

Nomination Committee Report



... a more *balanced* Board and Executive Management Team continues to work to *ensure* this is replicated across the entire business ...

Read more online at www.halfordscompany.com/investors/governance/our-committees

Chairman's Letter

This was a busy year for the Committee. In addition to its key responsibility of ensuring that effective Board and Committees and succession plan for key executives are in place, the Committee oversaw the process for the appointment of the Group's new Chief Financial Officer, Jonny Mason.

I was delighted that Jonny agreed to join the Group and take up the role of CFO. He has brought a broad range of financial experience across consumer facing and retail businesses. Additional information on the activities of the Committee, including the details of the process leading to the appointment of the new CFO and the services provided by Russell Reynolds Associates executive search agency, are set out in this report.

There were three meetings held during the year, attended by all members and after each Committee meeting, I reported to the Board on the key issues that we had discussed. A number of informal discussions were also held between Committee members and me.

The Committee's Terms of Reference are available on the Company's corporate website www.halfordscompany.com/investors/governance/our-committees.

Dennis Millard

Chairman of the Nomination Committee

1 June 2016



Committee Composition

Dennis Millard (Chairman)
 David Adams
 Claudia Arney
 Helen Jones
 Matt Davies (resigned 30 April 2015)
 Jill McDonald (joined 11 May 2015)

The Committee's role is to review the size and structure of the Board, consider succession planning and make recommendations to the Board on potential candidates for the Board. Its key objective is to ensure that the Board comprises individuals with the necessary skill, knowledge and experience to ensure that the Board is effective in discharging its responsibilities.

Principal Activities

The Committee's focus during the year was overseeing the process for the appointment of a new CFO, following Andrew Findlay's resignation. The Committee set out the types of skills and attributes it envisaged a new CFO would possess, which it captured in its briefing to executive search agency, Russell Reynolds Associates, which identified potential candidates for the role. Committee members interviewed candidates for the role and thereafter recommended the recruitment of Jonny Mason to the Board. Russell Reynolds Associates does not have any other connection with the Company.

Diversity

The Committee and the Board have sought to ensure that appointments are of the best candidates to promote the success of the Group and are based on merit, with due regard for the benefits of diversity on the Board (while also meeting the requirements of the Equality Act 2013). Following the appointment of Jill McDonald as the Group's CEO in May 2015, we have a Board where 50% of its members are female.

The Company does not currently publish specific diversity targets but in practice, it has created a more balanced Board and Executive Management Team and continues to work to ensure this is replicated across the entire business, in particular in relation to gender diversity.

Further information regarding Board diversity can be found on page 46 and gender diversity in the Group as a whole on page 46 and 51.

Looking Ahead

In the year ahead, the Nomination Committee will continue to assess the Board composition and how it may be enhanced.

