RAC Board Diversity Policy

Document Classification:

Public (approved for publication on website and sharing with third parties)	X
RAC Internal (not to be published without Policy Owner and Legal approval)	
Restricted (restricted to specific departments within RAC)	
Confidential (only available to colleagues who need to know to perform their roles)	

Date of document: The date upon which this document was prepared	November 2024
Policy Owner: The SMF function holder ultimately responsible for the content of the policy and compliance with the Policy Framework Requirements	Chief Risk and Legal Officer
Policy Manager: The person to whom the Policy Owner has delegated responsibility for the drafting, reviewing and publication of the policy and to whom any questions or requests for advice should be directed in the first instance	Company Secretary
Target Review Date: The target date for review to ensure the policy is up to date. This policy will remain in force however, until updated or replaced.	25 November 2025
Board Approval Required? Some policies require regular review and approval by the Board for legal or regulatory reasons. Please specify if this requires Board approval.	Yes
Approval: I confirm that I have reviewed and approved this Framework	Signed: Exec: Clare Woolley Date: 24 November 2024
Committee Responsible for Sign-Off: Reviewed and approved by	Cttee: RAC Group Holdings Ltd Board Date: 24 November 2024

Board Diversity Policy

1. Purpose

This policy sets out the approach to diversity in respect of the RAC Board(s) of Directors. The Policy is intended to assist in creating and maintaining optimum Board composition.

2. Scope

The policy applies to the Board of Directors of RAC Group companies only. A separate Equality, Diversity & Inclusion Policy applies to employees of the RAC Group.

3. Policy Statement

RAC believes in the value of diversity of its Board(s) and recognises that this sets the tone for the Group as a whole and supports effective oversight and decision making, ultimately for the benefit of RAC's customers.

An emphasis is therefore placed on ensuring Board membership reflects diversity in its skill set, approach, experience, educational and professional background to mitigate against any risk of *groupthink* and provides a range of perspectives and insights needed to:

- ensure sufficient knowledge of RAC's business, operations and markets in which RAC operates;
- identify risks involved in business operations to ensure effective risk mitigation through the establishment of prudent and effective controls;
- set strategic objectives guided by a broader understanding of RAC's customers;
- uphold the values and standards necessary to ensure the obligations to customers are met;
- provide effective challenge and hold management to account in order to ensure that RAC's executive directors, executive team and other senior management are discharging their responsibilities effectively.

Additionally, RAC recognises the value of independent oversight and challenge provided by its non-executive directors and as such will ensure an appropriate number and blend of independent non-executive directors versus executive directors is maintained.

It is RAC's policy to maintain and develop the diversity of its Board(s) without compromising on the calibre of new directors appointed.

Appointments are based on merit against objective criteria, taking into account the need to complement and enhance the existing diversity of skills, knowledge, and experience of the Board as a whole.

The Board will take opportunities, as and when appropriate, to further improve diversity in its broadest sense (including ethnicity, gender and other distinctions) as part of its wider Board recruitment practice.

4. Board/HR Responsibilities

The Board, with support from HR, shall support this policy by:

- engaging with recruitment firms in a manner which enhances opportunities for diverse candidates to be considered for appointment;
- considering the existing balance of skills and experience of the Board(s) when drafting the selection criteria for subsequent appointments to ensure a continuing appropriate mix of skills and experience on the board as a whole;
- sponsoring Board-level diversity throughout the succession planning process and supporting efforts to increase diversity in the senior management and Executive pipeline.

5. Monitoring and Reporting

This policy, and progress against its overarching objectives, will be reviewed annually, taking into account any new or changes to legislation, or more frequently should a significant change in the business, market or regulatory environment occur.

The Board will discuss and agree annually any specific measurable objectives/targets for achieving diversity and recommend them for adoption.

The Board is responsible for the implementation of this policy and for monitoring progress towards the achievement of its objective and targets.

6. Revision History

Version	Date	Author	Remarks
0.1	16/08/2018	V. Britton	Document Creation
1.0	07/09/2019	V. Britton	Publishing pursuant to Topco Board approval
2.0	11/09/2019	P Barrett	Reviewed and republished with Board approval
3.0	11/09/2020	K. Bowden	Reviewed and republished with Board approval
4.0	11/09/2021	K. Bowden	Reviewed and republished with Board approval
5.0	16/08/2022	A Dilks	A Dilks "there are no changes to the policy from our side, both myself and Mark have reviewed it"
6.0	09/10/2023	L. Griffiths	Reviewed and republished
7.0	28/11/2024	S. Frites	Reviewed and republished with Board approval