

**Relations with shareholders** continued

Here are some of the ways in which we engage with our shareholders:

**Annual general meeting**

The AGM provides an opportunity for directors to engage with shareholders, answer their questions and to meet them informally. The 2019 AGM will be held on Friday 6 December 2019 at 11.00 am at the Congress Centre in London. We encourage those who cannot attend to vote by proxy on all resolutions put forward. All votes are taken by a poll. In 2018, voting levels at the AGM were over 80% of the Company's issued share capital.

**Annual report**

We publish a full annual report and accounts each year which contains a strategic report, responsibility section, governance section and financial statements. The annual report is available in paper format and on our website: [www.abf.co.uk](http://www.abf.co.uk).

**Responsibility/ESG**

We publish a responsibility report every three years with an update report each year in between. The Company Secretary acts as a focal point for communications on matters of corporate responsibility. During the year, the Company responded to requests for meetings, telephone meetings or written information from both existing and potential shareholders and research bodies on a broad range of environmental, social and governance risk matters including matters related to climate change, water and greenhouse gas risk management, supply chain management, animal welfare, sustainable agriculture, human rights, employee welfare, gender balance and human capital development.

**Meetings**

The Chairman issues an invitation each year to the Company's largest institutional shareholders to hear their views and discuss any issues or concerns. During the year, the Chairman held meetings with a number of institutional shareholders and discussed a range of topics including the Company's strategy and approach to governance and remuneration-related matters (taking into account proposed changes to the remuneration policy).

On the day of the announcement of the interim and final results, the Company's largest shareholders, together with financial analysts, are invited to a presentation with a question and answer session by the Chief Executive and Finance Director, with webcast presentations of the results available for all shareholders through the Company's website. Following the results, the executive team hold one-to-one and group meetings with institutional shareholders and potential investors. These views are then reported back to the board as a whole at the nearest following board meeting to ensure that they are aware of what the Company's largest shareholders are concerned with, or not as the case may be.

**Press releases**

We issue press releases for all substantive news relating to Associated British Foods. You can find these on our website: [www.abf.co.uk](http://www.abf.co.uk).

**Results announcements**

We release a full set of financial and operational results at the interim and full year stage. We release trading statements at the first and third quarter stages with reduced disclosure, whilst still providing sufficient detail to allow investors to model and value our business.

**Website ([www.abf.co.uk](http://www.abf.co.uk))**

Our website is regularly updated and contains a comprehensive range of information on our Company. There is a section dedicated to investors which includes our investor calendar, financial results, presentations, press releases and contact details. The area dedicated to individual shareholders is an essential communication method. It includes information on shareholder news, administrative services and contact information.

**Board committees****Nomination committee report****Members**

At the date of this report, the following are members of the committee:

Michael McLintock (Chair)  
Ruth Cairnie  
Richard Reid  
Wolfhart Hauser

All members served on the committee throughout the year.

**Meetings**

The committee met once during the year under review.

**Primary responsibilities**

In accordance with its terms of reference, the Nomination committee's primary responsibilities include:

- leading the process for board appointments and making recommendations to the board;
- regularly reviewing the board structure, size and composition (including skills, knowledge, independence, experience and diversity), recommending any necessary changes;
- considering plans for orderly succession for appointments to the board and to senior management to maintain an appropriate balance of skills and experience within the Company and to ensure progressive refreshment of the board;
- keeping under review the leadership needs of the group, both executive and non-executive, to ensure the organisation competes efficiently in the marketplace; and
- being responsible for identifying and nominating, for the approval of the board, candidates to fill board vacancies as and when they arise.

## Corporate governance

### Committee activities during the year Succession planning

Given the relatively recent changes to the board with the appointment of the current Chairman in April 2018, the appointment of Graham Allan as a new independent non-executive director in September 2018 and the appointment of Ruth Cairnie as Senior Independent Director in late 2018, the focus this year has been on consolidating existing board responsibilities. Priorities identified for 2019 include continuing to emphasise generalist skills in board recruitment and continuing to factor in gender and racial diversity.

As noted in last year's report, the Company engaged Spencer Stuart, an external executive search and leadership consulting firm and a signatory to the 'Voluntary Code of Conduct for Executive Search Firms' on gender diversity and best practice, to help identify potential candidates as part of a process of progressive refreshment of the board. That process resulted in Graham Allan joining the board with effect from 5 September 2018. In March 2019, the Chairman joined the advisory board of Spencer Stuart. Spencer Stuart is otherwise independent of the Company.

### Re-election of non-executive directors

The committee members reviewed the results of the annual board performance evaluation that related to the composition of the board and the time needed to fulfil the roles of Chairman, Senior Independent Director and non-executive director. Wolfhart Hauser, independent non-executive director of the Company, stepped down from the role of Chair of FirstGroup plc with effect from 25 July 2019. Ruth Cairnie, Senior Independent Director of the Company, was appointed Chair of Babcock International Group PLC in July 2019. Ruth stepped down from the board of ContourGlobal plc with effect from 30 September 2019 and it has also been announced that Ruth will be stepping down from the board of Rolls-Royce Holdings plc on 31 December 2019.

The committee members considered the re-election of directors prior to their recommended approval by shareholders at the annual general meeting.

### Performance evaluation

The committee's effectiveness was reviewed as part of the board's performance evaluation process which was carried out during June and July of 2019. This evaluation concluded that the committee was continuing to function effectively.

### Governance

Members of the Nomination committee are appointed by the board from amongst the directors of the Company, in consultation with the Chairman. The committee comprises a minimum of three members at any time, a majority of whom are independent non-executive directors. A quorum consists of two members being either two independent non-executive directors or one independent non-executive director and the Chairman.

Only members of the committee have the right to attend committee meetings. Other individuals such as the Chief Executive, members of senior management, Group HR Director and external advisers may be invited to attend meetings as and when appropriate.

The committee may take independent professional advice on any matters covered by its terms of reference at the Company's expense.

The committee Chair reports the outcome of meetings to the board.

The terms of reference of the Nomination committee are available on the Investors section of the Company's website: [www.abf.co.uk](http://www.abf.co.uk).

### Board appointments process

The process for making new appointments is led by the Chair. Where appropriate, external, independent consultants are engaged to conduct a search for potential candidates, who are considered on the basis of their skills, experience and fit with the existing members of the board. The Nomination committee has procedures for appointing a non-executive or an executive director and these are set out in its terms of reference.

### Diversity

As a board, we recognise that diversity is important for introducing different perspectives into board debate and decision-making and that this is a wider issue than just gender and ethnicity. We believe that members of the board should collectively possess a diverse range of skills, expertise, industry knowledge, business and other experience necessary for the effective oversight of the group.

Accordingly, the board has decided not to set any measurable objectives in relation to diversity. The Nomination committee considers diversity as one of many factors when recommending new appointments to the board, although gender and ethnicity remain important factors and are a factor in searches for new candidates, as identified in our priorities for 2019. It continues to be our policy to ask any executive search agencies engaged to ensure that half of the candidates they put forward for consideration are women.

We recognise that our approach of not setting a target, but instead focussing on initiatives to achieve no barriers to talent, means that we are unlikely to meet the 2020 expectations of the Hampton-Alexander Review. However, we believe that our approach is right for the decentralised structure of our broader business and will continue to deliver a strong, stable and increasingly balanced senior team.

For details of diversity as it applies to the group's wider workforce, please see pages 56 and 57.