

CHAIRMAN'S OVERVIEW

Lord Rose
Chairman



"We embrace the challenge of continuing to improve our corporate governance reporting to shareholders."

DEAR SHAREHOLDER,


I am pleased to present the Company's Statement of corporate governance on behalf of the Board.

I wrote in last year's annual report of the Board's obligation to provide assurance "that strategy is set, risks are evaluated and operations are carried out knowledgeably, transparently and with accountability". That remains as true today. The Board has always taken seriously its obligation to provide entrepreneurial leadership, and articulate its pioneering online retail strategy openly and determinedly. That strategy requires an ability and willingness to assess the risks faced by the Group and by the industry. In this context the Board welcomes the recognition by the FRC that "effective development and delivery of a company's strategic objectives, its ability to seize new opportunities and to ensure its longer term survival depend upon its identification, understanding of, and response to, the risks it faces". (FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting).

This Statement of corporate governance sets out how we manage the Company to achieve the Board's strategic objectives and optimise shareholder value. The Board recognises the increasing importance of governance to the Group, in the context of both the changing responsibilities under the 2014 Code and the important transformational projects being undertaken to deliver the long-term success of the Group.

LEADERSHIP

Whilst the Executive Directors are responsible for the day-to-day management of the business, the entire Board leads the Company and provides the debate and constructive challenge to management necessary to create accountability and drive performance. We are mindful that as the Group grows and the nature of the challenges it faces change, we need to ensure that the Board personnel are those best placed to provide the appropriate constructive debate on the Group's strategic direction. This year, as part of the annual Board performance review, the Board conducted a review of its skills and experience. This review will form the basis of Board discussions about the desired make-up of the Board for the future needs of the business.

 View more information about corporate governance on pages 66 to 73

 View more information online at www.ocadogroup.com

In connection with the retirement of founding director Jason Gissing from the Board in May 2014, the Board considered its succession plans for executive management. The Board discussed the senior management roles necessary to support the growth of the business in UK retail but also for international expansion. The Board will continue to develop its succession plans in 2015.

REMUNERATION AND RELATIONS WITH SHAREHOLDERS

Incentivising our management team to deliver the Group's transformational technology projects is important to the future of our business. Informed by our discussions and consultations with our large shareholders, I believe that our remuneration arrangements are the most appropriate way to incentivise the Executive Directors and senior management to create and sustain value over the long term. Further details on remuneration are set out in the Directors' remuneration report on page 91.

ACCOUNTABILITY AND REPORTING

We have in place an effective and robust process, which enables us to ensure that this Annual Report is fair, balanced and understandable and provides the information for shareholders to properly assess the Group's position, performance, strategy and business model. Further details are set out in the Audit Committee report on page 75.

We embrace the challenge of continuing to improve our corporate governance reporting to shareholders. I am pleased to report that the Group won the "Corporate Governance Reporting in the FTSE 250" award at the Building Public Trust Awards 2014 in respect of the Group's 2013 annual report. We are encouraged by this recognition of the Group's efforts to ensure good governance reporting. We will continue to keep our reporting under review and welcome any feedback from shareholders.

ANNUAL GENERAL MEETING

Our Annual General Meeting will be held at 11 am on 15 May 2015 at Peterborough Court, 133 Fleet Street, London, EC4A 2BB. It provides an excellent opportunity to meet the Directors and I would like to encourage our shareholders to attend.

Lord Rose

Chairman
Ocado Group plc
3 February 2015

