



# 19. Nomination Committee Report

**Lord Rose**  
Nomination Committee  
Chairman

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**This report outlines the work of the Nomination Committee in reviewing Board composition and overseeing the Director recruitment process.**”

## Dear Shareholder,

I am pleased to present the report of the Nomination Committee for the financial year ended 27 November 2016.

During the year, the Nomination Committee has undertaken a number of activities, the results of which led to the Company’s announcement on 18 November 2016 concerning some changes to the Board. We appointed Emma Lloyd, with effect from 1 December 2016 and announced the resignation of Robert Gorrie with effect from the 2017 Annual General Meeting on 3 May 2017. This follows the changes to the Board made earlier in 2016, with a view to refreshing the Board composition.

This report outlines the work of the Nomination Committee in reviewing Board composition and succession plans and overseeing the Director recruitment process.

I will be available at the AGM to answer any questions about the work of the Nomination Committee.

**Lord Rose**  
Nomination Committee Chairman  
31 January 2017

## Membership and Meetings

The membership and attendance of the Nomination Committee, together with the appointment dates, are set out below.

As required under the terms of reference, the Nomination Committee has eight members, all of whom are independent Non-Executive Directors, and holds a minimum of two meetings a year.

Lord Rose Chairman	Robert Gorrie	Jörn Rausing	Ruth Anderson	Douglas McCallum	Alex Mahon	Andrew Harrison	Emma Lloyd
Nomination Committee member since 11 March 2013	Nomination Committee member since 9 March 2010	Nomination Committee member since 9 March 2010	Nomination Committee member since 9 March 2010	Nomination Committee member since 3 October 2011	Nomination Committee member since 1 June 2012	Nomination Committee member since 1 March 2016	Nomination Committee member since 1 December 2016
<b>Number of meetings: 2</b>	<b>Number of meetings: 2</b>	<b>Number of meetings: 2</b>	<b>Number of meetings: 2</b>	<b>Number of meetings: 2</b>	<b>Number of meetings: 2</b>	<b>Number of meetings: 2</b>	<b>Number of meetings: 0</b>
Number attended: 2	Number attended: 2	Number attended: 2	Number attended: 2	Number attended: 2	Number attended: 2	Number attended: 2	Number attended: 0

Lord Rose became Chairman of the Nomination Committee when David Grigson stepped down from the role on his retirement from the Board, both with effect from the 2016 annual general meeting on 4 May 2016. The composition of the Nomination Committee changed during the period with the appointment of Andrew Harrison as Non-Executive Director with effect from 1 March 2016.

Emma Lloyd became a member of the Nomination Committee on her appointment to the Board as Non-Executive Director on 1 December 2016. Emma Lloyd did not attend any meetings as her appointment was after period end.

The biography of each member of the Nomination Committee is set out in the Board of Directors section on pages 48 and 49.

Other attendees at the Nomination Committee meetings include the Chief Executive Officer and the People Director. The Deputy Company Secretary is the secretary to the Nomination Committee.

## Principal Activities of the Nomination Committee During 2016

The Nomination Committee undertook a number of activities during the period as described below.

As reported in the Company's previous annual report, the Nomination Committee had reviewed the Board's size and composition in 2015. The review of Board composition took into account various considerations including diversity, Director tenure, independence and mix of Board knowledge, skills and experience. The skills review formed part of the discussions of the Nomination Committee around the necessary skills and experience of future appointees to the Board.

This review was the precursor to the Board agreeing a number of changes to the Board in the past 12 months. The Company separately announced the appointment of Andrew Harrison as Non-Executive Director with effect from 1 March 2016 and the appointment of Emma Lloyd as Non-Executive Director with effect from 1 December 2016. During the year, the Company announced that David Grigson would retire with effect from the annual general meeting on 4 May 2016 and that Robert Gorrie will retire from the position of Non-Executive Director with effect from the AGM on 3 May 2017.

The Nomination Committee, led by the Chairman, carried out two separate recruitment processes to identify suitable candidates for both new appointments, with the support of Ridgeway Partners. Ridgeway Partners, an external and independent executive search consultant (without connections to the Company), was appointed to carry out recruitment searches, following a competitive tender process. Ridgeway Partners is an accredited firm under the Enhanced Voluntary Code of Conduct for Executive Search Firms.

Potential candidates were compiled by Ridgeway Partners based on agreed Non-Executive Director role descriptions. From this list, the Chairman compiled lists for interview. Initial interviews were conducted with the Chairman and following that, with the Chief Executive Officer and the Senior Independent Director. From this, a shortlist of candidates was compiled and these final candidates were interviewed by a number of the remaining Directors. The Nomination Committee made recommendations to the Board for the appointments. For information concerning remuneration arrangements for newly appointed Directors and retiring Directors, refer to the Directors' Remuneration Report.

As part of the Board changes, the Nomination Committee also recommended some changes to the composition of the Board committees, as outlined in the respective committee reports. The Nomination Committee recommended that Alex Mahon take up the role of Senior Independent Director with effect from 4 May 2016, upon David Grigson's retirement.

For further information on Board composition, diversity and independence, see the Statement of Corporate Governance on pages 52 and 53.

**Annual Review:** In addition to its annual performance evaluation, discussed in the Statement of Corporate Governance on page 54, the Nomination Committee carried out a review of its terms of reference during the period. The review resulted in no changes to the terms of reference.

