

# LETTER FROM THE CHAIRMAN OF THE NOMINATIONS COMMITTEE



STUART CORBYN  
CHAIRMAN OF THE NOMINATIONS COMMITTEE

Dear Shareholder,

I am pleased to present the Nominations Committee's report for 2013.

In last year's report I noted that it was the Committee's intention to appoint a further independent non-executive Director in 2013. This was achieved in August with the appointment of Richard Dakin. The appointment followed a rigorous recruitment process initiated by Spencer Stuart, the independent executive search agency, providing the Committee with a comprehensive and diverse list of high quality candidates. The Committee reduced this to a shortlist of potential applicants and a series of interviews was undertaken which resulted in Richard being identified as the strongest candidate.

Whilst this completes a process started in 2010, the size of the Board means that there is a continuous need for refreshment. An important aspect of this process is to consider the diversity of the Board paying particular attention to its gender diversity and, as noted in the Directors' report, the Board aims to appoint at least one additional female Director by 2015. To this end the Committee will again stress the need for a diverse list of capable candidates to the executive search agency to be used in recruiting a further non-executive Director in 2014.

In planning the refreshment of the Board, the Committee also has to consider and address the need for a smooth and effective succession process at a senior level.

# REPORT OF THE NOMINATIONS COMMITTEE

At the start of the year the Committee consisted of John Ivey, Robert Farnes, June de Moller and Stephen Young under the chairmanship of Stuart Corbyn. Stephen Young left the Committee in August 2013. 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 plan and, if appropriate, carries out 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 three times in 2013.

## 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.
- Completed the recruitment process for a non-executive Director having regard to the qualities that had been identified as required at the start of the process. Subsequently the Committee made a recommendation to the Board that Richard Dakin be appointed based on his property finance and real estate experience.
- Completed the policy of change and refreshment of the Board which was commenced in 2010.
- Adjusted the size and membership of the Board Committees following the appointment of Richard Dakin in August 2013.
- 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.

STUART A. CORBYN  
CHAIRMAN OF THE NOMINATIONS COMMITTEE

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