfortable about coming back to the workplace, with 50% of colleagues wanting some kind of hybrid working arrangement.</p> <p>As a result, a hybrid working project commenced in Q4 with a view of understanding the capability and requirements of enabling a significant number of people to work in a hybrid manner on a permanent basis.</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. We have current sponsorships agreements with two local football teams.</p>
The environment	<p>Whilst our business practices do not have high environmental impact, the Company has a policy in place to minimise the amount of packaging, paper and waste used and produced by the Company. In addition, the Company car fleet is restricted to lower emission vehicles and we have a long term fleet strategy to consider electric vehicles where possible.</p>

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 the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the company.

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.

Evaluating the performance of the Board and Directors

The Board have clear objectives which are reflected in their incentive plans to deliver on company profit, as well as personalised Key Performance Indicators. 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.

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 be aware of key issues.

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 and at the end of 2020 there was investment in risk management software to enable risks to be managed efficiently and to provide a high level of assurance to 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.