

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 other relevant requirements including 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 pages 94 to 96. The Group's risk management and internal control framework and the Group's principal risks and uncertainties are described on pages 32 to 35. These sections form part of this Statement of corporate governance. The Directors' remuneration report on pages 91 to 129, the Directors' report on pages 82 to 89, and the going concern statement on page 87 also contain information required to be included in this Statement of corporate governance, and so are incorporated into this statement by reference.

The Financial Reporting Council updated the UK Corporate Governance Code in September 2014 (the "2014 Code"). The 2014 Code applies to reporting periods beginning on or after 1 October 2014, and so does not apply to the Company's reporting period ended 30 November 2014. However, the Board has, where appropriate and feasible, adopted some of the new provisions in the 2014 Code earlier than required and provides disclosure against these requirements in this Annual Report.

COMPLIANCE WITH THE 2012 CODE

The obligation of all listed companies is to comply with the provisions of the 2012 Code, or to explain why it has not done so. "Comply or explain" is an important recognition in the 2012 Code that not all provisions are applicable to all companies at all times. The Company has complied with the principles and provisions of the 2012 Code, except for provisions C.3.7 and D.2.2. These areas of non-compliance are explained in this Statement of corporate governance on pages 79 and 95 respectively. In respect of all other provisions of the 2012 Code, 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.

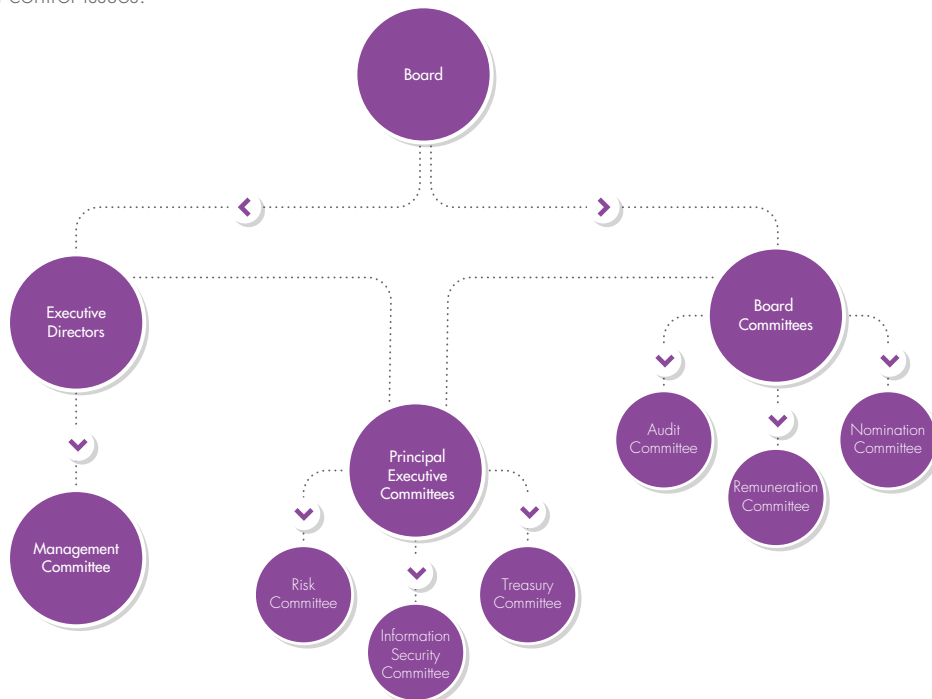
This separate Statement of corporate governance is approved by the Board and signed on behalf of the Board by its Chairman and the Legal & Business Affairs Director and Company Secretary. Certain parts of this Statement of corporate governance have been reviewed by the Company's auditors, PwC, for compliance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

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

LEADERSHIP

BOARD STRUCTURE

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



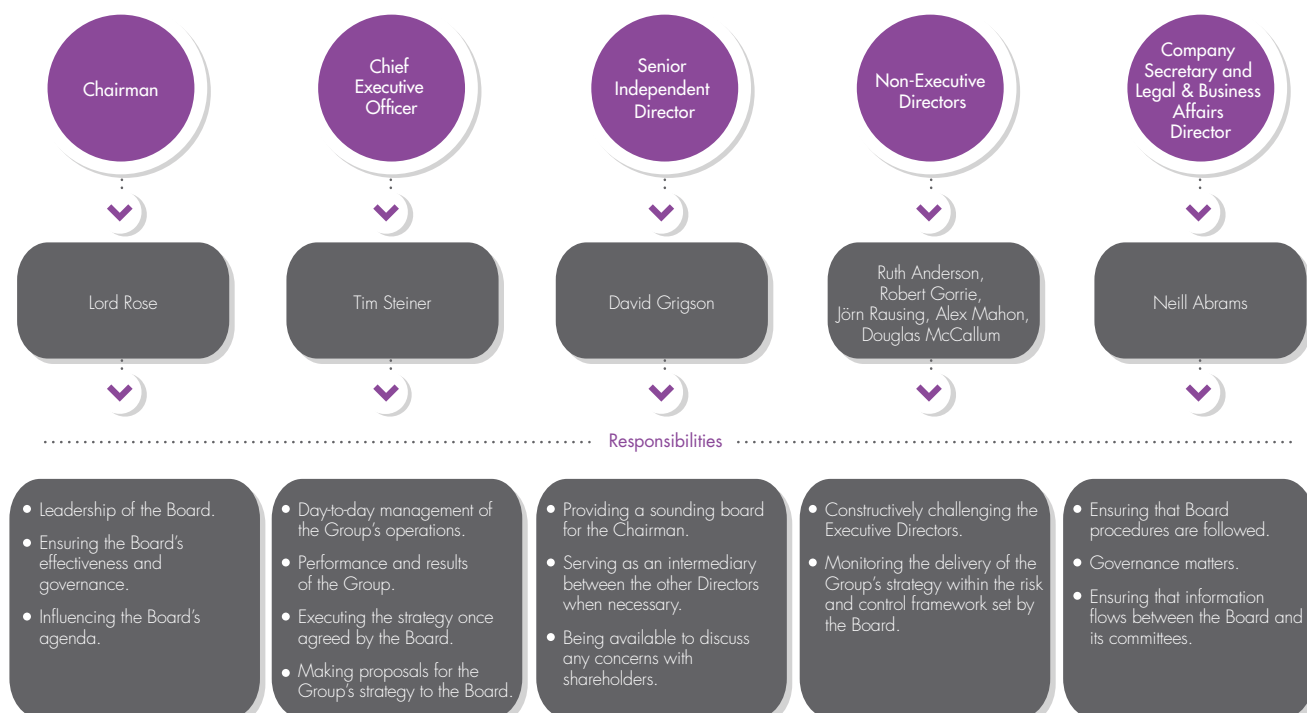
BOARD RESPONSIBILITIES

The Board is collectively responsible for the long-term success of the Company. Subject to the Articles and the Companies Act, the business of the Company is 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.



BOARD ROLES

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 62 to 63. As at the date of this Annual Report, the Board comprises 11 members, including the Chairman, four Executive Directors and six Non-Executive Directors. Some of the key responsibilities are summarised below.



STATEMENT OF CORPORATE GOVERNANCE continued

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.

BOARD COMMITTEES

Certain aspects of the Board's responsibilities have been delegated to committees to assist the Board in various areas. 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.

Committee	Role and terms of reference	Membership required under the terms of reference	Minimum number of meetings per year	Committee report on pages
Audit	Reviews and reports to the Board on the Group's financial reporting, internal control and risk management systems, the independence and effectiveness of the external auditors and the effectiveness of the 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.	At least three members. All members should be independent Non-Executive Directors.	Three	74 – 79
Remuneration	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. Monitors the level and structure of remuneration for senior management.	At least three members. All members should be independent Non-Executive Directors.	Two	92 – 96
Nomination	Undertakes an annual review of succession planning and ensures that the membership and composition of the Board, including the balance of skills, remain appropriate. Makes recommendations for the membership of the Board, the Audit Committee and the Remuneration Committee.	At least three members. All members should be Non-Executive Directors with a majority of independent Non-Executive Directors.	Two	80 – 81

The full terms of reference for each committee are available on the Company's corporate website (www.ocadogroup.com) and reports by each committee are given in this Annual Report.

OTHER COMMITTEES

Certain detailed aspects of the Board's responsibilities are delegated, in addition to the Executive Directors, to appropriate management-led committees, whose roles are set out below.

Committee	Role
Management Committee	Implementation of the day-to-day operational aspects of the business. Monitoring the implementation of certain significant and cross-divisional projects.
Risk Committee	Overseeing risk control processes and risk analysis as part of normal business decision making.
Information Security Committee	Monitoring the Group's IT security measures.
Treasury Committee	Overseeing the treasury policy concerning the Group's cash and deposits, investments, foreign exchange and applicable interest rates.

BOARD ATTENDANCE

The attendance record of the Directors at scheduled Board meetings during the period is set out in the below table. The Board scheduled ten meetings during the period and four ad hoc meetings and conference calls were also convened to deal with specific matters which required attention between scheduled meetings. Details of attendance at committee meetings are set out in the relevant committee report. During the period, the Non-Executive Directors held a number of meetings without the Executive Directors present.

	Board of Directors	
	Actual	Possible
Executive Directors		
Tim Steiner	10	10
Duncan Tatton-Brown	10	10
Neill Abrams	10	10
Mark Richardson	10	10
Non-Executive Directors		
Lord Rose (Chairman)	10	10
David Grigson	9	10
Jörn Rausing	9	10
Ruth Anderson	10	10
Robert Gorrie	10	10
Douglas McCallum	8	10
Alex Mahon	10	10
Former Directors		
Jason Gissing	5	5

Note: Jason Gissing retired from the Board of the Company effective on 7 May 2014. Where a Director has not attended a Board or committee meeting, it was due to a conflicting prior commitment.

BOARD COMPOSITION

BOARD CHANGES

Jason Gissing, co-founder and Commercial Director, retired from the Board at the annual general meeting of the Company held on 7 May 2014.

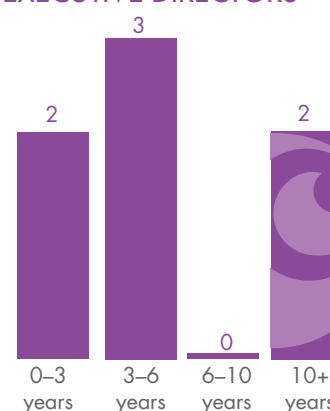
REVIEW OF BOARD COMPOSITION

The Board and the Nomination Committee reviewed and discussed the Board's and the Board committees' size and composition during the period, including in light of the retirement of Jason Gissing and various other considerations, notably diversity, tenure, independence and mix of skills and experience (detailed below). No changes to the Board's or Board committees' compositions were made during the period. The Nomination Committee report on page 81 provides further detail on the Board's review in early 2015 of Board composition and succession.

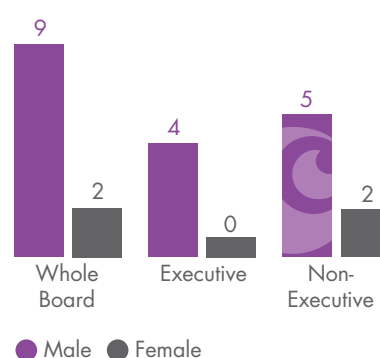
BOARD DIVERSITY AND TENURE

The Board seeks to ensure that it and its committees have an appropriate composition to discharge their duties effectively and to manage succession issues. To enable the Board to meet its responsibilities, it is important that the Board's composition is sufficiently diverse and reflects a broad range of knowledge, skills and experience. The Board's diversity policy includes a commitment to having a meaningful representation of women on the Board and in senior positions in the Company. The policy also includes a commitment to engage only executive search firms who have signed up to the Voluntary Code of Conduct for Executive Search Firms. The Nomination Committee monitors these objectives. The charts on this page illustrate the diversity of the Board in terms of length of tenure and gender. Since Admission, four Non-Executive Directors have been appointed to the Board, including two women.

LENGTH OF TENURE OF CHAIRMAN AND NON-EXECUTIVE DIRECTORS

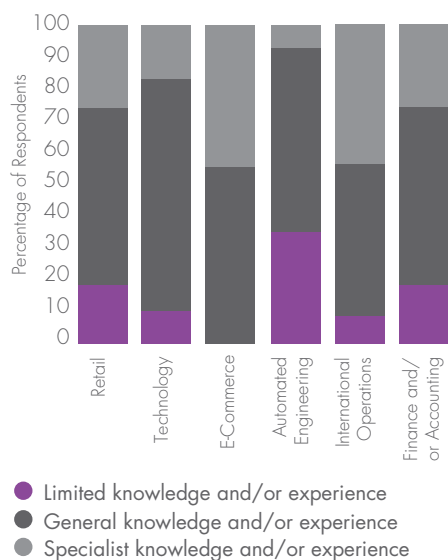


GENDER DIVERSITY



STATEMENT OF CORPORATE GOVERNANCE continued

LEVELS OF KNOWLEDGE AND EXPERIENCE ON THE BOARD



The Board is conscious of the fact that the number of women on the Board is currently below 20% of membership. Whilst it has never been, in the Board's opinion, in the best interests of the Company and its shareholders to set numerical targets for gender on the Board, the Board is committed to increasing the percentage of women on the Board and in senior positions in the Company, and diversity will remain an active consideration when changes to the Board's composition are contemplated. Any future appointments will continue to be based on objective criteria to ensure that the best individuals are appointed for the role. For more information on diversity in respect of all employees, see the Our People section on page 57.

The Board also takes into account the length of tenure of existing Directors when considering reappointment and succession planning. Both Jörn Rausing and Robert Gorrie have served as Directors for over 11 years and accordingly their reappointments to the Board are subject to particular scrutiny.

MIX OF SKILLS AND EXPERIENCE

During the period, the Board conducted a Board skills review as part of the Nomination Committee's work in reviewing Board composition. As part of this review, each Director assessed the current mix of skills and experience on the Board. The chart on the left shows some of the results of the review, indicating the main areas of knowledge and experience of existing Directors. Further details of the review process are set out in the Nomination Committee report on page 81.

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 four Executive Directors, the Board complies with this recommendation. The chart on the left illustrates the current composition of the Board in respect of the independence of its members under the 2012 Code.

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

SCRUTINY BY THE BOARD

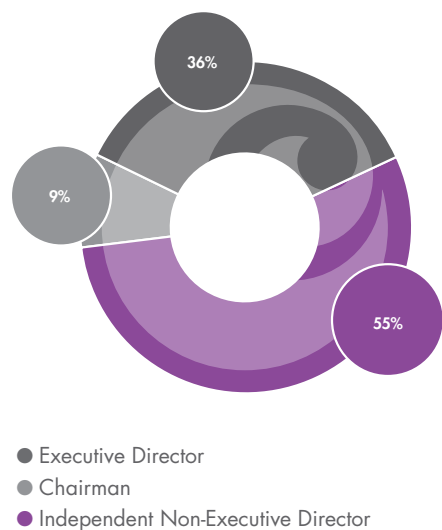
The Board has scrutinised the factors relevant to its determination of the independence of the Non-Executive Directors Jörn Rausing and Robert Gorrie, in particular.

JÖRN RAUSING

Jörn Rausing has been a Director for almost 12 years, although less than five of these have been in the era of the Company as a listed company. Jörn is a beneficiary of the Apple II Trust, a material (approximately 11%) shareholder of the Company. He 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.

The Board considers his continued membership of the Board to be in the best interests of 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.

BOARD INDEPENDENCE



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 has stood for re-election annually since 2011 and on each occasion has been re-elected.

ROBERT GORRIE

Robert Gorrie has been a Director for almost 15 years, but less than five of these have been in the era of the Company as a listed company. Robert acts as a non-executive chairman of 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 £7,100 during the period for performing this role (2013: £11,000). Robert was employed by the Company until 2006, in an executive role as the Logistics Director.

The Board considers that Robert's knowledge of the Company's complex IT and logistics operations is of benefit to the Board in assisting it to formulate the Company's strategy. The Board does not consider the Ocado Council services to constitute a material business relationship with the Company, nor the 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, by providing a direct channel of communication between the Non-Executive Directors and employees and increasing the Board's understanding of the business. Robert has stood for re-election annually since 2011 and on each occasion has been re-elected.

EFFECTIVENESS

REVIEW OF BOARD EFFECTIVENESS

The effectiveness of the Board is important to the success of the Group, and the annual review provides a useful opportunity for the Directors to reflect on their collective and individual effectiveness and consider changes.

The review for 2014 was carried out internally using two questionnaires. The online questionnaires were prepared by the Company Secretary with support from an external and independent consultant, Independent Audit Limited. The focus of the review was to gauge the extent of perceived progress of the Board and the Board committees in the areas of development identified in the Board review from the previous year (which had been carried out by Independent Audit Limited). An assessment of each individual Director was also carried out using online questionnaires.

The findings of the review were evaluated by the Company Secretary and the Chairman, and a summary Board evaluation report was provided to the Board. The Board discussed the results of the review, which indicated that significant progress had been made in almost all areas of development that had been identified in the previous external review. The Board had implemented a number of changes, such as allocating more appropriate Board meeting time to strategic and risk discussions (rather than detailed operational performance) to reflect the changing focus of the business, and implementing the recommendations from KPMG's governance review (details of the governance review are set out in the Audit Committee report on page 77). Each chairman of the Board committees separately discussed the Board review as it pertained to their committee. The Chairman separately reviewed the results of the individual Director performance evaluations.

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.

DIRECTOR ELECTION

Each Director is required under the Articles 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 7 May 2014 all the then-current Directors other than Jason Gissing stood for reappointment, and were duly elected with a range of 89% to 99% of votes cast by shareholders in favour of reappointment.

The explanatory notes set out in the Notice of Meeting state the reasons why the Board believes a Director proposed for re-election at the AGM should be reappointed. The Board has based its recommendations for re-election, in part, on its review of the results from the Board evaluation process outlined above, on the reviews conducted at the meetings of the Non-Executive Directors, the Chairman's review of individual evaluations, and whether a 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 and any changes thereof (outlined in this Statement of corporate governance on page 72) during the period).

The rules that the Company has about the appointment and replacement of Directors are described in the Directors' report on page 83.

STATEMENT OF CORPORATE GOVERNANCE continued

BOARD INDUCTION AND PROFESSIONAL DEVELOPMENT

The Chairman and the Company Secretary are responsible for preparing and coordinating an induction programme when new Directors are appointed to the Board (although there were no appointments in the period).

The Board and committees receive training including in specialist areas. Training is typically arranged by the Company Secretary in consultation with the Chairman. During the period, the Company Secretary arranged training led by external legal advisers on insider dealing and director duties, which served as a periodic reminder of director responsibilities and an update on developments in the market abuse and inside information regime. The members of the Remuneration Committee received updates from the Remuneration Committee's remuneration advisers, Deloitte LLP, including on the new remuneration reporting market practices. The members of the Audit Committee receive training from the Company's auditors, PwC, from time to time. Members of the Audit Committee receive written technical updates from PwC to keep them abreast of the latest accounting, auditing, tax and reporting developments.

INFORMATION FOR DIRECTORS

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.

EXTERNAL BOARD APPOINTMENTS AND CONFLICTS

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 in the Board of Directors section on pages 62 to 63.

Director	Change in commitment	Effective date of change
Lord Rose	Resigned as Non-Executive Director of Land Securities Group plc	January 2014
Ruth Anderson	Appointed Non-Executive Director of Coats plc	January 2014
	Appointed Non-Executive Director of Guinness Peat Group plc	April 2014
Duncan Tatton-Brown	Resigned as Non-Executive Director of Rentokil Initial plc	May 2014
	Appointed Non-Executive Director of Zoopla Property Group plc	May 2014

The Board noted that the impact of Lord Rose's resignation from the Board of Land Securities Group plc is that Lord Rose has fewer significant external commitments, and is able to dedicate more time to working with the Board.

Whenever a Director takes on additional external responsibilities, the Board considers any potential conflicts that may arise. The Board monitors any potential conflicts of interest. 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. Boards of public companies may authorise conflicts and potential conflicts, where appropriate, if a company's articles of association permit (which the Articles do).

Each Director is required to disclose conflicts and potential 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. Thereafter each Director has an opportunity to disclose conflicts at the beginning of each Board and Board committee meeting. 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 interests and/or other duties, except in the case of the Executive Directors, each of whom holds the position of Director of the Company and Director of a number of Group subsidiary companies.

ENGAGEMENT WITH SHAREHOLDERS

INVESTOR RELATIONS

The Company keeps shareholders informed of its strategy and progress. The Company regularly meets with its large investors and institutional shareholders who, along with analysts, are invited to presentations by the Company after the announcement of the Company's results. The Company conducts a bi-annual investor roadshow and also addresses current and prospective shareholders at various investment conferences, both in the UK and abroad. The Board regularly receives feedback from the Company's brokers and the Executive Directors on the views of major shareholders and the investor relations programme and also receives reports at each Board meeting on the main changes to the composition of the Company's share register.

Lord Rose, the Chairman, and David Grigson, the Senior Independent Director, are available to the Company's shareholders for discussions. The Chairman, the Senior Independent Director and the chairman of the Remuneration Committee met with some of the Company's shareholders during the period to discuss various matters including corporate governance and executive remuneration.

All shareholders can access this Annual Report, trading statements, investor presentations and regular announcements on the Company's corporate website. All shareholders can choose to receive an Annual Report in paper or electronic form.

FORMAL REPORTING TO SHAREHOLDERS AND DIRECTORS' RESPONSIBILITY

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, trading statements of sales performance published in March, September and December each year, the half-year report, the preliminary announcement of annual results, the annual report, and investor presentations slides and videos. The Company makes available the documents and other information concerning the Company on its corporate website.



The Directors take responsibility for preparing this Annual Report and make a statement to shareholders to this effect. The statement of Directors' responsibility on page 88 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 this 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 including in the Companies Act, and is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, 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, trading 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 and feedback on 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, auditor and management reports on internal controls and risk management, accounting and reporting matters and a management representation letter concerning accounting and reporting matters (for further information see page 75); (4) the Audit Committee regularly reporting to the Board on the discharge of its responsibilities; (5) input from both internal and external legal advisers and other advisers 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 & Business Affairs, the Board committees and the Board.

The statement by the external auditor on its reporting responsibilities is set out in the Independent Auditors' report on pages 132 to 138.

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 11 am on 15 May 2015 at Peterborough Court, 133 Fleet Street, London, EC4A 2BB.

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 from the Company's corporate website.

At last year's annual general meeting, all resolutions were passed with votes in support ranging from 73.24% to 100%.

The Company's Statement of corporate governance (which is set out on pages 66 to 73) is approved by the Board and signed on its behalf by

Lord Rose
Chairman

Neill Abrams
Legal & Business Affairs Director
and Company Secretary

Ocado Group plc
Registered in England and Wales,
number 07098618
3 February 2015