

Corporate Governance Report

Chairman's Introduction

As Chairman my role is to ensure that the Board contains the right balance of skills and experience to work effectively and collaboratively to create sustainable, long-term shareholder value and that we have in place strong and effective governance practices.

Good corporate governance is a key element of our business success. The Board is committed to ensuring that high standards of governance, values and behaviours are consistently applied throughout the Group. These elements are critical to business integrity and maintaining the trust of all stakeholders in Halfords.

The following Corporate Governance Report contains a summary of the Company's governance arrangements and the regulatory assurances required under the UK Corporate Governance Code 2014.

I would encourage you to attend this year's Annual General Meeting where you can meet me and my Board colleagues.

Dennis Millard
Chairman
24 May 2017



Dennis Millard
Chairman



The Board is committed to ensuring that high standards of governance, values and behaviours are consistently applied throughout the Group.

Statement of Compliance with the 2014 UK Corporate Governance Code ("Code")

Responsibility for good governance lies with the Board. The Board is accountable to shareholders and is committed to the highest standards of corporate governance as set out in the Code. The Code can be found on the Financial Reporting Council's website at www.frc.org.uk. The Board considers that throughout the period ended 31 March 2017, the Company has complied, without exception, with the provisions of the Code.

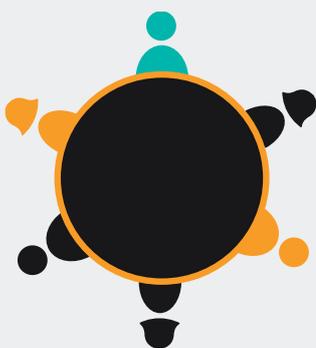
This report outlines how the Board has applied the main principles of good governance set out in the Code during the period under review.

Board Composition and Succession

As at the date of this report, the Board of Directors was made up of six members, comprising the Non-Executive Chairman, three other Non-Executive Directors and two Executive Directors. The composition of the Board is as set out on page 54 and the biographies of individual Directors, including any other business commitments, are available on pages 50 to 51.



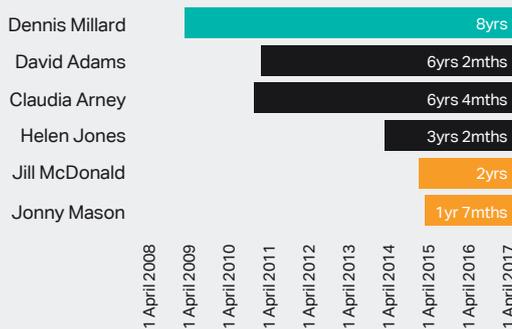
Read more online at www.halfordscompany.com/investors/governance/the-board



-  Chairman 1
-  Executive Directors 2
-  Non-Executive Directors 3

Each of the Non-Executive Directors (excluding the Chairman) is considered independent of management and free of any relationship that could materially interfere with the exercise of their independent judgement. The Chairman was considered independent upon his appointment. The Board considers that each Non-Executive Director brings their own senior level of experience, gained within their field.

Director Tenure



Succession planning for the Board is ongoing and as the Chairman, Dennis Millard, will have been in office for nine years in 2018 and so, in accordance with best practice, the intention is that he will stand down at the Annual General Meeting in July 2018. To manage this succession, in the second half of the financial year ahead the Nomination Committee will begin the process of identifying suitable candidates and recommending an appointment to the Board. Succession planning is also viewed at executive management level on an ongoing basis.

In addition, it was announced on 3 May 2017, that the Company's Chief Executive Officer, Jill McDonald, has resigned from the business to take up another role; she will remain as Chief Executive Officer until the expiry of her notice period in October 2017. The process is underway to find her replacement. As with the succession of the Chairman, this process will be led by the Nomination Committee.

Board Responsibilities

The Board is committed to ensuring that it provides leadership to the business as a whole, having regard to the interests and views of its shareholders and other stakeholders. It is also responsible for setting the Group's strategy, values and standards. Details of the Group's business model and strategy can be found on pages 12 to 17.

The roles of Chairman and Chief Executive Officer are separate and clearly defined, with the division of responsibilities set out in writing and agreed by the Board.

The Chairman is responsible for the effective leadership, operation and governance of the Board and its Committees. He ensures that all Directors contribute effectively in the development and implementation of the Company's strategy whilst ensuring that the nature and extent of the significant risks the Company is willing to embrace in the implementation of its strategy are determined and challenged.

The Chief Executive Officer is responsible for the management of the Group's business and for implementing the Group's strategy.

Further details and the definitions of the roles are available at: www.halfordscompany.com/investors/governance/division-of-responsibilities-between-the-chairman-and-chief-executive-officer

The Directors together act in the best interests of the Company via the Board and its Committees, devoting sufficient time and consideration as necessary to fulfil their duties. Each Director brings different skills, experience and knowledge to the Company, with the Non-Executive Directors additionally bringing independent thought and judgement. This combination seeks to ensure that no individual or group unduly restricts or controls decision-making.



Corporate Governance Report

Shareholders

The Chairman – Key Responsibilities

- Leads the Board including its operation and governance
- Builds an effective and complementary Board
- Sets the agenda, style and tone of Board discussions
- Facilitates and encourages active engagement in meetings, promoting effective relationships and open communication
- Ensures effective communication with shareholders and other stakeholders
- Acts as an adviser to the Chief Executive Officer
- Meets with the Non-Executive Directors without Executive Directors being present

The Halfords Board – Key Responsibilities

The Board is the principal decision-making forum for the Group, setting the strategic direction and ensuring that the Group manages risk effectively. The Board is accountable to shareholders for financial and operational performance.

See page 62 for examples of Matters Reserved for the Board. A complete list is available on the Company's website www.halfordscompany.com/investors/governance/matters-reserved-for-the-board

Chief Executive Officer

Key Responsibilities:

- Develops the Group objectives and strategy for Board approval
- Creates and recommends to the Board an annual budget and three-year financial plan
- Delivers the annual budget and plan and other objectives and executes the agreed Group strategy
- Identifies and executes new business opportunities and potential acquisitions or disposals
- Manages the Group's risk in line with the Board approved risk profile

Senior Independent Director

Key Responsibilities:

- Supports the Chairman in his role
- Holds meetings with the other Non-Executive Directors without the Chairman at least once a year to appraise the Chairman's performance
- Acts as an intermediary for the other Directors or as a sounding board for the Chairman if required
- Available to other Directors and shareholders with concerns that cannot be addressed through the normal channels

Non-Executive Directors

Key Responsibilities:

- Evaluate and appraise the performance of Executive Directors and Senior Management against agreed targets
- Participate in the development of the strategy of the Group
- Monitor the financial information, risk management and controls processes of the Group to make sure that they are sufficiently robust
- Meet regularly with senior management
- Periodically visit Halfords, Cycle Republic and Tredz and Wheelies retail stores, Autocentres outlets and distribution centres. Meet together without the Executive Directors present
- Formulate Executive Director remuneration and succession planning

Company Secretary

Key Responsibilities:

- Works closely with the Chairman, Group Chief Executive Officer and Board Committee Chairmen in setting the rolling calendar of agenda items for the meetings of the Board and its Committees
- Ensures accurate, timely and appropriate information flows within the Board, the Committees and between the Directors and senior management
- Provides advice on Board matters, legal and regulatory issues, corporate governance, Listing Rules compliance and best practice

Nomination Committee

Key Objectives:

To ensure that the Board has the skills, knowledge and experience to be effective in discharging its responsibilities and to have oversight of all governance matters.

Main Responsibilities

The Nomination Committee's responsibilities include:

- making appropriate recommendations to maintain the balance of skills and experience of the Board by:
 - considering the size, structure and composition of the Board;
 - considering senior management succession plans; and
 - identifying and making recommendations to the Board on potential candidates for the Board.

 More information on **Diversity in the Group** can be found on page 66

 Read more within the **Nomination Committee Report** on pages 70 to 71



Chair:

Dennis Millard

Members:

David Adams
 Claudia Arney
 Helen Jones
 Jill McDonald

Audit Committee

Key Objectives:

To provide effective governance over the Group's financial reporting processes. These include the internal audit function and external Auditor. The Committee maintains oversight of the Group's systems of internal control and risk management activities.

Main Responsibilities

The Audit Committee's responsibilities include:

- making recommendations to the Board on the appointment/removal of the external Auditor, the terms of engagement and fees;
- reviewing and monitoring the integrity of the Company's financial statements, including its annual and interim reports and preliminary results announcements and any other formal announcement relating to its financial performance, and then recommending the same to the Board;
- assisting the Board in achieving its obligations under the Code in areas of risk management and internal control; and
- focusing particularly on compliance with legal requirements, accounting standards and the Listing Rules.

 Read more within the **Audit Committee Report** on pages 74 to 77



Chair:

David Adams

Members:

Claudia Arney
 Helen Jones

Remuneration Committee

Key Objectives:

To ensure that a Board policy exists for the remuneration of the CEO, the Chairman, Non-Executive Directors, other Executive Directors and members of the executive management.

Main Responsibilities

The Remuneration Committee's responsibilities include:

- recommending to the Board the total individual remuneration package of Executive Directors and members of the executive management;
- recommending the design of the Company share incentive plans to the Board, approving any awards to Executive Directors and other executive managers under those plans and defining any performance conditions attached to those awards;
- determining the Chairman's fee, following a proposal from the CEO; and
- maintaining an active dialogue with institutional investors and shareholder representatives.

 Read more within the **Remuneration Committee Report** on pages 78 to 97



Chair:

Claudia Arney

Members:

David Adams
 Dennis Millard
 Helen Jones

The Nomination, Audit and Remuneration Committees' full Terms of Reference are available on the Company's website www.halfordscompany.com/investors/governance/our-committees or on request from the Company Secretary.

Corporate Governance Report

Board Responsibilities

The key responsibilities of Board members are set out in the chart on page 60.

A formal schedule of matters reserved for the Board is in place and regularly reviewed.

 This is available at www.halfordscompany.com/investors/governance/matters-reserved-for-the-board

To discharge these responsibilities effectively, the Board has additionally implemented a system of delegated authorities, which is described on page 62. This enables the effective day-to-day operation of the business and ensures that significant matters are brought to the attention of management and the Board as appropriate. It is through this system that the Board is able to provide oversight and direction to the Executive Directors, the Senior Management Team and the wider business.

Matters Reserved for the Board include: Authority; Strategy and Management; Structure and Capital; Investor Relations; Audit, Financial Reporting and Controls; Nominations to the Board; Executive Remuneration and material contracts.

THE BOARD

Key Matters Reserved for Board Approval

Group Strategy and Risk Management

- approval of the Group's Strategy and Business Plan;
- approval of changes to capital structure;
- approval of acquisitions or disposals;
- approval of any decisions to cease to operate all or any material part of the Group's business; and
- approval of extension of activities into new businesses or geographical areas.

Financial and Internal Controls

- oversight of risk management and internal control framework;
- approval of budgets;
- approval of financial statements and results announcements;
- approval of shareholder communications, circulars and Notices of Meetings;
- approval of the Auditor's remuneration and terms of engagement;

- recommendation and declaration of dividends;
- approval of major capital expenditure projects; and
- approval of material contracts.

Board Membership and Committees

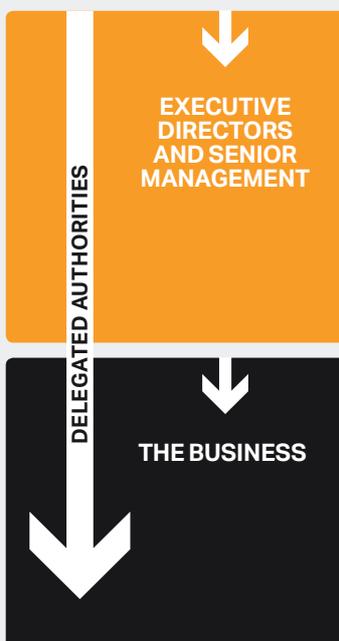
- appointment of Directors;
- approval of the fees of the Non-Executive Directors; and
- setting of Board Committees' Terms of Reference.

Corporate Governance

- undertaking formal performance reviews of the Board, Committees and individual Directors;
- determining the independence of Directors; and
- receiving reports on Group policies, such as health and safety, risk management strategy, the CSR Strategy and charitable and political donations.

 Read more about the remit of each Committee on page 61

 See Committee Terms of Reference at www.halfordscompany.com/investors/governance/our-committees



'How We Do Business' is the internal name of the formal delegated authorities document approved by the Board. It describes how day-to-day decisions are delegated to the Executive Directors, the Senior Management Team and others within the business. Briefing sessions were held for all relevant Support Centre and Operating colleagues upon launch. Each potential activity is set out by reference from whom approval must be sought and the process and documentation required to evidence that approval. Where an activity is not expressly described within How We Do Business, approval must be sought from the Senior Management Team, who will apply the principles of How We Do Business to the decision. The implementation of the document is constantly monitored, with updates proposed to the Board to reflect changing practices or structures. Amendments are made to improve the efficiency and governance across the business.

Board Meetings and Attendance

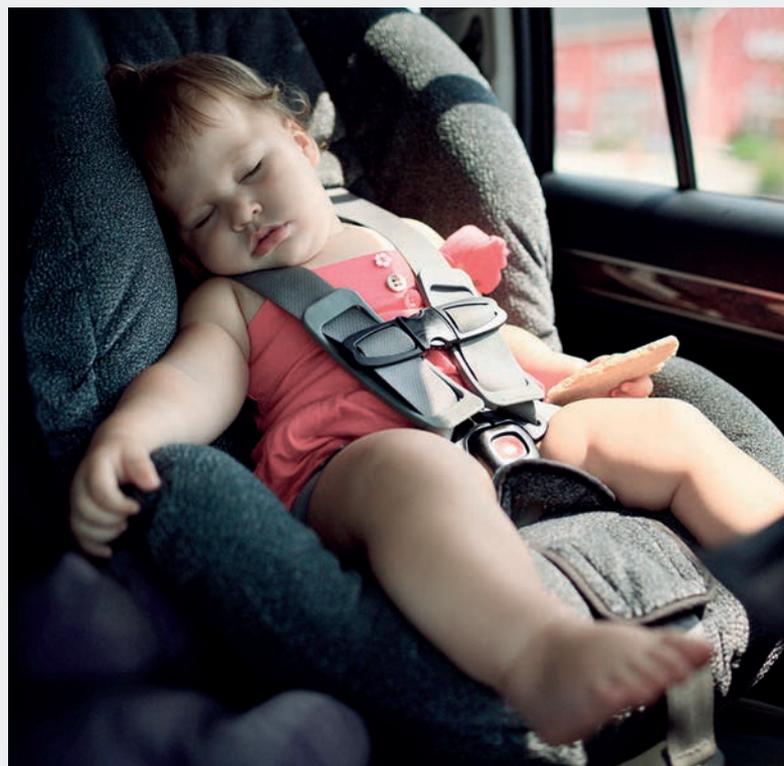
Board Member	Board Meetings Scheduled: 10	Audit Committee Meetings Scheduled: 3	Remuneration Committee Meetings Scheduled: 5	Nomination Committee Meetings Scheduled: 2
Executive Directors				
Jill McDonald	10 / 10	n/a	n/a	2 / 2
Jonny Mason	10 / 10	n/a	n/a	n/a
Non-Executive Directors				
Dennis Millard	10 / 10	n/a	5 / 5	2 / 2
David Adams	10 / 10	3 / 3	5 / 5	2 / 2
Claudia Arney	10 / 10	3 / 3	5 / 5	2 / 2
Helen Jones	10 / 10	3 / 3	5 / 5	2 / 2

- Number of meetings attended by the individual
- Number of meetings available to the individual

The table above shows the attendance of Directors at the meetings of the Board and of the Audit, Remuneration and Nomination Committees during the year ended 31 March 2017.

Other members of the Senior Management Team and advisors attended Board meetings by invitation as appropriate throughout the year. The Board also held a two-day Strategy meeting during the period.

At each Board meeting, the Chief Executive Officer delivers a high level update on the business, the Board considers specific reports, reviews business and financial performance, key initiatives, risks and governance. In addition, throughout the year the Senior Management Team and other colleagues deliver presentations to the Board on proposed initiatives and progress on projects.



Corporate Governance Report

KEY BOARD DISCUSSIONS AND ACTIONS DURING THE PERIOD



- Review of trading performance
- Review of FY16 results and key messages
- Review of a potential acquisition opportunity
- Discussion on summer activity plan and new brand guidelines
- Capital structure update
- Review of Directors' Appointments and Conflicts of Interests Register
- Discussion of logistics network infrastructure
- Review and approval of Budget for FY17



- Review of trading performance
- Consideration of potential acquisition opportunity
- Discussion on capital return options
- Review and approval of Document Retention Policy
- Review and approval of Ethical Trading Statement
- Discussion on brand and brand strategy



- Review of trading performance
- Review of the Group's annual colleague engagement survey
- Review of third distribution centre site
- Review of Cycle Republic brand
- Discussion on Store of the Future
- Further discussion on potential acquisition opportunity
- Approval of debt target and capital returns
- Review of the preliminary results announcement
- Final review of the FY16 Annual Report and Financial Officer Statements
- Approval to recommend the FY16 final dividend
- Review of Board Evaluation results
- Approval of Directors' Appointment and Conflicts of Interest Register
- Approval of Risk Register
- Approval of Notice of Meeting for FY16 AGM



- Review of trading performance
- Approval of special dividend
- Review of customer strategy
- Update on digital business
- Peak trading review
- Consideration of 5 Year Plan
- Discussion on developments for FY18
- Status of budget for FY18
- Update and approval for software programme



- Review of trading performance
- Review of Cycle Republic brand
- Review of Store of the Future
- Review of potential corporate activity
- Approval of role of Chairman, role of Chief Executive Officer and role of Senior Independent Director
- Discussion post Brexit vote



- Review of trading performance
- Update on IT strategy
- Update on Halfords Global Sourcing
- Update on logistics network
- Health and Safety review and update
- Review of FY18 budget
- Update of 5 Year Plan
- Group Treasury review
- Review of bank debt facility
- Review and approval of Diversity Policy
- Review and approval of Environmental Policy
- Review and approval of Matters Reserved for the Board
- Proposal on the re-election of Directors at the FY17 AGM
- Review of draft reports for inclusion in the FY17 Annual Report and Financial Statements



- Review of trading performance
- Review of Investor Survey
- Approval of Group's Delegated Authorities
- Review and approval of Halfords' Anti-Slavery and Human Trafficking Statement
- Review and approval of Sanctions Policy



- Review of trading performance
- Discussion on forecast for FY17 Quarter 2
- First look at FY18 and 5 Year Plan
- Review of draft interim results announcement and proposed messaging
- Approval of interim dividend and dividend policy

Board Committees

The Board's principal Committees are the Audit Committee, the Nomination Committee and the Remuneration Committee, as detailed in the chart on page 61. In December 2015, the Board established a Corporate Social Responsibility ("CSR") Committee, comprising Directors and senior management and chaired by a Non-Executive Director. Each Committee has its Terms of Reference approved and regularly reviewed by the Board. The Terms of Reference for the Committees are available on www.halfordscompany.com/investors/governance. On the following pages each Committee Chairman reports how the Committee he/she chairs discharged its responsibilities in FY17 and the material matters that were considered.

Following each meeting of a Committee, the Committee Chairman reports to the Board. Whilst not entitled to attend, other Directors, professional advisors and members of senior management attend when invited to do so. The Auditor attends Audit Committee meetings by invitation. No person is present at Nomination Committee or Remuneration Committee during discussions pertinent to them. The Company Secretary acts as the secretary to each Committee.

A Disclosure Committee, made up of a minimum of two Directors, approves the final wording of market announcements prior to release. There were six Disclosure Committee meetings during the period.

The day-to-day investment decisions of the Group are approved by an Investment Committee, chaired by the Chief Financial Officer. Similarly, the treasury needs of the Group are managed by the Treasury Committee, chaired by the Chief Financial Officer; the other members are senior members of the Finance and Treasury teams.

The Board may establish other ad hoc committees of the Board to consider specific issues from time to time. No such committees were formed during the year.

Concerns

The Chairman seeks to resolve any concerns raised by the Board, whether raised in a Board meeting or in another forum. Where raised and unresolved in a Board meeting, the unresolved business can be recorded on behalf of a Director in the minutes of the relevant meeting. A resigning Non-Executive Director would also be able to raise any concerns in a written letter to the Chairman, who would bring such concerns to the attention of the Board. No such concerns have been raised throughout the period.

Independence and Effectiveness

Following a rigorous review, the Board considers David Adams, Claudia Arney and Helen Jones to be independent in character and judgement in accordance with the requirements of the Code. The Chairman, Dennis Millard, was considered independent on his appointment.

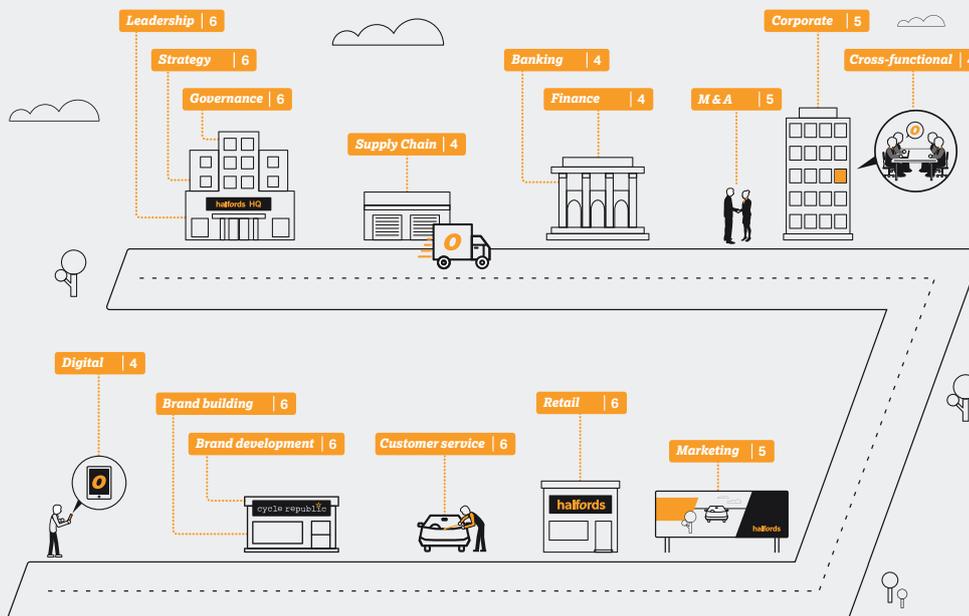
In compliance with the requirements of the Code, at least half of the Board, excluding the Chairman, are deemed to be independent. During the period, of the five Directors other than the Chairman, three (i.e. 60% of the Board) were independent.

The independent Non-Executive Directors bring a wide range of experience and expertise to the Group's affairs and carry significant weight in the Board's decisions. The independent Non-Executive Directors are encouraged to challenge management and help develop proposals on strategy.

Skills and Experience of the Board

Delivering the journey

The below graphic illustrates the number of Directors on the Board who have the relevant skills and experience.



Individual Directors may fall into one or more categories. Represents the Board at the close of the period.

Corporate Governance Report

Diversity

During the year, the Board renewed the Group's Diversity Policy (the "Policy") which sets out our commitment to eliminating unlawful discrimination and promoting equality of opportunity. The Policy is applied to the Board and it is considered that the background and experience brought to the Board by each individual demonstrates the Board's diversity and commitment to its Diversity Policy. The principle that candidates are considered "on merit and against objective criteria, and with due regard for the benefits of diversity on the Board, including gender" is established in the Terms of Reference of the Nomination Committee.

No fixed quota is applied to decisions regarding recruitment, rather the Nomination Committee considers capability and capacity to commit the necessary time to the role in its recommendations to the Board. The intention is to ensure the appointment of the most suitably qualified candidate to complement and balance the current skills, knowledge and experience on the Board. Those appointed are deemed to be the best able to help lead the Company in its long-term strategy. At Halfords half of the Board is female. The chart below demonstrates the gender split at Board level, within senior management and across the workforce as a whole.

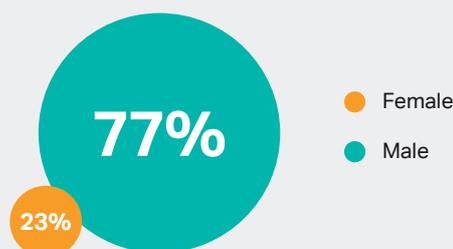
Board Level



Senior Management Level



All Colleagues



The Board is well placed by the mixture of skills, experience and knowledge of its Directors to act in the best interests of the Company and its shareholders.

Appointments to the Board

There were no appointments to the Board during the year.

Directors' Induction

When new Directors are appointed they receive a personalised induction programme, tailored to their individual requirements, to include briefings on the activities of the Group and visits to operational sites. They also meet all of the Company's other Directors and senior executives. This facilitates their understanding of the Group and the key drivers of the business' performance.

Training and Development

All current Directors have various opportunities for ongoing development and support via:

- a programme of Support Centre, distribution centre, Halfords, Cycle Republic and Tredz and Wheelies retail stores and Autocentres outlet visits;
- reviews with the Chairman to identify any training and development needs;
- advice on governance, relevant legislative changes affecting the business or their duties as Directors from the Company Secretary;
- access to independent professional advice at the Company's expense; and
- membership of the Deloitte Academy, a training and guidance resource for boards and directors.

Evaluation

The Code recommends that an evaluation of the effectiveness of the Board and its Committees is conducted annually and that this process is facilitated externally at least every third year. This year the evaluation process was carried out internally for the second year. The last external review was undertaken by Linstock in 2015.

The evaluation was internally facilitated by the Company Secretary where each Director was required to respond to a questionnaire devised by the Company Secretary and agreed with the Chairman. The evaluation was based on a number of key areas:

- Board composition, role, skills, diversity, balance, experience and effectiveness;
- Board leadership and culture;
- developing the Company's strategy and its implementation;
- Board and Committee agendas, papers and resource;
- monitoring of Company performance;
- risk management;
- governance, regulatory compliance and support;
- committee performance;
- individual Director effectiveness; and
- succession planning and training issues.

The Directors' individual responses were collated and evaluated. The Chairman considered the results of the performance evaluation report which were discussed with the Board.

Overall, the Board is considered strong, bringing a good balance and mix of experience and diversity. Board Committees were all considered to work well and to be effective in meeting the requirements of the Terms of Reference.

Following the review, the most significant actions to be taken as a result of the assessment are set out below:

- improved succession planning;
- more corporate governance updates;
- improved focus on Board Strategy Day; and
- ensuring continuation of the NED programme.

It is expected that the Board evaluation for FY18 will be facilitated externally.

Re-election

In compliance with the Code and the Company's Articles of Association, all Directors on the Board as at 24 May 2017, will seek re-election at the Company's Annual General Meeting.

Directors and their Other Interests

Each Director is required to notify the Company of any situation in which he or she has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (a situational conflict). None was notified during the period.

All Directors are aware of the need to consult with the Company Secretary should any possible situational conflict arise, so that prior consideration can be given by the Board as to whether or not such conflict will be approved.

Details of the Directors' service contracts, emoluments, the interests of the Directors and their immediate families in the share capital of the Company and options to subscribe for shares in the Company are shown in the Directors' Remuneration Report on pages 89 to 97.

Internal Control and Risk Management

Overall responsibility for the system of internal control and reviewing its effectiveness rests with the Board. This involves ensuring that there is a process to identify, evaluate and manage any significant risks that may affect the achievement of the Group's strategic objectives.

The Board has conducted an annual review of the effectiveness of the systems of internal control during the year, under the auspices of the Audit Committee. The Audit Committee provides the Board with an independent assessment of the Group's financial position, accounting affairs and control systems. In addition, the Board receives regular reports on how specific risks that are assessed as material to the Group are being managed. For further information on the Company's compliance with the Code provisions relating to the Audit Committee and Auditor please refer to pages 74 to 77.

The risk management and internal control system is designed to manage, rather than eliminate, the risk of failing to achieve business objectives and can provide only reasonable, and not absolute, assurance against material misstatement or loss. The Board's policy on internal control is implemented by management through a clearly defined operating structure with lines of responsibility and delegated authority.

An ongoing process for identifying, evaluating and managing the significant risks faced by the Group and assessing the effectiveness of related controls has been established by the Board to ensure an acceptable risk/reward profile across the Group. The Group's corporate risk register is maintained by the Head of Internal Audit and Risk. It records key risks, with impact and likelihood assessments, mitigations and ongoing developments. It is updated regularly, following structured interviews with managers and executives across the Group. The accuracy of the register is validated through a rolling programme of independent internal audits. The register is scrutinised in detail annually by the Audit Committee. Any material change in the register is flagged to the Audit Committee by the Head of Internal Audit and Risk within his regular internal audit progress report. The process has been in place throughout the period ended 31 March 2017, and up to the date of approving the Annual Report and Financial Statements.

Our process for identifying, evaluating and managing the significant risks faced by the Group and assessing the effectiveness of related controls routinely identifies areas for improvement, but the Board has neither identified nor been advised of any failings or weaknesses that it has determined to be material or significant.

The Board considered its appetite in relation to the Group's top risks, determining that the risks and mitigating actions were appropriate to the level of risk that was both acceptable to, and incumbent within, a listed business. More information on the Company's key risks and uncertainties, and its risk assessment methodology, is shown on pages 42 to 47.

Corporate Governance Report

Shareholder Engagement

The Board is committed to effective communications with its shareholders and, accordingly, has a strong Investor Relations (“IR”) programme that seeks to actively engage with shareholders.

This programme includes formal presentations of full year and interim results. These presentations, along with the Annual Report and Accounts, are the primary means of communication during the year with all of the Company’s shareholders. Additionally, the Chief

Executive Officer, Chief Financial Officer and IR Director have met with analysts and institutional shareholders during the period to keep them informed of significant developments and help maintain a balanced understanding of their issues and concerns. The IR Director and Company Secretary bring to the attention of the Board any material matters of concern raised by the Company’s shareholders, including private investors.

KEY THEMES DISCUSSED WITH SHAREHOLDERS IN FY17

- Progress in the execution of the *Moving Up A Gear* strategy;
- The dynamics of the Motoring and Cycling markets, including the growth prospects, competitive environment and future trends;
- The impact of foreign exchange volatility following the EU referendum;
- Gross and operating margin performance;
- Discussion and formulation of the new Directors’ Remuneration Policy; and
- Capital allocation priorities. In particular, the trends and preferences surrounding internal investment, M&A and returns to shareholders.

The Chairman is responsible for ensuring that appropriate channels of communication are established between Directors and shareholders and that all Directors are aware of any issues or concerns that major shareholders may have. Regular engagement provides investors with an opportunity to discuss any areas of interest and raise concerns. The Group is eager to make sure that it understands shareholders’ views and that it is able to effectively communicate its strategy. The Group engages effectively through its regular communications, the Annual General Meeting and other IR activity. In addition, the Board commissions independent investor perception studies from time to time. The last such survey was undertaken in June and July 2016, with the results fed back to the Board in September 2016.

IR PROGRAMME

The Group has a comprehensive IR programme through which the Chief Executive Officer, Chief Financial Officer and IR Director regularly engage with the Company’s largest shareholders on a one-to-one basis, to discuss strategic issues and give presentations on the Group’s results. Further communication is achieved through the Annual Report and Accounts, corporate website and investor days.

- Annual Report and Accounts – this is the most significant communication tool, ensuring that investors are kept fully informed regarding Group developments. Management continually strives to produce a clear and transparent Annual Report and Accounts, which provides a complete picture;
- The corporate website – provides investors with timely information on the Group’s performance as well as details of corporate social responsibility activities;
- Management roadshow – allows key investors to access management, usually attended by the Chief Executive Officer, Chief Financial Officer and IR Director;
- Attending broker conferences – Management regularly attend and present at various conferences hosted by a variety of brokers to ensure a wide variety of shareholders, including those from different geographies, also have access to management; and
- Responding promptly – the Group is committed to responding to any investor-related queries within a short time frame.

IR calendar for FY18

	FY17 Preliminary results		FY18 20 week trading update
	UK management roadshow		FY18 Interim results, UK management roadshow
	AGM		FY18 Q3 trading statement

The primary method of communication with shareholders is by electronic means, helping to make the Company more environmentally friendly. Information available on the Company's website includes current and historic copies of the Annual Report and Accounts, full and half-year financial statements, market announcements, corporate governance information, the Terms of Reference for the Audit, Nomination and Remuneration Committees and the Matters Reserved for the Board.

The Annual General Meeting gives all shareholders the opportunity to communicate directly with the Board and their participation is welcomed. The Chairmen of the Remuneration, Nomination, Audit and CSR Committees will be present at the AGM and will be in a position to answer questions relevant to the work of those Committees. It is the Company's practice to propose separate resolutions on each substantial issue at the Annual General Meeting. The Chairman will advise shareholders on the proxy voting details at the meeting.

By order of the Board

Tim O'Gorman
 Company Secretary
 24 May 2017

