

Dear Customer

Over recent months we have continued to update you on the market supply challenges that the whole car rental industry is currently facing.

There have been several varying factors that have contributed to some of the most difficult trading conditions we have ever seen. This is well described in media report link here - <https://www.bbc.co.uk/news/business-58002724> .The supply challenges are in fact worsening, and the issue may last some time.

We continue to provide an unrivalled supply chain network via our airport locations, and through Nexus for delivery and collection services, but are, like others in the market, encountering a significant lack of vehicles to fulfil the high level of demand.

Vehicle manufacturing is down to its lowest level since 1956, meaning the ability to increase fleet quickly is proving extremely challenging, and will continue to be so in the coming months.

The combined effect of Brexit, manufacturing limitations due to the continued shortage of semi-conductor chips, and the ongoing impact of COVID on sickness levels and isolation have all led to a shortage of supply versus demand across the industry. It will almost certainly lead to older vehicles being operated than is the norm, and with higher mileages. It is anticipated that this will be in the short term until fleet sizes are able to recover. In addition, we are seeing delays to servicing, maintenance and repairs which is being heavily impacted by delays in parts, supply chain distribution delays, and record levels of employment vacancies across the country.

We are asking our customers to help us with the below points, and we ask you share this with those in your business that will make bookings with Avis:

- If you are thinking of off hiring a vehicle but know you're likely to need it again shortly, do not off hire as you may not get it replaced (ask for the hire to be extended instead)
- Consider alternative travel methods for 1-2 days bookings specifically those that are one-way, as these are the hardest bookings to get confirmed
- Do not re-request a booking if the original has already been turned down
- Book in advance and where possible give as much notice as you can
- We will implement a minimum of 48 hours' notice to book a vehicle policy as a short-term interim measure
- We cannot guarantee that a vehicle booked on Friday afternoon for Monday morning can be supplied
- Booking 48 hours ahead will not guarantee a confirmed booking, but will help us to try and secure you a vehicle
- If the supplier of the vehicle is unable to fulfil a delivery, they may be able to supply a vehicle via a walk in, so please make us aware in instances where the traveller is willing to visit their local rental station and collect the vehicle in person

Avis has stores at most major UK airports, and Nexus have an extensive network of over 235 UK regional suppliers which ensures we have full visibility of the market supply challenges, and the best chance of securing an accepted booking. Please rest assured that we are doing all we can to meet your needs and that we continue to support you wherever we can.

Thank you for your continued support.

Yours sincerely,

Alan Oliver Smith General Manager and Claire Lane Head of Sales UK