

23 November 2017

RESPONSE TO AGM 2017 VOTE AND INVESTMENT ASSOCIATION PUBLIC REGISTER

The Investment Association is establishing a public register of listed companies who receive shareholder opposition of more than 20% on any resolution. At our Annual General Meeting (AGM) on 9 May 2017 the re-election of Hugh Scott-Barrett as a Director of the Company received a vote against of 22.62%. Hugh subsequently stepped down as Chief Executive and became Non-Executive Chairman on 13 June 2017 in line with the plan announced on 8 February 2017 and referenced in the Notice of the AGM.

In our 2016 Annual Report the following commentary was provided:

While fully cognisant of the UK Code of Corporate Governance recommendations, it was the unanimous conclusion of the Nominations Committee that in the specific circumstances, Hugh Scott-Barrett was the most appropriate candidate for the role of non-executive Chairman. The Committee and wider Board considered that the need for experience and continuity at the current stage of the Company's development combined with Hugh's important relationships and excellent attributes for the position mean his appointment will be strongly in the interests of the Company and its shareholders. Tony Hales, who led the process as Senior Independent Director, also conducted a consultation with major shareholders prior to the Board approving the appointments and this continued subsequent to the announcement. From this process the Board noted the governance points raised by some shareholders and the requirement for the SID to ensure, on behalf of the Board, the constructive and appropriate relationship between Chairman and CEO. Reflecting this during the first year of the new arrangements the SID will meet at least quarterly with both individuals and report back to the Board as appropriate. Thereafter such meetings will be as required but at least twice per annum. The Board will keep succession planning for the Chairman role under regular review and will consult with key shareholders annually.

A further update is now provided as follows:

Tony Hales as Senior Independent Director (SID) is maintaining an ongoing dialogue with major shareholders and, as previously committed, is routinely meeting separately with the Chair and Chief Executive. Tony and the rest of the Board, to whom Tony has reported to on the process, are satisfied the relationship is working appropriately and effectively for the benefit of the Company and its shareholders. Tony will undertake a further wider consultation with shareholders in advance of the 2018 AGM.

For further information contact:

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