

LETTER FROM THE CHAIRMAN OF THE NOMINATIONS COMMITTEE



STUART CORBYN
CHAIRMAN OF THE NOMINATIONS COMMITTEE

Dear Shareholder,

I am pleased to present the report of the Nominations Committee for 2014.

One of the main responsibilities of the Committee is to manage the ongoing refreshment of the Board whilst maintaining the necessary degree of stability and an appropriate composition throughout.

During the year, the business community has focussed on the importance of a company having an effective succession plan in place and the role of the Nominations Committee in developing such a plan. The Committee considers the question of succession at least once a year paying particular attention to the skills and experience required in future non-executive Directors given the retirements envisaged by the refreshment process.

This year we have been planning for the retirement of Robert Farnes who will be retiring after the AGM in May having served on the Board for in excess of nine years. I referred to the recruitment of his replacement in last year's report and stated the Board's aim to appoint at least one additional female Director by 2015. The recruitment process is again being led by Spencer Stuart, who were selected after a number of executive search agencies were interviewed, and they were instructed to provide a list of high-calibre candidates which took account of this objective. The recruitment process is entering its later stages and I look forward to announcing the result by the time of the AGM.

STUART A. CORBYN
CHAIRMAN OF THE NOMINATIONS COMMITTEE
26 FEBRUARY 2015

REPORT OF THE NOMINATIONS COMMITTEE

At the start of the year the Committee consisted of Robert Farnes, June de Moller and Simon Fraser under the chairmanship of Stuart Corbyn. Richard Dakin joined the Committee in July 2014 and Robert Farnes stepped down at the end of the year. All members are considered independent by the Company having no day-to-day involvement with the Company.

Roles and responsibilities

The terms of reference for the Committee are available on the Company's website.

Meetings

The Committee meets at least once a year to arrange for the annual appraisal of the Board and its Committees. Further meetings are arranged, as required, to discharge the Committee's responsibilities in connection with identifying and nominating new Board members. The Committee met four times in 2014.

Work of the Committee

During the year the Committee has carried out the following tasks:

- Led the annual appraisal of the Board, its Committees and the Chairman. The appraisal was carried out by Lintstock, an independent corporate advisory firm which provides no other services to the Group.
- Reviewed the Group's succession planning for executive and non-executive Directors and senior management.
- Initiated the recruitment process for a non-executive Director having regard to the skills and experience required of a new non-executive Director.
- Ensured that the appointed executive search agency, Spencer Stuart, was independent and had no other connections with the Group.
- Identified areas of experience that a new non-executive Director should possess in order to further strengthen the Board.
- Considered whether the Committee's recruitment procedure was adequate given the gender diversity matters raised by Lord Davies.
- Reviewed the terms of reference for the Committee.

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