

Dear Tom, and the INEOS Forum members,

Tom – first of all I want to thank you for your letter, the passion, support and feedback displayed by you and the wide membership that you represent are very much appreciated. Despite the clear and justified frustrations, I really welcomed receiving a constructive and balanced view.

I will seek to answer your questions in turn, and I would also like to extend an offer of a live Q&A session. I would really enjoy the opportunity to be a bit more 3D in a conversation, and give some further flesh to the bones of this letter. I don't want to give you a load of corporate fluff, I'm interested in giving some insights as to the challenges we face, but also that the most important thing for us is to reduce the number of challenges you face. And to your point 4. in your letter re: communication, this isn't a one time offer. We can make this a regular thing, including perhaps in some markets a face to face discussion with members when I'm in town. For me, and members of my team.

Please let me take each of your points in turn. They won't yet be at the level of detail you've requested, simply because in some cases we are not there yet. But let's have this as the start of the conversation, not the end, and we will continue working on the more detailed requests.

## 1. Workshop Manual & Home Servicing

This is a topic we have been discussing for some time, and I am well aware we have taken too long. The short answer is that in the short term we will make available workshop manuals for the Grenadier allowing some home repairs to be made.

I am well aware of the early promises made, and it isn't easy to deliver a message that isn't quite the same as what was promised. But my job sometimes involves delivering difficult messages, and I should have done so before now. We have been evaluating in detail our ability to provide what we said we would, and it's not as easy as it would seem.

The Grenadier is a lot more sophisticated than envisaged when we first talked about its ability to be a 'fix anywhere' vehicle. We pride ourselves in having a heavily mechanical, analogue vehicle, which has a fraction of the electronic control units of most cars on the road today. The reality is somewhat different though. 37 ECUs and complex software means that there are still certain things that will be difficult



without a diagnostics machine. We are a world away from old Defenders and Toyotas with purely mechanical parts, making it possible for any mechanic to handle. And although a great many of you have the skills, we can't make available to everyone the level of equipment required.

So our plan is to make a workshop manual available to all existing customers who would like to receive it. Unfortunately it is not ready to go today, and it won't be the database-access all singing, all dancing interactive CAD-driven ideal we promised. And I am genuinely sorry about that. For some of our customers this will be a dealbreaker. In our long list of priorities, some of which I will come on to talk about, building this system is not the right one for us to focus on.

I will commit to putting immediate resource on the workshop manual to get it done. I will come back before 16<sup>th</sup> May to tell you exactly how and when.

I'm also very aware of ADAS in certain markets, most notably the US. My own Grenadier is a Model Year 23 and I enjoy not having the evolution of ADAS in my own car, but I am constantly in and out of other Grenadiers in each of the countries I visit and can attest to how much I hate the 'speed nanny' in particular. It's why I asked for it in the first instance to be programmed to the 'Favourites' button so that it could be switched off as easily as possible, and it is why in Model Year 26 (even for markets where it is law), it will have a one-touch off button on the head unit. But for those markets where it is not law, I understand the even greater frustration. And I regret not tackling it before we came to market, as it has been eminently more difficult to tackle after the fact.

For slightly later cars sold in the US, the fix is available at your dealer now (we can help you find out which generation your car is and let you know whether you're in phase 1 or phase 2).

Phase 2 is for earlier cars. These cars required a different fix, the update is currently going through testing and will be available in the next 2 months.

## 2. Parts Availability

I fully understand the frustration here as well. And fully understand that it impacts our existing customer greatly, but also as you rightly note, doesn't help new buyers get comfortable to make a buying decision. So we need to fix it.



As we have tried to get this business off the ground in the last couple of years, we have found that our priorities have been aligned with the part of the business experiencing the most pain. In the early days, that was about getting the parts into Hambach and manufacturing the car at sufficient scale to satisfy the customer order book and not delay any further than we had already. Then that pain moved to sales channels, and a quick realisation that the sales model we had set up wasn't going to be the right thing for us or our customers (more to come on that later). In the interim we were ambitiously running at launching in >50 countries and quite frankly our organisation, our systems and our processes weren't mature enough.

Aftersales is now firmly in the spotlight, helped by feedback from you and everything our customers have brought to light. But also what I see myself. Aftersales for me is all about the customer. And we have a situation where our systems are not keeping up, our network in some cases needs attention. And all I can promise you at this point is that we are on it, and we will fix it as quickly as we possibly can. To this end, we have made a lot of changes recently, in the team, how we are structured, and how some of our processes run. I appreciate that the takeaway answer here of 'it's growing pains' doesn't really much help in the short-term. But I hope you can remain patient with us for a little longer, and trust that this is top of my agenda and that you will see progress. Where we have shone the spotlight, on supply chain and manufacturing for example, we have one by one fixed the problems. We will do the same here.

And we will keep the dialogue going such that we answer some of your more detailed questions in good time.

### **Network**

It is true that some of you will be seeing local retailers close down. In some cases these locations will remain Grenadier service centres, in some cases not.

In our early markets we are more than two years in to selling. We entered into the automotive market at a time when it was in vogue to sell direct to the customer. New brands were championing this, and more established brands were seeking to transition. It seemed modern, online and state of the art.

The reality is somewhat different.

I don't believe that the 'agency model' we have in certain markets, where we pay a margin to a local dealer to hand the car over and do service & maintenance, works. I believe the person who loses most in this model is the customer.

In the US, where we adopted the dealer franchise model from day 1, it works much better.



Which is why we are changing it. In every market, targeting summer, we will be selling cars and maintaining customer relationships through a standard dealer franchise model. Working with like-minded partners who put our customers first and who want to build this brand with us, and who recognise how much effort it will take. Starting a car brand from the ground up takes a colossal effort, not just from INEOS, but from all of our retail partners as well.

This decision has led to some closures where, either our key criteria are not in place, or for one reason or another, one of the parties (us or the retailer) does not wish to continue.

But it isn't the end of the story. We will rebuild with new partners, and where there are service closures, we will take away the inconvenience for you. If that requires us to collect and drop off your vehicle for its service or any work required, that's what we will do.

### 3. Customer Service

It is my express statement to the INEOS team that what comes first in any scenario for me is the customer.

We have fallen short on that, as INEOS.

In our heads-down-in-the-detail of getting the business up and running, we have allowed some retail partners to fall short on that, and low levels of communication from INEOS has left a vacuum.

In summary, there is a lot we absolutely know we need to do better. The sheer gravity of designing and engineering a car, setting up a supply chain, manufacturing it at scale, distributing it around the world, building a team, setting up our entire IT system from scratch, finding the right partners, building a brand and awareness of it, navigating regulation in all of the countries we have launched in, now navigating trade wars. All in an extremely complex industry with an extremely complex environmental and political backdrop.

I think it's fair to say we bit off a lot more than we considered chewing!

But we are here, doing it. And day by day we get better. We are listening, and my number one focus now is to get out of the mechanics of making this business happen, and ensure that my decree to put the customer at the heart of everything we do is brought to life.



4. **And finally on communication.** This should be the easy part. We are coming up for air and I will give you my personal commitment to this.

I started the year with a plan to foster far better relationships with our dealers, to communicate often, and in detail, with them personally, and to create an air of partnership, of building this brand together. I think building a better brand for you, the customer, starts with that.

As noted at the beginning of the letter, I will make time to speak directly to your forum in the best way we can facilitate. Perhaps you and I could have a conversation first, to discuss the contents of the letter, next steps, and how best to speak personally to more customers.

I look forward to continuing the conversation. And thank you again for taking the time and the interest to make our brand a success.

Yours sincerely,

A handwritten signature in blue ink, consisting of a stylized 'L' followed by a series of loops and a long horizontal stroke.

Lynn

