Statement of Corporate Governance

Introduction
The following sections explain how the Company applies the main principles set out in the UK Corporate Governance Code, September 2012 issued by the Financial Reporting Council (the “2012 Code”), as required by the Listing Rules of the Financial Conduct Authority and meets the relevant information provisions of the Disclosure and Transparency Rules of the Financial Conduct Authority.

This Statement of corporate governance covers the following areas:

- the structure and role of the Board and its committees;
- the Board’s effectiveness;
- relations with the Company’s shareholders and the AGM; and
- the reports of the Nomination Committee and the Audit Committee.

The report of the Remuneration Committee is set out separately in the Directors’ remuneration report on page 73 to 75.

The Group’s risk management and internal control framework and the Group’s principal risks and uncertainties are described on pages 44 to 47. These sections form part of this Statement of corporate governance. The Directors’ report on pages 108 to 113 also contains information required to be included in this Statement of corporate governance.

Compliance with the 2012 Code
The Company has complied with the principles and provisions of the 2012 Code except where it has explained otherwise together with the reasons for, and period of, non compliance. The Company aims to explain how its practices are consistent with the principle to which the particular provision relates, contribute to good governance and promote delivery of business objectives.

This separate Statement of corporate governance forms part of the Directors’ report and accordingly is approved by the Board and signed on behalf of the Board by its Legal and Business Affairs Director. Certain parts of this Statement of corporate governance have been reviewed by the Company’s auditors, PwC, for compliance with the 2012 Code, to the extent required.

Further information on the 2012 Code can be found at www.frc.org.uk.

Governance structure
The structure and business of the Board is designed to ensure that the Board focuses on strategy, monitoring the performance of the Group, governance and risk and control issues.

The Board’s role
The Board is collectively responsible for the long-term success of the Company. Subject to the Articles, the Companies Act and any directions given by special resolution, the business of the Company will be managed by the Board who may exercise all of the powers of the Company. The Board’s main responsibilities and the key actions carried out during the period are set out below. The Board delegates certain matters to the Board Committees, and delegates the detailed implementation of matters approved by the Board and the day-to-day operational aspects of the business to the Executive Directors.
Annual strategy meeting devoted to reviewing and agreeing the Group’s strategic direction and regular Board updates.

Discussing risk management and internal control processes and reviewing key risk areas.

Approving the annual budget, the business plan for the Group and individual capital expenditure projects in respect of CFC1, CFC2 and new spokes.

Specific actions during period

Receiving reports from senior management on trading, business performance, financing and key operational projects.

Reviewing and approving the Group’s regulatory results announcements and annual report.

Receiving reports on and discussing the Group’s marketing and commercial initiatives.

Discussing management succession plans and Board composition.

Approving the new Chairman Designate.

Approving of corporate governance arrangements and policies.

Visiting CFC2 to assist in understanding the operational issues the business faces.

Delegated to

Executive Directors
Review operational performance and execute strategic decisions approved by the Board. Implement projects and monitors operations.

Board Committees
- Audit Committee
- Remuneration Committee
- Nomination Committee

See page 59 for details on the Board’s Committees.

Treasury Committee
Oversees the treasury policy concerning the Group’s cash and deposits, investments, foreign exchange and applicable interest rates.

Risk Committee
Oversees risk control processes and risk analysis as part of normal business decision-making.

IT Security Committee
Monitors the Group’s IT security measures.
Board Committees

Certain aspects of the Board’s responsibilities have been delegated to appropriate committees to ensure compliance with the regulatory requirements including the Companies Act, the Listing Rules and the 2012 Code. The chairman of each committee provides a report or update of each meeting of the respective committee to the Board at the subsequent Board meeting.

A summary of the terms of reference of each Board committee is set out in the table below. The full terms of reference are available on the Company’s corporate website (www.ocadogroup.com) and reports by each committee are given on pages specified in the below table:

<table>
<thead>
<tr>
<th>Committee</th>
<th>Role and terms of reference</th>
<th>Membership required under the terms of reference</th>
<th>Minimum number of meetings per year</th>
<th>Committee report on pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>Reviews and reports to the Board on the Group’s financial reporting, internal control and risk management systems, the independence and effectiveness of the auditors and monitors the need for an internal audit function. Makes recommendations to the Board for a resolution to be put to shareholders of the Company in relation to the appointment and remuneration of the external auditors.</td>
<td>At least three members. All members should be independent Non-Executive Directors.</td>
<td>Three</td>
<td>66 – 69</td>
</tr>
<tr>
<td>Remuneration</td>
<td>Determines the remuneration, bonuses, long-term incentive arrangements, contract terms and other benefits in respect of the Executive Directors, the Chairman and the Company Secretary.</td>
<td>At least three members. All members should be independent Non-Executive Directors.</td>
<td>Two</td>
<td>72 – 75</td>
</tr>
<tr>
<td>Nomination</td>
<td>Undertakes an annual review of succession planning and ensures that the membership and composition of the Board, including the balance of skills, remains appropriate. Makes recommendations for the membership of the Board, Audit Committee and the Remuneration Committee.</td>
<td>All Non-Executive Directors. Minimum of three members. A majority of the members should be independent Non-Executive Directors.</td>
<td>Two</td>
<td>70 – 71</td>
</tr>
</tbody>
</table>
Statement of Corporate Governance  

**Division of Director responsibilities**

The primary responsibilities of the Chief Executive Officer, the Chairman, the Senior Independent Director, the Company Secretary and the Non-Executive Directors are set out in writing and provide a system of checks and balances in which no individual has unfettered decision-making power.

**CHAIRMAN**

Sir Stuart Rose joined the Board on 11 March 2013 as an independent Non-Executive Director and Chairman Designate and succeeded Lord Grade as Chairman at the annual general meeting on 10 May 2013. Sir Stuart is responsible for:
- the leadership of the Board;
- ensuring the Board’s effectiveness; and
- influencing the direction of the Board’s agenda.

**NON-EXECUTIVE DIRECTORS**

The Chairman and the Non-Executive Directors bring wide and varied commercial experience to the Board’s and the committees’ deliberations. All Directors are encouraged to challenge and bring independent judgement to bear on all matters, whether strategic or operational. Each Non-Executive Director’s letter of appointment to the Board sets out clearly the expected time commitment from them to the Company.

**CHIEF EXECUTIVE OFFICER**

Tim Steiner is the Company’s Chief Executive Officer. Tim is responsible for:
- day-to-day management of the Group;
- operations and results of the Group;
- executing the strategy once agreed by the Board; and
- making proposals to the Board for the strategic development of the Group.

**SENIOR INDEPENDENT DIRECTOR**

David Grigson, who joined the Board as an independent Non-Executive Director in February 2010, is the Board’s Senior Independent Director. David’s role involves:
- providing a sounding board for the Chairman;
- serving as an intermediary for the other Directors when necessary; and
- being available to shareholders to assist in resolving any concerns of such shareholders.

**COMPANY SECRETARY**

The Board is assisted by the Company Secretary (who is also the Legal and Business Affairs Director), Neill Abrams. All Directors have access to the advice and services of the Company Secretary.

The Company Secretary is responsible for:
- ensuring that the Board procedures are followed;
- governance matters; and
- ensuring good information flows within the Board and its committees.

The appointment and removal of the Company Secretary is one of the matters reserved for the Board.

**Current Board composition**

The names and details of the current (as at the date of this Annual Report) Directors on the Board are set out in the Board of Directors section on pages 54 to 55. As at the date of this Annual Report, the Board comprises 12 members, including the Chairman, five Executive Directors and six Non-Executive Directors.

**Board changes**

There were a number of changes to the Board since the prior period, set out in chronological order in the following table:

<table>
<thead>
<tr>
<th>Director</th>
<th>Position</th>
<th>Date of Appointment</th>
<th>Date of Resignation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wendy Becker</td>
<td>Non-Executive</td>
<td>—</td>
<td>21/01/2013</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sir Stuart Rose</td>
<td>Non-Executive</td>
<td>11/03/2013</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lord Grade</td>
<td>Chairman</td>
<td>—</td>
<td>10/05/2013</td>
</tr>
<tr>
<td>Sir Stuart Rose</td>
<td>Chairman</td>
<td>10/05/2013</td>
<td>—</td>
</tr>
</tbody>
</table>

In addition to the above effective changes, Jason Gissing, co-founder and Commercial Director, will retire from the Board at the Annual General Meeting of the Company to be held on 7 May 2014.
External Board appointments

There have been a number of changes to the Directors’ external appointments as set out in the table below. The Chairman and the Board are kept informed by each Director of any proposed external appointments or other significant commitments as they arise. Each Director’s biographical details and significant time commitments outside of the Company are set out on pages 54 to 55.

<table>
<thead>
<tr>
<th>Director</th>
<th>Change in commitment</th>
<th>Effective date of change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sir Stuart Rose</td>
<td>Appointed Chairman of Fat Face Group Limited</td>
<td>March 2013</td>
</tr>
<tr>
<td></td>
<td>Appointed Chairman of Oasis Healthcare Limited</td>
<td>October 2013</td>
</tr>
<tr>
<td></td>
<td>Resigned as Non-Executive Director of Land Securities Group plc</td>
<td>January 2014</td>
</tr>
<tr>
<td>Ruth Anderson</td>
<td>Appointed Non-Executive Director of Coats plc</td>
<td>January 2014</td>
</tr>
<tr>
<td>David Grigson</td>
<td>Appointed Chairman of Investis Limited</td>
<td>November 2013</td>
</tr>
<tr>
<td>Douglas McCallum</td>
<td>Appointed Chairman of Trainline Investment Holdings Limited</td>
<td>April 2013</td>
</tr>
</tbody>
</table>

The Board is satisfied that the changes in the Chairman’s significant outside commitments during the year do not impact on his ability to make the necessary time commitments to the Company.

Board diversity

A key objective of the Board is to ensure that its composition is sufficiently diverse and reflects a broad range of skills, knowledge and experience to enable it to meet its responsibilities. The Board’s diversity policy contains a number of measurable objectives, including a commitment to have a meaningful representation of women on the Board and in senior positions in the Company and a commitment to only engage executive search firms who have signed up to the Voluntary Code of Conduct for Executive Search Firms. The Nomination Committee monitors the progress made by the Company in achieving these objectives, though its notes it will take some time for the Company to meet its gender diversity objectives.

The charts below illustrate gender diversity on the Board and length of tenure of Board members. We are conscious of the fact that since the resignation of Wendy Becker the number of women on the Board has fallen below 20%. While we have never believed it was in the interests of the Company and its shareholders to set prescriptive targets for gender on the Board, and our future appointments will continue to be based on objective criteria to ensure that we appoint the best individuals for the role, we are committed to increasing the percentage of women on our Board and the number of women at senior levels of leadership within the Company. Diversity will remain an active consideration when changes to the Board’s composition are contemplated.

For a description of diversity considerations for all employees see page 51. The Board also takes into account the length of tenure of existing Directors when considering Directors re-appointments and succession plans. Both Jörn Rausing and Robert Gorrie have served as Directors for over 11 years and accordingly their re-appointments to the Board are subject to particular scrutiny. For the reasons noted on page 62 the Board is satisfied that their re-appointment remains appropriate.
Statement of Corporate Governance continued

Independence

The 2012 Code provides that the Board should identify in the annual report each non-executive director that it considers to be independent. That is, to determine whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director’s judgement.

The chart above illustrates the current composition of the Board in respect of the independence of its members under the 2012 Code.

The Board considers Sir Stuart Rose to have been independent on his appointment and continues to be so; it also considers all of the other Non-Executive Directors (David Grigson, Ruth Anderson, Douglas McCallum, Robert Gorrie, Jörn Rausing and Alex Mahon) to be independent.

The 2012 Code provides that the Board should state its reasons if it determines that a Director is independent notwithstanding the existence of certain relationships or circumstances, seven examples of which are set out in provision B.1.1 of the 2012 Code. The guidance from PIRC states that: “A company’s explanation that a director is independent in character does not designate the director independent. The board must provide evidence and a detailed defence of a director’s independence if it considers a specific conflict to be immaterial.”

Scrutiny by the Board

The Board has scrutinised the factors relevant to its determination of the independence of the Chairman, Sir Stuart Rose, and the Non-Executive Directors, Jörn Rausing and Robert Gorrie. The question of independence arises in connection with the Main Principle B.1 of the 2012 Code that a board should have “the appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively.”

Sir Stuart Rose

Sir Stuart Rose’s remuneration includes an initial one-off award of 452,284 Ocado shares. This award was approved by shareholders at the 2013 annual general meeting. The Board believes that Sir Stuart’s remuneration aligns his interests with those of the Company and does not believe that the share award compromises his independence. Relevant considerations are that (i) the award of shares was conditional on Sir Stuart acquiring at least an equal number of shares at market value (Sir Stuart acquired 750,000 of the Company’s ordinary shares on his own account); (ii) that any share award will not vest until after three years of service as Chairman, that is 10 May 2016, provided that, on that date, he remains a Director of the Company; and (iii) even then, that Sir Stuart will not be entitled to sell any shares awarded to him until a year after he eventually leaves the Board. The Board does not consider the share award to be equivalent to participation in the Company’s share option or performance-related pay scheme, since there are no performance conditions attached to the receipt of the shares (only continued service). There is also no possibility of any conflict arising between the terms for receipt of these shares and determination of the achievement or otherwise of any performance related scheme for the Executive Directors and senior management. Accordingly, Sir Stuart was considered independent on appointment to the Board and to the role of Chairman.

Jörn Rausing

Jörn Rausing is a beneficiary of the Apple II Trust, a material (approximately 11%) shareholder of the Company. In addition he has been a Board Director for 11 years, although less than four of these have been in the era of the Company as a listed company.

As the Board concluded and reported in the 2012 annual report and accounts, his continued membership of the Board is considered to be beneficial to the Company and supports the principles of the 2012 Code. His significant business experience at Tetra Laval enhances the balance of skills and experience on the Board, and reinforces the long-term perspective of the Board’s decision making.

The Board considers Jörn to be independent in character and judgement and does not believe that the size of the Apple II Trust’s shareholding or the length of Jörn’s tenure on the Board amounts to a relationship or circumstance which affects his judgement. Jörn is not a representative of the Apple II Trust, nor does the Apple II Trust have any contractual or other right to appoint a Director to the Board. While Jörn benefits from the shareholding of the Apple II Trust, this is no different from the position of each of the other Non-Executive Directors, all of whom benefit from their own respective shareholdings. Jörn remains a Director of the Company because the Board believes that is in the best interests of the Company.

Robert Gorrie

Robert Gorrie has been a Director of the Company for 14 years, but less than four of these have been in the era of the Company as a listed company. Robert chairs the Ocado Council, an employee representative forum that was set up to provide primarily hourly paid employees with direct access to the Board. He received an additional £11,000 annually for performing this role (2012: £8,000). Robert was previously employed in an executive role as the Logistics Director of the Company but more than five years ago, the period of time that the 2012 Code notes as relevant.

The Board does not consider the Ocado Council services to constitute a material business relationship with the Company, nor this additional remuneration to be material in the context of impacting Robert’s judgement. Moreover, the Board considers his role on the Ocado Council to be a positive asset in the promotion of good governance. It provides the Non-Executive Directors with a direct channel of communication to employees and enhances the system of checks and balances that underpins good corporate governance. The Board believes it increases their understanding of the business, increases the effectiveness of the Board and thereby reduces risk; it therefore augments the Company’s compliance with the provisions of the 2012 Code. Robert’s knowledge of the Company’s complex IT and logistics operations assists the Board in its formulation of strategy, and also supports the Main Principle B.1.

As with Jörn Rausing, the Board does not believe that Robert’s length of tenure on the Board affects his judgement.
Determination of independence

The 2012 Code recommends that at least half of the board, excluding the chairman, should comprise non-executive directors determined by the board to be independent. Since, excluding the Chairman, there are six Non-Executive Directors all determined by the Board to be independent and five Executive Directors, the Board complies with this recommendation.

Similarly, the composition of the Audit Committee, Nomination Committee and the Remuneration Committee comply in all respects with the independence provisions of the 2012 Code.

Review of composition

The Board and the Nomination Committee reviewed and discussed the Board and the Board committee size and composition during the period. Certain changes were made, which are described on page 71. The Board will continue to keep the Board size and composition under regular review.

Review of Board Effectiveness

The annual Board effectiveness review provides a useful opportunity for the Directors to reflect on their collective and individual effectiveness and consider changes. The review for 2013 was facilitated externally by Independent Audit Limited. The review followed two years in which an internally facilitated review had been conducted by the Company Secretary, using a questionnaire and a process designed externally.

Independent Audit Limited (who have no other connection to the Company, and are considered to be independent) carried out a Board review which included conducting individual interviews with the Directors and the Deputy Company Secretary and observing a Board meeting. The interviewees were asked their views on a range of subjects including the role of the Board and the Board committees, the quality of the Board and committee discussions, the relationship between the Executive Directors and the Non-Executive Directors, and the Board and committee discussions on various topics such as strategy, risk, assurance, Board composition and succession planning.

The review concluded with a final report and feedback session with the Chairman and a presentation to and discussion with the Board at a Board meeting. The report contained extensive commentary on the effectiveness of the Board, the committees, the Non-Executive Directors, the Executive Directors as well as on the Company Secretariat and the support provided to the Board by management. A key observation was that the Board will need to keep under careful review the composition, skills and experience of Board members to ensure that it can continue to provide the necessary steer and guidance for the Company as it enters an important stage of its development, including potential overseas expansion. As part of this, overseeing employee development and continuing to evolve the Company’s governance and risk management processes were seen as some of the challenges facing the Board in future.

The Board and separately each of the committees discussed the report including the key considerations. The Board will take the findings of the report into account in formulating its future plans.

The Board recognises that a continuous and constructive evaluation of its performance is an important factor in helping the Board realise its maximum potential. The Board intends to continue to conduct annual performance reviews, with external oversight of the process at least every three years.

Apart from the formal review of the Board’s effectiveness, the Chairman and the Non-Executive Directors met without the Executive Directors being present to discuss the performance of the Board and the Executive Directors. The Senior Independent Director and the Non-Executive Directors also met to discuss the performance of the Chairman without the Executive Directors or the Chairman being present and subsequently met with the Chairman to provide feedback. The Chairman regularly met with the Executive Directors during the period, on a range of Company matters and responsibilities.

Director election

In order to maintain high standards of corporate governance, the Articles require each Director to retire at every annual general meeting (each Director may offer himself or herself for reappointment by the members at such meeting). At the last annual general meeting on 10 May 2013 all the then-current Directors other than Lord Grade stood for reappointment, and were duly elected. Each current Director, except Jason Gissing, will seek re-election by shareholders at the Company’s AGM.

The rules that the Company has about the appointment and replacement of Directors are described in the Directors’ report on page 109.

The explanatory notes set out in the Notice of Meeting state the reasons that the Board believes each Director proposed for re-election at the AGM should be reappointed. The Board has based, in part, its recommendations for re-election on its review of the results from the Board evaluation process, on the reviews conducted at the meetings of the Non-Executive Directors and the Chairman’s review of individual evaluations; it has concluded that each Director’s performance continues to be effective and that each Director has demonstrated substantial commitment to the role (including time for Board and committee meetings (noted below) and other responsibilities, taking into account a number of considerations including outside commitments during the period).
Statement of Corporate Governance continued

Board and Committees attendance

The attendance record of the Directors at scheduled Board and committee meetings during the period is set out in the following table. The Board scheduled 14 meetings during the period and ad hoc meetings and conference calls were also convened to deal with specific matters which required attention between scheduled meetings, including the Morrisons agreement. The composition of the Board and committees changed during the period, as set out above and in each of the Board committee's description set out below; hence Directors did not attend all of the relevant meetings during the period.

<table>
<thead>
<tr>
<th>Non-Executive Directors</th>
<th>Actual</th>
<th>Possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sir Stuart Rose (Chairman)</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>David Grigson</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Jörn Rausing</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>Ruth Anderson</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Robert Gorrie</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Douglas McCallum</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Alex Mahon</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Former Directors</td>
<td>Actual</td>
<td>Possible</td>
</tr>
<tr>
<td>Lord Grade</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Wendy Becker</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Notes:
Sir Stuart Rose joined the Board of the Company on 11 March 2013. Lord Grade resigned from the Board of the Company effective on 10 May 2013. Wendy Becker resigned from the Board of the Company effective on 21 January 2013. Where a Director has not attended a Board or Committee meeting, it is due to a conflicting prior commitment.

Board induction and professional development

The Chairman and the Company Secretary are responsible for preparing and coordinating an induction programme for newly appointed Directors. The programme includes meeting with members of management and the Company Secretary and arrangements to learn about the business operations including a CFC visit, accompanying a CSTM on a delivery route and doing a personal shopper shift in the CFC. The Director also receives an induction pack comprising the Group's key Board and governance documents and policies, and training from the Company's solicitors on their duties, responsibilities and liabilities as a Director of the Company. Depending on the Director role, a newly appointed Director may meet with the Company's shareholders, brokers and/or auditors.

Every Director has access to appropriate training as required following their appointment and is encouraged to develop their understanding of the Group. The Non-Executive Directors are offered the opportunity to join two non-executive director network groups which provide access to know-how on current issues relevant to the role of company director. The members of the Audit Committee received training from the Company's auditors, PwC, on a number of topics, including the new narrative reporting regulations and changes to the role of the Audit Committee under the 2012 Code. Members of the Audit Committee also receive written know-how and technical updates from PwC to keep them abreast of the latest accounting, auditing, tax and reporting developments. The members of the Remuneration Committee received know-how and updates from the Remuneration Committee's remuneration advisers, Deloitte LLP, on the new director remuneration legislation.

Information

The Chairman is responsible for ensuring that all of the Directors are properly briefed on issues arising at Board meetings and that they have full and timely access to relevant information. To enable the Board to discharge its duties, all Directors receive appropriate information from time-to-time, including briefing papers distributed in advance of the Board meetings.

Directors can, where they judge it to be necessary to discharge their responsibilities as Directors, obtain independent professional advice at the Company's expense. The Board committees have access to sufficient resources to discharge their duties, including external consultants and advisers.

Conflicts of interests

The Companies Act provides that directors must avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with a company's interests. Directors of public companies may authorise conflicts and potential conflicts, where appropriate, if a company's articles of association permit.

Each Non-Executive Director’s letter of appointment sets out the requirement for disclosing conflicts to the Chairman and the Company Secretary. As part of his or her induction process, a newly appointed Director completes a questionnaire which requires him or her to disclose any conflicts of interests to the Company. No Director has declared to the Company any actual or potential conflicts of interest between any of his or her duties to the Company and his or her private
At last year’s annual general meeting, all resolutions were passed with votes in support ranging from 76.54% to 100%. Shareholders before the AGM. Shareholders who are unable to attend the AGM are encouraged to vote in advance of the meeting, either online at www.ocadoshares.com or by using the proxy card which will be sent with the Notice of Meeting (if sent by post) or can be downloaded at www.ocadogroup.com. All shareholders can access the annual report, trading statements, investor presentations and regular announcements on the Company’s corporate website (www.ocadogroup.com). All shareholders can choose to receive an annual report in paper or electronic form.

**Formal reporting to shareholders**

The Company reports to its shareholders in a number of ways including formal regulatory news service announcements in accordance with the Company’s reporting obligations, interim management statements of quarterly sales performance published in March and September each year, the preliminary announcement of annual results, the annual report and the half-year report, and investor presentations slides and videos. The Company makes the documents and other information concerning the Company available on its corporate website, www.ocadogroup.com.

The Directors take responsibility for preparing this Annual Report. The statement of Directors’ responsibility on page 113 of this Annual Report is made at the conclusion of a robust and effective process undertaken by the Company for the preparation and review of the Annual Report. The Directors believe that these well established arrangements, which involve the Audit Committee, enable them to ensure that the information presented in this Annual Report complies with the disclosure requirements in the Companies Act and is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s performance, business model and strategy. In addition to this Annual Report, the Company’s internal processes cover (to the extent necessary) the half-year report, interim management statements and other financial reporting. The Company’s internal processes in the preparation and review of this Annual Report (and other financial reporting) include (but are not limited to): (1) review of iterations of the Annual Report by the Executive Directors and the full Board; (2) focused review of specific sections of the Annual Report by the relevant Board committees; (3) Audit Committee review of a management report on accounting estimates and judgements and auditor reports on internal controls, accounting and reporting matters and management representation letter concerning accounting and reporting matters; (4) Audit Committee regularly reporting to the Board on the discharge of its responsibilities; (5) input from both internal and external legal advisers and other experts to cover relevant regulatory and governance obligations; (6) discussions between contributors and management to identify relevant and material information; (7) detailed debates and discussions concerning the principal risks and uncertainties; (8) review and approval by the external auditors; and (9) separate approval by the Director of Legal and Business Affairs, the Board committees and the Board.

**Share capital, voting rights and significant shareholders**

Details concerning the Company’s share capital, significant shareholders, special rights, voting rights and other matters required by the Disclosure and Transparency Rule 7.2 are set out in the Directors’ report on pages 108 to 113.

**The Company’s Annual General Meeting**

Shareholders will have the opportunity to meet and question all of the Directors at the AGM, which will be held at 3pm on 7 May 2014 at One Bunhill Row, London, EC1Y 8YY.

A detailed explanation of each item of business to be considered at the AGM is included with the Notice of Meeting which will be sent to the shareholders before the AGM. Shareholders who are unable to attend the AGM are encouraged to vote in advance of the meeting, either online at www.ocadoshares.com or by using the proxy card which will be sent with the Notice of Meeting (if sent by post) or can be downloaded at www.ocadogroup.com.

At last year’s annual general meeting, all resolutions were passed with votes in support ranging from 76.54% to 100%.