

Nomination Committee Report

Keith Williams

Chair of the Nomination Committee



The Committee's key objective is to ensure that the Board comprises individuals with the necessary skills, knowledge, experience and diversity to ensure that the Board is effective in discharging its responsibilities.



Chair's Letter

The Committee's role is to:

- review the size, structure and composition of the Board;
- consider succession planning; and
- identify and make recommendations on potential candidates to join the Board.

The Committee's key objective is to ensure that the Board comprises individuals with the necessary skills, knowledge, experience and diversity to ensure that the Board is effective in discharging its responsibilities. During the year, the Committee oversaw the process for the appointment of: the Group's new Chief Financial Officer, Loraine Woodhouse; the new Non-Executive Director, Jill Caseberry, who is also the Chair of the Remuneration Committee; and my appointment as Chairman.

Keith Williams

Chair of the Nomination Committee



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Nomination Committee meetings held

Committee Composition

During the year, the Committee comprised:

Keith Williams
(Chair – appointed 24 July 2018)
David Adams
Helen Jones
Jill Caseberry (appointed 1 March 2019)
Dennis Millard (Chair – resigned 24 July 2018)
Claudia Arney (resigned 1 March 2019)

Two scheduled Committee meetings were held during the year, and were attended by all members. In addition, a further three unscheduled meetings were held to approve the Terms of Reference for the appointments of Keith Williams as Chairman, Loraine Woodhouse as Chief Financial Officer and Jill Caseberry as a Non-Executive Director. After each Committee meeting, I, and prior to my appointment, my predecessor Dennis Millard, reported to the Board on the key issues that we had discussed. A number of informal discussions, particularly relating to the appointment of the new Board members, were also held with the Committee members throughout the year when the need arose.

Activities During the Year

During the year, the Committee's main focus was on the search for a new Chief Financial Officer and a new Non-Executive Director and Chair of the Remuneration Committee.

During the year, the Committee also:

- considered the Terms of Reference regarding the appointments and roles of the new Chief Financial Officer and the new Non-Executive Director and Chair of the Remuneration Committee;

2018/19 Key Achievements

- Identifying and appointing Loraine Woodhouse as a new Chief Financial Officer; and
- Identifying and appointing Jill Caseberry as a new Non-Executive Director and Chair of the Remuneration Committee

Areas of Focus in 2019/20

- to assist the management team in developing its relationship with the Board and business; and
- appraisal of the Board's own performance through independent assessment.

- reviewed the composition of the Board and its succession plan;
- carried out an annual review of the Committee's Terms of Reference;
- recommended re-election of the Board at the forthcoming Annual General Meeting; and
- reviewed the results of the Board performance evaluation process.

Board Appointments

As detailed in the FY18 Annual Report, I was appointed Chairman of the Company with effect from 24 July 2018. The search for a Chief Financial Officer was concluded in July 2018 with the announcement confirming the appointment of Loraine Woodhouse with effect from 1 November 2018. Loraine replaced Jonny Mason who resigned on 31 July 2018, following the announcement on 27 March 2018. Odgers Berndtson were appointed as advisors to the Committee in the search for these external candidates. The Committee also considered and appointed Katrina Jamieson as Interim Chief Financial Officer with effect from July 2018 until Loraine Woodhouse joined the Company in November 2018.

On 1 March 2019, Claudia Arney's term of appointment came to an end and she stepped down from the Board on that day. The search for a Non-Executive Director and Chair of the Remuneration Committee was concluded in February 2019 with the announcement of the appointment of Jill Caseberry with effect from 1 March 2019. Odgers Berndston were appointed as advisors to the Committee in the search for external candidates.

In both instances, the process was led by myself, as Chairman, together with the Committee. Odgers Berndston do not have any other connection with the Company.

Diversity

The Group's Diversity Policy ("Diversity Policy") sets out our commitment to eliminate discrimination and to encourage diversity and equality across the Board of Directors and amongst all our colleagues, irrespective of their gender, race, ethnic origin, disability, age, nationality, national origin, sexual orientation, gender reassignment, marital or civil partnership status, pregnancy or maternity, religion, beliefs and social class. The Board has not considered it necessary to set a formal target for including diversity on the Board because half of our Board is female and we are in excess of the recommended target published by the November 2017 Hampton-Alexander Review. Our Diversity Policy applies to all our activities, including our role as an employer and as a provider of services, ensuring that no colleague, potential colleague, customer, visitor or contractor will receive less favourable treatment on the grounds of gender, race, ethnic origin, disability, age, nationality, national origin, sexual orientation, gender reassignment, marital or civil partnership status, pregnancy or maternity, religion, beliefs and social class. The Company does not currently publish specific diversity targets but in practice, we have created a more balanced and diverse Board and Executive Team. We continue to work to monitor these issues across the entire business, in particular in relation to gender diversity.

Further information regarding Board diversity can be found on page 81.

Looking Ahead

The Committee will continue to assess the Board and Executive Management Team composition and how they both may be enhanced.

Keith Williams

Chair of the Nomination Committee
21 May 2019



The Terms of Reference for the Committees are available at www.halfordscompany.com/governance

Board appointment process

1

- Identify and appoint external search consultancy; and
- Identify and approach suitable candidates.

2

- Interview suitable candidates;
- Make a formal offer; and
- Consider the requirements of the Terms of Reference in relation to the appointment.

3

- Announce appointment; and
- Commence induction programme

