

Chairman's Overview



Dear Shareholder, 2017 was another busy year for the Board and in the following pages we try to give you a sense of the work that the Board and Committees have been doing over the course of the past year as well as describing the governance structures and processes that are in place and providing you with the information we are required to disclose legally and in accordance with applicable corporate governance codes.

LEADERSHIP

There have been no changes in the composition of the Board or its Committees in 2017. The non-executive directors continue to retain their independence and have a high level of engagement with the business. Our meetings (which were held at a variety of company locations during the year and also included building site inspections at Belfast and Cork) provide an opportunity for the non-executive directors to challenge and give their input to the strategic development of the company in equal measure. The annual strategy day in June was one of the highlights of the year and the full board attended our capital markets event in London when our UK growth strategy was presented in detail to shareholders.

EFFECTIVENESS

The Board and Committees have access to adequate information and support to carry out their functions and during 2017 our annual performance evaluation was, for the first time, externally facilitated. The findings from this process were very positive and are outlined on page 68. Board members, in addition to individually dedicating time to their professional development, participated in a tailored roundtable training day facilitated by the Company Secretary. This year, in accordance with our re-election policy, all directors will be subject to re-election at the AGM.

ACCOUNTABILITY

The Audit & Risk Committee held seven meetings during 2017, with dedicated meetings convened to consider changes to accounting for depreciation of fixtures, fittings and equipment and to consider the potential effect of the implementation of IFRS 16 in 2019. The latter topic was the subject of a detailed presentation at the capital markets day. We also took time to listen to feedback on the quality of our public reporting which resulted in some changes in this year's annual report. During 2017 the company also made changes to the management structure to increase the focus on risk management and compliance.

REMUNERATION

We presented a new remuneration policy and LTIP at last year's

AGM and I am grateful for strong shareholder support for both initiatives which are designed to ensure executive remuneration is fair and that incentives are aligned with the interests of shareholders.

RELATIONS WITH SHAREHOLDERS

In addition to the executive directors' meetings with shareholders to coincide with results announcements and at other times throughout the year, the non-executive directors appreciated your input to the remuneration policy and LTIP development in the first quarter. We enjoyed meeting many of you at our capital markets day in London in November. The Annual General Meeting is also a very important opportunity for the directors to meet our shareholders and I look forward to meeting many of you at our AGM in May 2018.

I am proud to serve as Chairman of Dalata and I am committed to continuing the good work of our Board in ensuring a well governed and successful business, creating long-term value for all of our stakeholders. If any shareholder wishes to contact me in relation to any of the content of the annual report, please do so through the Company Secretary at the Company's address.

John Hennessy
Non-Executive Chairman