Directors' report
Chairman's introduction

FOR MORE DETAIL ON CORPORATE GOVERNANCE

SIR DAVID REID
Chairman

DEAR SHAREHOLDER

Once again, on behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 31 December 2015. The Board believes that good governance is key to the long-term success of the Group and we shall continue to pursue the 'comply or explain' approach. Corporate Governance lies at the heart of our Company as compliance and integrity form part of the foundations upon which our values and mission as a Company are based. The Board continues to be committed to improving the governance framework and the need to demonstrate to shareholders that the Company is properly governed in order to support the delivery of our strategic and business goals.

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE (THE 'CODE')

The Company is subject to the principles and provisions of the Code, which is published and regularly updated by the UK Financial Reporting Council ('FRC'). The latest applicable update was released in September 2014. A copy of the Code is available at www.frc.org.uk.

I am pleased to report that throughout the year ended 31 December 2015, the Company has complied with the main and supporting principles and provisions of the Code, except for provision B.3.3. for the period 14 January to 15 May 2015. Wolfhart Hauser was given approval to join the Board of Associated British Foods plc as Non-Executive Director, taking the number of his non-executive directorships during this period to two. The Board considered Wolfhart's other significant commitments and the decision was taken, in view of his publicly announced intention to retire, that despite taking on a second non-executive directorship he would continue to allocate sufficient time to the Company to discharge his responsibilities. From 16 May 2015 the Company complied fully with the Code.

Overleaf is an overview of the Company's compliance with the Code, which should be read in conjunction with this Corporate Governance Report. A fuller explanation of our compliance with the Code and the Disclosure Rules and Transparency Rules is set out on our website at **www.intertek.com**.

SUCCESSION PLANNING

As Chairman, I am focused on ensuring that the Board works effectively and cohesively under my leadership, with the right range and balance of skills, expertise and attributes to ensure the continued growth and success of the Group. In making any board appointments, the Nomination Committee is careful to ensure that it is presented with, and considers, a broad range of candidates. With Wolfhart's retirement in May 2015 one of our key priorities has been to ensure and support a smooth transition in the role of Chief Executive Officer to André Lacroix. Wolfhart remained available to support André as required until the end of December 2015. I would like to thank him on behalf of the Board and our shareholders for his exceptional leadership over the past decade.

With the retirement of Christopher Knight at the 2015 Annual General Meeting ('AGM'), the Nomination Committee focused on evaluating the composition of the Board and its Committees. We welcomed Gill Rider to the Board as Non-Executive Director and Chair of the Remuneration Committee on 1 July 2015. She brings valuable experience to our Board and further strengthens our diversity not just in respect of gender but also experience, skill and personal attributes. With Gill's appointment we have three women on our Board, representing 30%, exceeding the aspirational target of the Lord Davies Report that 25% of the Board positions at FTSE 100 companies should be filled by women.

More information on the role and activity of the Nomination Committee is detailed on pages 83 and 84.

PERFORMANCE EVALUATION

As announced last year, the evaluation and performance review of the Board and its Committees was undertaken with the assistance of an independent party, Egon Zehnder. I am pleased to report that the evaluation concluded that the Board and its Committees operate effectively, with each Director making significant contributions to debate and discussion. Further details on the outcome of the evaluation and its process can be found on pages 60 and 61.

SHAREHOLDER ENGAGEMENT

During the year we consulted extensively with our shareholders and we hope to continue this positive trend in 2016.

More information about our engagement with shareholders is outlined in the Corporate Governance Report on page 62 and in the Remuneration report in the letter from the Chairman to the Remuneration Committee on page 63.

I am interested in hearing the views of our shareholders and ensuring that the Board take these into account when considering the strategic direction of the Group.

BUSINESS FOCUS

A key role for me as Chairman is ensuring that we continually strive to have high standards of corporate governance whilst ensuring that the right controls are in place to provide the Board with the appropriate level of oversight and assurance.

I hope the following report provides you with more information and gives a greater insight into the discussions held at the Board and its Committee meetings during the year.

SIR DAVID REID
Chairman

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

For the year ended 31 December 2015, the Company has complied with the main and supporting principles and provisions of the 2014 UK Corporate Governance Code (the 'Code'), except for provision B.3.3. for the period from 14 January to 15 May 2015. Further details can be found on page 52. From 16 May 2015 to the date of this Report the Company fully complied with the Code.

A full version of the Code can be found on the Financial Reporting Council's website at www.frc.org.uk.

A. LEADERSHIP	**A.1**	**Role of the Board**	The Board meets formally on a regular basis in order to formulate Intertek's strategy and commercial objectives and to review the Company's performance and strategy against set objectives, whilst ensuring the necessary finances and human resources are in place. There is a clear schedule of matters reserved for the Board as detailed on our website at www.intertek.com.
	A.2	**A clear division of responsibilities**	The Company has both a Chairman, who is responsible for the leadership and effectiveness of the Board, and a Chief Executive Officer who is responsible for leading the day-to-day management of the Company within the strategy set by the Board.
	A.3	**Role of the Chairman**	The Chairman sets the agendas for the meetings ensuring adequate discussion time especially on strategy, planning and execution, manages the meeting timetable and facilitates open and constructive dialogue during the meetings.
	A.4	**Role of the Non-Executive Directors**	The Non-Executive Directors actively engage and monitor performance and help to develop proposals on strategy. They are responsible for determining the remuneration of the Executive Directors and have a prime role in appointing Executive Directors and in succession planning.
B. EFFECTIVENESS	**B.1**	**The Board's composition**	The composition of the Board is reviewed regularly by the Nomination Committee to ensure that there is an appropriate mix of skills, experience, independence, knowledge, gender and other qualities.
	B.2	**Board appointments**	The appointment of new Directors to the Board is led by the Nomination Committee. The appointment process is clear, rigorous and transparent. Further details of the appointments undertaken during the year and succession planning can be found on page 83.
	B.3	**Commitment**	The time commitments of Non-Executive Directors are defined on appointment and regularly evaluated. In practice, the time commitments go beyond those set out in the Letters of Appointment. The Chairman gives consideration to new directorships that may impact existing time commitments.
	B.4	**Training and development**	A comprehensive induction programme is in place for all new Directors. The Chairman reviews and discusses training and development requirements with each of the Directors. Directors attend relevant training as necessary to update their knowledge.
	B.5	**Information and support**	The Chairman, in conjunction with the Group Company Secretary, ensures that all Board members receive timely, accurate and effective information using the latest technology.
	B.6	**Board, Director and Committee evaluation**	An externally facilitated evaluation was undertaken at the end of 2015 by Egon Zehnder and is described on pages 60 and 61.
	B.7	**Re-election of Directors**	All Directors were subject to shareholder re-election or election at the 2015 Annual General Meeting ('AGM'), as will be the case at the 2016 AGM, with the exception of Edward Astle, who is retiring. The Directors' biographies are available on pages 56 and 57.

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE			
C. ACCOUNTABILITY	**C.1**	**Financial and business reporting**	The Annual Report and Accounts sets out the performance of the Company, the business model, strategy and the risks and uncertainties relating to the Company. The Board have arrangements in place to ensure that the Annual Report and Accounts present a fair, balanced and understandable assessment of the Company's position and prospects.
	C.2	**Risk management and internal control**	The Board sets the Company's risk appetite to achieve its strategic objectives and annually reviews the effectiveness of the Company's risk management and internal control systems. The activities of the Audit & Risk Committee, which assist the Board with its responsibilities in relation to risk setting and management, are set out on page 78 and 79. The Company's long-term viability statement is also set out on page 39.
	C.3	**Audit Committee and auditing**	The Board has delegated a number of responsibilities to the Audit & Risk Committee, which has oversight of the risk management framework on behalf of the Board. The Chairman of the Committee provides regular reports to the Board.
D. REMUNERATION	**D.1**	**The level and components of remuneration**	The levels of remuneration of the Executive Directors, and how this promotes the long-term success of the Company, together with an alignment of interests between the Directors and shareholders by linking reward to performance, are explained in the Directors' Remuneration report on pages 63 to 77.
	D.2	**Development of remuneration policy and packages**	The activities of the Remuneration Committee, and the way in which it sets executive remuneration, are set out in the Directors' Remuneration report on pages 63 to 77. No Director is involved in setting his or her own remuneration.
E. RELATIONS WITH SHAREHOLDERS	**E.1**	**Shareholder engagement and dialogue**	The Board seeks to actively engage with both institutional and retail shareholders. Details of the shareholder engagement programme are set out on page 62.
	E.2	**Constructive use of the AGM**	The Board values the AGM as an important opportunity to engage with shareholders. Attendees at the AGM have the opportunity to put questions to the Board and to speak to individual Directors following the formal business of the meeting.

Compliance with the Code

A fuller explanation of our compliance with the Code can be found at www.intertek.com.

Board of Directors

COMMITTEES:

Nomination N

Audit & Risk A

Remuneration R

SIR DAVID REID N
Chairman

Appointed to the Board in December 2011 and became Chairman in January 2012. Sir David Reid retired as Non-Executive Chairman of Tesco PLC in November 2011 after serving in that role since April 2004. Prior to that he was Deputy Chairman of Tesco PLC and had served on the Tesco Board since 1985. David is Chairman of the charity Whizz-Kidz. In February 2012 he was appointed a member of the Global Senior Advisory Board of Jefferies International Limited, a global securities and investment banking group. He was formerly the Senior Independent Non-Executive Director of Reed Elsevier Group PLC (now RELX Group), Chairman of Kwik-Fit Group Ltd, Non-Executive Director at Greenalls Group Plc (now De Vere Group), Legal & General Group Plc and Westbury plc.

ANDRE LACROIX
Chief Executive Officer

Appointed to the Board as Chief Executive Officer in May 2015. André is an experienced Chief Executive with a strong track record of delivering long-term growth strategies and shareholder value with global companies across diverse territories. André was previously Group Chief Executive of Inchcape plc from 2005 to 2015 and prior to this he was Chairman and Chief Executive Officer of Euro Disney S.C.A. From 1996 to 2003 he was the President of Burger King International, previously part of Diageo. André is currently the Senior Independent Director of Reckitt Benckiser Group plc and Chairman of Good Restaurants AG.

EDWARD LEIGH
Chief Financial Officer

Appointed to the Board as Chief Financial Officer in October 2014. He joined Intertek in March 2013 as the Group's Financial Controller. Prior to that, Edward spent nine years at Dixons Retail plc, where he held several senior financial management positions, including Divisional & Corporate Development Finance Director, UK & Ireland CFO and Group Financial Controller. From 1995 to 2004 Edward held commercial financial leadership roles at Procter & Gamble Co. covering the UK and international markets.

EDWARD ASTLE N A
Non-Executive Director

Appointed to the Board as a Non-Executive Director in September 2009. Until July 2013, he was Pro Rector (Enterprise) at Imperial College London where he had overseen the university's relationships with industry, and led business development opportunities in the UK and internationally. Edward was an Executive Director of National Grid plc from 2001 to 2008, a Managing Director at the BICC Group from 1997 to 1999 and an Executive and Regional Director at Cable & Wireless plc from 1989 to 1997. Previously he held senior business strategy positions in the UK and France. He is a member of the BT Equality of Access Board, a member of the Governing Board of the University of Manchester and Vice Chair of the Shannon Trust.

ALAN BROWN
A

Non-Executive Director

Appointed to the Board as a Non-Executive Director in April 2011. He is currently Group Chief Executive Officer of ASCO Global, an international oilfield support services business. Alan was Chief Executive Officer of Rentokil Initial plc for five years until October 2013. He spent 25 years at Unilever PLC where he rose through a variety of finance roles in the UK and Europe and then general management in Taiwan and China. His last four years were as Executive Chairman of Unilever China. Following this, Alan returned to the UK as Chief Financial Officer at Imperial Chemical Industries PLC taking a leading role in the divestment of the company.

DAME LOUISE MAKIN
N R

Non-Executive Director

Appointed to the Board as a Non-Executive Director in July 2012. Dame Louise Makin is currently Chief Executive Officer of BTG plc, a growing international specialist healthcare company, a position she has held since 2004. Before joining BTG, Louise was at Baxter Healthcare from 2000, holding the roles of Vice President, Strategy & Business Development Europe, and from 2001, President of the Biopharmaceuticals division, where she was responsible for Europe, Africa and the Middle East. Prior to her time at Baxter, she was Director of Global Ceramics at English China Clay and held a variety of roles at ICI between 1985 and 1998. Louise is a Trustee of The Outward Bound Trust, an Honorary Fellow of St John's College Cambridge, and a Non-Executive Director of Woodford Patient Capital Trust plc. She was previously a Non-Executive Director of Premier Foods plc.

GILL RIDER CB
R

Non-Executive Director

Appointed to the Board as a Non-Executive Director in July 2015. She currently holds non-executive directorships with Pennon Group Plc, where she chairs the Sustainability Committee and Charles Taylor Plc where she chairs their Remuneration Committee. She is the Senior Independent Director at both. Gill is also the Chair of Council (Board) of the University of Southampton and was the President of the Chartered Institute of Personnel & Development for the last five years. Formerly Gill was head of the Civil Service Capability Group in the Cabinet Office reporting to the Cabinet Secretary and prior to that held a number of senior positions with Accenture culminating in the post of Chief Leadership Officer for the global firm. She was previously a Non-Executive Director of De La Rue plc.

MICHAEL WAREING CMG
N A

Senior Independent Non-Executive Director

Appointed to the Board as a Non-Executive Director in April 2011. He is currently the Senior Independent Director and Audit Committee Chairman at Cobham plc and was previously a Non-Executive Director and Audit Committee Chairman at Wolseley plc. Michael was appointed as the Economic Development Advisor to the Government of Afghanistan in August 2011. He has major international and board level knowledge gained during an extensive global career up to senior partner level at KPMG, where his last position was as International Chief Executive Officer, which he occupied for four years until 2009. He was previously the Prime Minister's Special Envoy for Reconstruction in Southern Iraq.

MARK WILLIAMS
N R

Non-Executive Director

Appointed to the Board as a Non-Executive Director in September 2013. Until February 2013, Dr. Mark Williams worked for over 33 years at Royal Dutch Shell Plc ('Shell'), including more than 21 years in Shell's Exploration & Production and midstream businesses in the US, serving most recently as Downstream Director and a member of the Executive Committee of Shell, where he was one of the top three operating executives responsible for all strategic, capital and operational matters. Mark has held Board positions on non-profit and industry Boards and is currently Chairman of Hess Corporation in the US.

LENA WILSON CBE
A

Non-Executive Director

Appointed to the Board as a Non-Executive Director in July 2012. She is currently Chief Executive Officer of Scottish Enterprise, Scotland's national economic development agency, a member of Scotland's Financial Services Advisory Board and Chair of Scotland's Energy Jobs Taskforce. Prior to this, she was Chief Executive Officer of Scottish Development International (Scotland's international trade and investment arm) and Chief Operating Officer, Scottish Enterprise. Lena was also a Senior Advisor to The World Bank in Washington DC on private sector development for developing countries. Lena is a member of the University of Strathclyde's Business Advisory Board, and an Ambassador for the Prince and Princess of Wales Hospice and the Edinburgh Military Tattoo. She served on the Board of the Prince's Scottish Youth Business Trust for ten years.

Leadership

THE ROLE OF THE BOARD

The Board is collectively responsible and accountable to shareholders for providing entrepreneurial leadership of the Company to ensure that the strategic aims and financial performance are delivered within a prudent framework of control systems. It spends time reviewing the following key activities:

- Strategy;
- Growth and development;
- Oversight of performance;
- Corporate governance; and
- Increasing long-term shareholder value.

The Board also reviews and approves the method and approach to risk management and internal control systems and the Group's risk register. The overall powers of Directors are set out in the Company's Articles of Association, which are available on the Company's website and may be amended by special resolution of the shareholders. The Board may exercise all powers conferred on it by the Articles in accordance with the Companies Act 2006 and other applicable legislation.

The Board has the ultimate responsibility to the Company's shareholders for the conduct of our business and also establishes the Company's policies. There is a clear division of responsibility between the running of the Board and the executive responsibility for running the Company's business. The Board Approval Matrix formally outlines the matters specifically requiring the consent of the full Board. The Board also delegates specific responsibilities, subject to certain financial limits, to management and this is governed by the Authorities Cascade which is regularly reviewed and updated to meet business needs. The Board decides and reviews all key policies and regulations for the Company, its strategy, operating plans, acquisitions, corporate governance, major investments and disposals, appointment and removal of Directors, risk management, financial reporting, audit, sustainability, ethics, the environment, people policies and pensions.

BOARD COMPOSITION AND INDEPENDENCE

As at 31 December 2015, the Board comprised the Chairman, two Executive Directors and seven Non-Executive Directors. Biographical details of individual Directors are set out on pages 56 and 57.

The Nomination Committee is responsible for reviewing the composition of the Board and its Committees and assessing whether the balance of skill, experience, independence and knowledge is appropriate to enable them to operate effectively. Following the retirement of Christopher Knight on 15 May 2015 the Nomination Committee reviewed the composition of the Board and its Committees and recommended the appointment of Gill Rider as a Non-Executive Director on 1 July 2015. More detail on the procedure for appointments can be found in the report of the Nomination Committee on page 83.

The Company's Non-Executive Directors provide a strong, independent and external insight to the Board's proceedings and bring with them a wealth of experience and knowledge from other business sectors and industries. The Board has reviewed the independence of the Non-Executive Directors, other than the Chairman, in accordance with the factors set out for consideration in the Code and determined that each continues to be independent.

Experience of the Board

Where a Director is considered to have experience in multiple sectors, they have been recognised in all relevant areas.

The Non-Executive Directors are appointed for specified terms subject to election and re-election by shareholders at the AGM each year, if the Board, on the recommendation of the Nomination Committee deems it appropriate that they remain in office. Any term beyond six years for a Non-Executive Director is subject to a particularly rigorous review to ensure the progressive refreshing of the Board to meet the evolving needs of the Company. The Letters of Appointment of the Non-Executive Directors, as well as the Service Agreements of Executive Directors, are available for inspection at the Company's registered office and at the AGM.

KEY ROLES AND RESPONSIBILITIES

In line with the Code there is a clear division of responsibilities between the Chairman and the Chief Executive Officer, and these responsibilities have been formalised in writing. Their key responsibilities are set out below:

Role	Name	Responsibility
Chairman	Sir David Reid	• Leadership and governance of the Board to ensure its effectiveness. • Ensure that the Directors receive accurate, timely and clear information. • Ensure that there is effective communication with shareholders. • Facilitate the effective contribution to the Board of the Non-Executive Directors. • Hold meetings with the Non-Executive Directors without the Executives present.
Chief Executive Officer	Wolfhart Hauser (Retired 15 May 2015) André Lacroix (Appointed 16 May 2015)	• Run the day-to-day operation of the business in line with the strategy and commercial objectives as agreed by the Board. • Responsible for promoting and conducting the affairs of the Company with the highest standards of ethics, integrity and corporate governance. • Lead the Executive Management Team.
Senior Independent Non-Executive Director	Michael Wareing	• Provide a sounding board for the Chairman. • Responsible for leading the Directors' review of the Chairman's performance. • Be available to meet with shareholders should they have concerns which have not been resolved through normal channels.

GROUP COMPANY SECRETARY

The Group Company Secretary supports the Chairman in the delivery of our Board and governance procedures, in particular in the planning of agendas for the annual cycle of Board and Committee meetings, and in ensuring that information is made available to the Board members on a timely basis. She also arranges for the Non-Executive Directors to meet with investors to discuss aspects of our corporate governance arrangements on request.

The Group Company Secretary also supports the Board by providing advice and services, including access to independent professional advice, at the Group's expense, and ensures that an accurate record of all the meetings and Committee meetings is taken. If a member of the Board has any concerns about the Company or any of the decisions taken, this would be recorded in the minutes. No such concerns were raised during the year.

The Company has granted an indemnity, to the extent permitted by law, to each of the Directors and the Group Company Secretary. Directors' and Officers' liability insurance is in place.

DIRECTORS' CONFLICTS OF INTEREST

Under the Companies Act 2006 all Directors have a duty to avoid conflicts of interest and to disclose any outside appointments. The Board has a formal procedure to identify actual and potential conflicts of Directors' interests. The Directors are advised of the process for dealing with conflicts of interest upon appointment and they are reminded of this obligation at subsequent Board meetings.

Any authorised decisions are reviewed on an annual basis or when a new Director is appointed, or if a new potential conflict arises. The Conflicts of Interest Register is maintained by the Group Company Secretary and is reviewed annually by the Board. Directors abstain from voting when there is a vote to approve their own reported conflicts. In 2015, this process operated effectively.

Effectiveness

BOARD ACTIVITY DURING THE YEAR

During 2015, there were six scheduled Board meetings. There was also frequent ad-hoc contact between Directors to discuss the Group's affairs and development of its business. A table of Directors' attendance at Board meetings during the year is set out below. Details of the Directors' Committee attendance are set out in their respective reports.

Regular agenda items included:

- Updates on Group strategy and commercial objectives;
- Chief Executive's Business Performance Reports;
- 2015 annual business budget;
- Approval of full year results, Annual Report and Accounts, half year results, the AGM circular and dividends;
- Reports of the activities of the Audit & Risk, Remuneration and Nomination Committees;
- Reappointment of Directors at the 2015 AGM;
- Conflicts of interest;
- Updates on governance, risk, internal controls and compliance;
- Updates on developments, acquisitions and disposals; and
- Talent mapping and succession planning.

The Non-Executive Directors also receive monthly Business Performance Reports and information which enables them to review the performance of the Group and management against the agreed strategy, budget objectives and prior period performance. As well as the above, during the year the Board receive updates on debt financing and investor relations.

BOARD MEETING ATTENDANCE

Board Membership and Meeting Attendance

Board Members	Number of scheduled meetings held in 2015	
	Eligible to attend	Attendance
Sir David Reid Chairman	6	6
Wolfhart Hauser Chief Executive Officer (retired 15 May 2015)	3	3
André Lacroix Chief Executive Officer (appointed 16 May 2015)	3	3
Edward Leigh Chief Financial Officer	6	6
Edward Astle Non-Executive Director	6	6
Alan Brown Non-Executive Director	6	6
Christopher Knight Non-Executive Director (retired 15 May 2015)	3	3
Dame Louise Makin Non-Executive Director	6	5[1]
Gill Rider Non-Executive Director (appointed 1 July 2015)	3	3
Michael Wareing Senior Independent Non-Executive Director	6	6
Mark Williams Non-Executive Director	6	6
Lena Wilson Non-Executive Director	6	6

When required the Board also met at short notice on a quorate basis.
1. Dame Louise Makin was unable to attend one meeting due to an unavoidable commitment.

Board visit to Chicago (USA)

In October 2015, the Board visited the Intertek operations in Chicago.

This provided an excellent opportunity for the Board to meet with the US management and to visit sites. The local management team presented on the drivers of the local operations and businesses and opportunities in the region. There was also time for informal interaction between the Board and senior management after the meetings.

DIRECTORS' INDUCTION AND DEVELOPMENT

There is a formal induction programme which is tailored to meet the needs of new Directors. This is managed by the Chairman and the Group Company Secretary. During the programme, new Directors receive background information on the Company and details of board procedures, directors' responsibilities and various governance related issues. The induction also includes a series of meetings with other members of the Board, senior members of management and external advisers.

During the year André Lacroix and Gill Rider completed their induction programmes including orientation from the relevant senior executives in relation to each of the business lines and other functions to ensure that they gain a deeper understanding and knowledge of the business. They received information about the business operations, internal audit activities, Group risks and management processes and procedures. Both conducted visits to various sites and laboratories to see the operations.

All Directors are kept up-to-date with information about Intertek's business and there is an ongoing programme of information dissemination. It is important that the Directors have an appreciation of our business both in the UK and overseas and during the year there were presentations from senior management to the Board, and meetings have been held on regional strategy to increase the understanding of operations, opportunities and risks. The Group Company Secretary, in conjunction with the Group's advisers, monitors legal and governance developments and Directors are regularly updated on such matters.

PERFORMANCE EVALUATION

The effectiveness of the Board is vital to the success of the Group and the Company undertakes a rigorous evaluation review each year in order to assess how well the Board, the Committees, the Directors and the Chairman are performing.

2015 External Board evaluation

As planned, and recommended by the Code, a formal evaluation process was facilitated by a third party, Egon Zehnder, under the direction of the Chairman at the end of 2015. Egon Zehnder has no other connection to the Company apart from in relation to the 2015 Board evaluation and search consultancy services.

A key context for this year's review was our CEO succession where, after 10 years as CEO, Wolfhart Hauser retired at the AGM in May 2015 and was succeeded by André Lacroix. Accordingly the review focused mainly on the period since May when André assumed the CEO position, while also taking into account the outstanding learnings and opportunities from the previous leadership to ensure continuity.

It was noted that the CEO succession process was well led by the Chairman and the Board had found and appointed a highly capable and proven CEO who could take the Company through the next era of leadership. Further, the feedback on this early period of his leadership was extremely positive; this included a major strategic review and working it through with the executive management and the Board.

There is a real sense of clarity and alignment on the comprehensive strategy review completed over the last seven months to December 2015. The Board is delighted to see André's purposeful, thoughtful and energetic leadership producing an improvement in business performance and constructive board dynamics. There is a clear plan looking forward with timescales and milestones and priorities for implementation and review at the Board.

The Board recognise the scale of the challenges and opportunities in realising the value they can deliver for shareholders and are optimistic that it can be done. This is based on the work done inter alia on the 'differentiated value proposition' and the 'good to great accelerators'.

Alongside the Strategy, André has led a detailed review with his management team of the vision, core purpose, mission and values which is a key element of alignment and ensuring good execution right across the Group.

The Board recognises the importance of People in our business and André has been quick to lead a strong focus on strategic capability in HR, people processes and talent development.

The Board processes were reviewed in terms of the construction, composition, and dynamics of their Committees. The connections between the Board and the Committees are good with its Executives and Non-Executives Directors working well together. Governance overall is seen to be sound. An exception, and a surprise, was the voting down of last year's Remuneration Report. The Board took this very seriously and has carried out a detailed review of the underlying reasons. In particular our new Chair of the Remuneration Committee, Gill Rider, together with our new external remuneration advisers have as required engaged with shareholders on our response to their concerns. The Board believe on the basis of this constructive engagement and changes we have made that our 2015 Remuneration Report will receive a positive vote from our Shareholders at this year's AGM.

Lastly, and importantly, the Board believe the Company is entering a new era of opportunity. We have a good strategy for growth. We have a capable, motivated, and energised team and an excellent CEO to lead them to deliver shareholder value. In conclusion, the review has shown that the Board and its Committees continue to operate in an efficient and effective manner.

Chairman and Non-Executive Director evaluation

The Non-Executive Directors, led by the Senior Independent Non-Executive Director, conducted a performance review of the Chairman. They considered his leadership, performance and overall contribution to be of a high standard and he continues to have their full support.

The Chairman met with each Non-Executive Director to discuss individual contributions and performance, together with training and development needs. The Board has confirmed that the contribution of each of the Directors continues to be effective and recommends that shareholders should be supportive of their election or re-election to the Board.

GOVERNANCE FRAMEWORK AND BOARD COMMITTEES

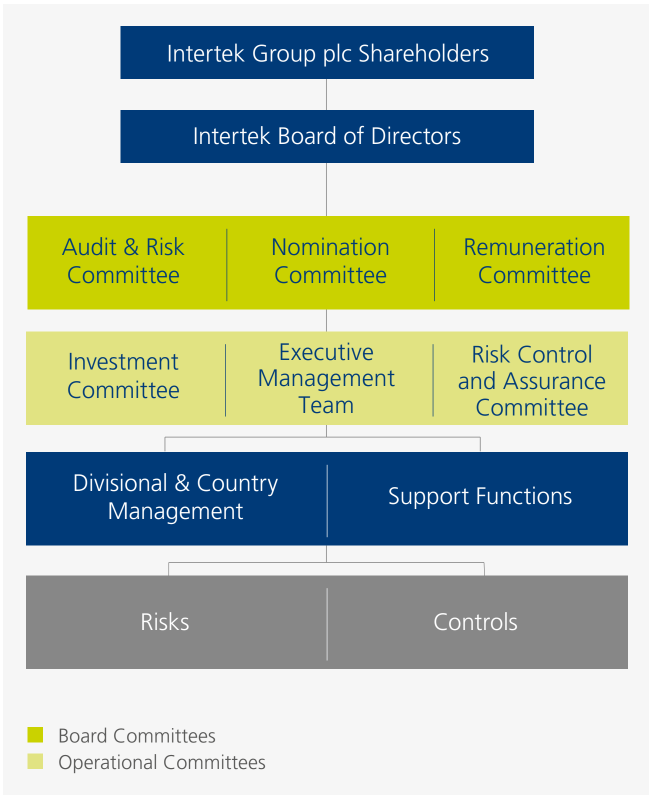
The Group has a clear Governance Framework, as set out in the diagram below, which explains how authority is delegated from the Board.

The principal Board Committees comprise the Audit & Risk Committee, the Nomination Committee and the Remuneration Committee.

Each of the Board's Committees has received delegated authority to carry out the business defined in its respective Terms of Reference. The Board is satisfied that the Terms of Reference for each of these Committees reflect current best practice and satisfy the terms of the Code. The Terms of Reference for these principal Committees are available on our website at www.intertek.com.

At each Board Meeting, the Chair of each Committee provides the Board with a brief summary of the work carried out by their Committee, if any, between Board meetings and makes recommendations to the Board for approval. Further information on the responsibilities and activities of each of the Committees can be found on pages 63 to 77 (Remuneration Committee), pages 78 to 82 (Audit & Risk Committee) and on pages 83 and 84 (Nomination Committee).

The Board also delegates certain responsibilities to management and this is governed by the Authorities Cascade which is regularly reviewed and updated to meet business needs.



OPERATIONAL COMMITTEES

Executive Management Team

The Executive Management Team, which comprises the Executive Directors, the senior Group and Executive Vice-Presidents and other senior management, meet regularly to discuss and decide business and operational issues. The biographical details of the members of the Committee can be found on pages 22 and 23.

Investment Committee

The Investment Committee is responsible for reviewing significant contracts, leases and acquisitions, undertaking post investment appraisal reviews, and overseeing capital expenditure and investments as defined in the Authorities Cascade and forms part of the Intertek Corporate Governance Framework. The membership of the Investment Committee consists of the Chief Executive Officer and the Chief Financial Officer. The Committee is serviced by the Deputy Company Secretary.

Risk Control and Assurance Committee ('RCA')

There are two key elements to the work of the RCA:

1. To oversee the development and improvement of the Group's risk management, internal controls and assurance framework and the related procedures and systems; and
2. To oversee the operation and implementation of the procedures and systems identified.

The RCA is comprised of the Chief Financial Officer, Group Company Secretary, Chief Information Officer, Executive Vice-President Human Resources, Group Financial Controller, Group General Counsel and Head of Internal Audit.

More information on the RCA is available in the report of the Audit & Risk Committee on page 81.

RELATIONSHIP WITH SHAREHOLDERS

Shareholder engagement

The views and opinions of our shareholders are important to the Company and we maintain an ongoing engagement programme for major shareholders.

An independent Investor Study for Intertek was undertaken during April and May 2015. This involved a quantitative assessment of the business based on past performance and forecasts of the future, together with a qualitative assessment based on interviews with 19 leading institutional investors in the UK and North America controlling an identified 45% of the issued share capital of the Company between them. The findings of the study were then presented to the Board in July 2015.

The Chairman and the Senior Independent Non-Executive Director are available to meet with shareholders. The other Non-Executive Directors are also available to meet with institutional shareholders to discuss any matters relating to the Company. The Company's website has an investors section which includes a wealth of information that may be of interest to our shareholders and investors.

Our largest shareholders are invited annually to meet with the Chairman to share their views. In 2015 we invited shareholders holding more than 40% of the share register collectively to these meetings. The Company has also consulted extensively with shareholders in relation to remuneration following the 2015 AGM. There was engagement and meetings held between the Chair of the Remuneration Committee and shareholders representing over 50% of the share register.

2015 Investor Relations Calendar

February	Chairman shareholder meetings
March	Annual Results Roadshows
April	Investor site visit Testing, Inspection & Assurance Conference
May	Annual General Meeting AGM Trading Update New CEO introductory shareholder meetings
June	European Business Services Conference Independent shareholder study with UK and US investors
August	Interim Results Roadshows
September	Support & Business Services Conference European Large Cap Conference Private Wealth Management Roadshow Shareholder consultation on remuneration
November	Trading Statement
December	US Business Services Conference

Annual General Meeting

This year the AGM will be held on 25 May 2016 at 9.00am in the Park Room at the Westbury Hotel, Conduit Street, London, W1S 2FY. The AGM provides the opportunity for all shareholders to develop their understanding of the Company's strategy and operations, to ask questions of the full Board on the matters put to the meeting, including the Annual Report and Accounts. All Board members attend the AGM and, in particular, the Chairs of the Audit & Risk, Nomination and Remuneration Committees are available to answer questions. The Company proposes a resolution on each separate issue and does not combine resolutions inappropriately. The Notice of the AGM ('Notice') is sent to shareholders by e-communications or by post.

A copy of the Notice is available on the website at www.intertek.com.

Directors' report
Remuneration report

The elements specifically required to be audited within the shaded sections of pages 70 to 74 have been audited by KPMG Audit Plc in compliance with the requirements of the Regulations.

Gill Rider – Chair of the Remuneration Committee

DEAR SHAREHOLDER

2015 has been a year of change, in which we have experienced the retirement of Wolfhart Hauser after 10 years as CEO and the appointment of André Lacroix as his successor, whilst responding positively to the continued economic challenge in key markets.

This is my first report to you and I want to start by emphasising that the Remuneration Committee (the 'Committee') takes the views of the Group's shareholders very seriously. We are sorry that our Report on Remuneration last year did not receive our shareholders' support. I would like to extend our thanks to all of our shareholders who have taken the time over the recent months to provide us with their views on executive remuneration matters. Taking into account the feedback that we received, the Committee has worked to ensure that the approach to executive remuneration at Intertek is in the best interests of both the Group and its shareholders.

The main concern for many of our shareholders last year was the approach taken to the joining arrangements for the new CEO, André Lacroix, and in particular the guaranteed bonus. Following the feedback and opposition from shareholders to this element of guarantee, and as we communicated at the time of the result of the AGM, the Board, in consultation with André Lacroix, determined that his 2015 Bonus is subject to the usual performance criteria and a compensatory award in this regard will no longer be made. In future, the Committee will ensure that we take into account the views of shareholders when considering and agreeing the remuneration arrangements for new recruits.

Following the AGM, the Committee undertook a 'deep dive' review of all of the components of the remuneration policy to ensure that they continue to support the Group's strategy and the objective of delivering sustainable long-term returns to shareholders.

Overall, the Committee determined that the core remuneration policy, which was approved by shareholders at the 2014 AGM, remained appropriate and this is reflected in the largely unchanged policy presented on the following pages for approval at our 2016 AGM.

The key area that the Committee considered appropriate to change was the approach to the annual incentive. As you will see in this year's Annual Report on Remuneration, we have simplified our measures for 2016 and aligned them more closely to the delivery of the growth strategy of the business and shareholder feedback. In line with the growth strategy of the new CEO, the annual incentive will be based solely on financial performance as follows, with effect from 1 January 2016:

- 80% – a matrix based on revenue growth and operating profit growth; and
- 20% – based on return on invested capital performance.

Bonuses will continue to be subject to a quality of earnings review at the end of the year to ensure that pay-outs are appropriate based on the underlying performance of the Group and to ensure that any awards are commensurate with the Group's culture and values.

The Committee has also updated the policy to reflect the minor changes in benefits included in the terms and conditions of the new CEO following his appointment in 2015. Benefits provided will remain within the maximum opportunity of 12% of base salary.

As outlined in the 2014 Remuneration report, the Committee deferred the setting of performance targets and the award of the 2015 LTIP; the award was made in September 2015, following the appointment of André Lacroix as CEO and consultation with shareholders. Details of the final targets are provided on page 72.

Given the increasing focus from some investors on the time horizons for long-term incentive plans, the Committee had substantial debate on the matter of extending the holding period for our Long Term Incentive Plan beyond the current six month post-vesting. In our view, given the nature of our customer facing business, the new management team now in place, the new business growth strategy and direction and also the recent history of LTIP pay-outs at Intertek – we felt it prudent to keep the holding period as it is for now. The Committee will review this next year and has provided itself with the flexibility within the policy report to increase the time horizons for LTIP awards.

With respect to 2015, the Company delivered solid financial performance, illustrated by 5.9% growth in adjusted operating profit over 2014, 6.5% growth in adjusted diluted EPS and a return on capital employed of 16.9%, with strong cash conversion. In light of the financial performance delivered during the year by the management team, the Committee approved bonus pay-outs relating to financial performance of 95.7% of the maximum. The bonus payments of André Lacroix and Wolfhart Hauser have been pro-rated for time in service.

As the performance targets attached to the 2013 LTIP, which was measured based on EPS and relative TSR performance over the three-year period to 31 December 2015, were not met, this award will lapse in full in 2016.

An additional change being made by the Committee is the introduction of a new all employee share plan to increase alignment to shareholders across the Group. The new plan, the Intertek Group plc Savings Related Share Option Scheme (comprising the UK tax-advantaged scheme and the International Scheme – the 'SRS'), will be operated in all of the jurisdictions within which the Group operates (subject to feasibility and minor changes for tax and legal purposes as required). The SRS will be subject to shareholder approval at the forthcoming AGM.

I hope you will find that you are able to support the level of remuneration we have determined for 2015 and our remuneration policy as submitted for your approval at this year's AGM. Once again I would like to thank you for your engagement and guidance during our consultation rounds this year.

Yours sincerely,

G A Rider

GILL RIDER
Chair of the Remuneration Committee

Directors' Remuneration Policy Report

The section below sets out the Remuneration policy for executive and non-executive Directors, which is subject to a binding vote of shareholders and will, if applied, be effective from the date of the 2016 AGM.

POLICY OVERVIEW

We continue to focus on ensuring that our remuneration policy is appropriate for the nature, size and complexity of the Group, encourages our employees in the development of their careers and is directed to deliver continued profitable growth.

Our remuneration strategy is to:

- align and recognise the individual's contribution to help us succeed in achieving our growth strategy and long-term business goals;
- attract, engage, motivate and retain the best available people by positioning total pay and benefits to be competitive in the relevant market and in line with the ability of the business to pay;
- reward people equitably for the size of their responsibilities and performance; and
- motivate high performers to increase shareholder value and share in the Group's success.

Each year the Committee approves the overall reward strategy for the Group and considers the individual remuneration of the Executive Directors and certain senior executives.

The Committee reviews the balance between base salary and performance-related remuneration against the key objectives and targets so as to ensure performance is appropriately rewarded. This also ensures outcomes are a fair reflection of the underlying performance of the Group.

As a global service business, our success is critically dependent on the performance and retention of our key people around the world. Employment costs represent the major element of Group operating costs. As a global Group our pay arrangements take into account both local and international markets and we operate a global remuneration policy framework to achieve our reward strategy.

Our peer groups for the majority of our employees consist of international industrial or business service organisations and similar-sized businesses. For our more senior executives we base our remuneration comparisons on a blend of factors, including sector, job complexity, location, responsibilities and performance, whilst recognising the Company is listed in the UK.

We believe that a significant proportion of remuneration for senior executives should be related to performance, with part of that remuneration being deferred in the form of shares and subject to continued employment and longer-term performance. We also believe that share-based remuneration should form a significant element of senior executives' compensation, so that there is a strong link to the sustained future success of the Group.

REMUNERATION POLICY FOR DIRECTORS

The following table sets out the key aspects of the remuneration policy for Directors:

ELEMENT OF PAY	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE MEASURES
BASE SALARY	To attract and retain high performing Executive Directors to lead the Group.	The Committee reviews salaries annually, taking account of the scale of responsibilities, the individual's experience and performance. Whilst the Committee takes benchmarking information into account, its decisions are based primarily on the performance of the individual concerned against the above factors to ensure that there is no unjustified upward ratchet in base salary.	There is no prescribed maximum annual increase. The Committee is guided by the general increase for the employee population but on occasions may need to recognise other factors including, but are not limited to, development in role, change in responsibility and/or variance to market levels of remuneration.	Individual performance is taken into account when salary levels are reviewed.
BENEFITS	To provide competitive benefits to ensure the well-being of employees.	Benefits include, but are not limited to, annual medicals, life assurance cover of up to six times base salary, allowances in lieu of a company car or other benefits, private medical insurance (for the individual and his dependants) and other benefits typically provided to senior executives. Executive Directors can participate in the all-employee share plans operated by the Company on the same basis as all other employees.	The total value of these benefits (excluding the all-employee plans) will not exceed 12% of salary. The maximum opportunity under any all-employee share plan is in line with all other employees and is as determined by the prevailing HMRC rules.	n/a
PENSION	To provide competitive retirement benefits.	Executive Directors can elect to join the Company's defined contribution pension scheme, receive pension contributions into their personal pension plan or receive a cash sum in lieu of pension contributions.	Up to 30% of salary.	n/a

ELEMENT OF PAY	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE MEASURES
ANNUAL INCENTIVE PLAN ('AIP')	To drive the short-term strategy and recognise annual performance against targets which are based on business objectives.	Awards are based on Group annual financial performance targets, with performance targets set annually by the Committee. Normally, 50% of any bonus is paid in cash and 50% deferred into shares which will vest after a period of three years subject to continued employment. Accrued dividends on deferred shares during the deferral period are paid in in cash or shares at the end of the deferral period. Not pensionable. Malus and clawback provisions apply.	The maximum opportunity is 200% of salary for all Executive Directors. The Committee has the ability to reduce bonus payments if it believes that short-term performance has been achieved at the expense of the Group's long-term future success. The Committee can adjust upwards the bonus outturn (up to the maximum set out above) to recognise very exceptional circumstances or to recognise that circumstances have occurred which were beyond the direct responsibility of the executive and the executive has managed and mitigated the impact of any loss.	The annual bonus will be measured against a range of key Group financial measures. The current intention is that none of the bonus will be subject to non-financial measures or personal performance measures. The Committee however retains the discretion to introduce such measures in the future, up to a maximum of 20% of the bonus. Where the Committee were to introduce such measures, it would normally consult with the Company's largest institutional shareholders. The stretch targets, when met, reward exceptional achievement and contribution. There is no bonus pay-out if threshold targets are not met.
LONG-TERM INCENTIVE PLAN ('LTIP')	To retain and reward Executive Directors for the delivery of long-term performance. To support the continuity of the leadership of the business. To provide long-term alignment of Executives' interests with shareholders by linking rewards to Intertek's performance.	Annual grant of conditional shares which vest after three years, subject to Company performance and continued employment. Awards may be made in other forms (e.g. nil-cost options) if considered appropriate. The shares will also be subject to a six-month holding period after vesting. The Committee has the discretion to increase the length of the holding period in future years. Performance targets are set annually for each three-year performance cycle by the Committee. Accrued dividends during the vesting period to be paid in cash or shares at vesting, to the extent that shares vest. The Committee may adjust and amend awards in accordance with the LTIP rules.	Up to 250% of salary in respect of any financial year.	LTIP awards are subject to performance conditions based on Earning Per Share ('EPS') growth and relative Total Shareholder Return ('TSR'). At least a quarter of each award will be based on each of these measures, with the split determined each year by the Committee. 25% of an award will vest for achieving threshold performance, increasing pro-rata to full vesting for the achievement of stretch performance targets. Awards under the TSR element of the LTIP are also subject to the satisfaction of a financial underpin.
SHARE OWNERSHIP GUIDELINES	To increase alignment between executives and shareholders.	Executive Directors are required to retain any vested shares (net of tax) under the Group's share plans until the guideline is met. The guideline should be met within five years of the guideline being set.	CEO: 200% of salary. CFO: 200% of salary.	n/a
NON-EXECUTIVE DIRECTORS' FEES	To attract and retain high calibre Non-Executive Directors through the provision of market competitive fees.	A proportion of the fees (at least 50%) are paid in cash, with the remainder used to purchase shares. Fees are determined based on the responsibility and time committed to the Group's affairs and appropriate market comparisons. With the exception of benefits-in-kind arising from the performance of duties, no other benefits are provided, other than to the Chairman, who receives a car allowance of £25,000 per annum.	As for the Executive Directors, there is no prescribed maximum annual increase. The Committee is guided by the general increase for the employee population but on occasions may need to recognise other factors including, but not limited to, change in responsibility and/or variance to market levels of remuneration.	n/a

CHANGES TO THE POLICY TABLE

All changes made to our policy are detailed in the Chair's statement. Minor wording changes have also been made to ensure that the policy can be implemented as intended by the Remuneration Committee.

SELECTION OF PERFORMANCE METRICS

The annual bonus is based on performance against a mix of financial measures. The mix of financial measures is aligned to the Group's Key Performance Indicators (KPIs) and is reviewed each year by the Remuneration Committee to ensure that they remain appropriate to reflect the priorities for the business in the year ahead. The targets are set for each KPI to encourage continuous improvement and challenge the delivery of stretch performance.

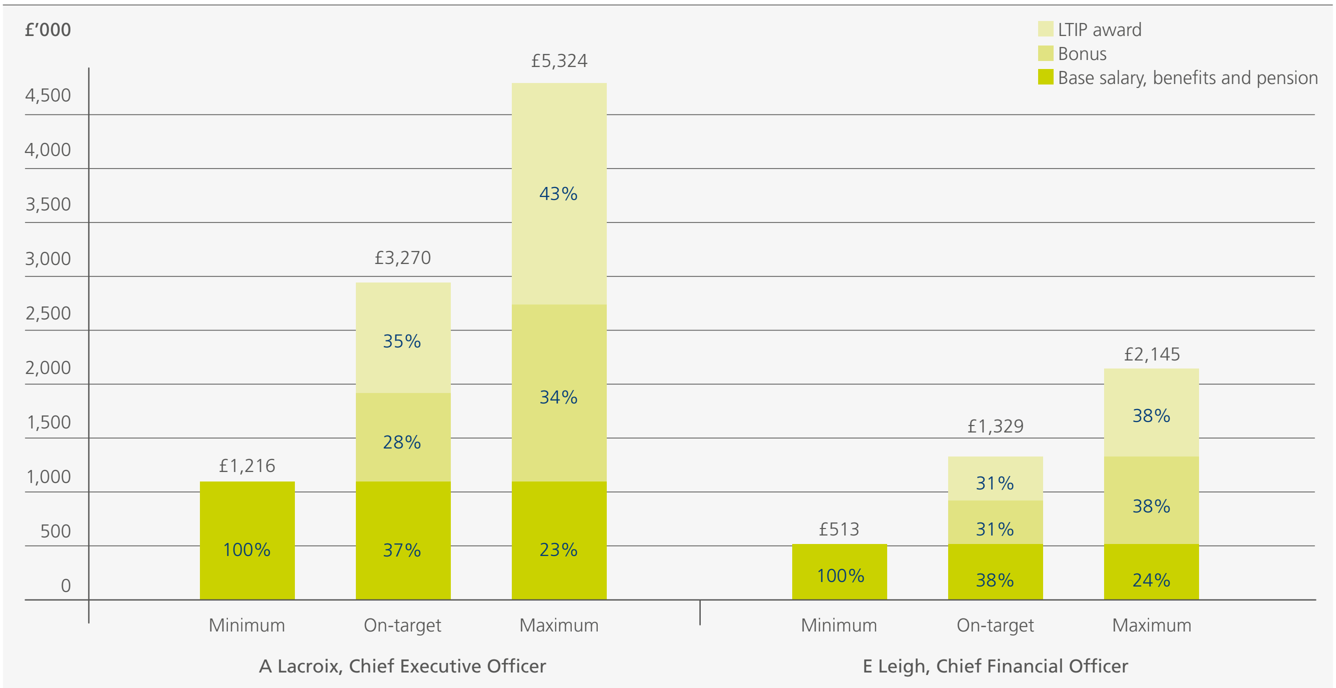
The LTIP is based on EPS growth and TSR performance. EPS is a measure of the Group's overall financial success and TSR provides an external assessment of the Company's performance against the market. It also aligns the rewards received by executives with the returns received by shareholders. A sliding scale of challenging performance targets is set for each measure. The Committee reviews the choice of performance measures and the appropriateness of the performance targets prior to each LTIP grant. The Committee reserves the discretion to set different targets for future awards, without consulting with shareholders. The targets for awards granted under this remuneration policy are set out in the Annual Report on Remuneration.

When setting the targets for the annual bonus and the LTIP, the Remuneration Committee takes into account a range of factors, including the business plan, prior year performance, market conditions and consensus forecasts.

REMUNERATION SCENARIOS FOR EXECUTIVE DIRECTORS

The charts below illustrate how the Executive Directors' remuneration packages vary at different levels of performance under the ongoing policy, which will apply in 2016 for both the Chief Executive Officer ('CEO') and Chief Financial Officer ('CFO'):

Value of remuneration packages at different levels of performance



Points relating to the above table:

1. Salary levels are based on those applying on 1 April 2016.
2. The value of taxable benefits is based on the cost of supplying those benefits (as disclosed) for the year ended 31 December 2015.
3. The value of pension receivable by the CEO and CFO in 2016 is taken to be 30% of salary and 20% of salary respectively.
4. The on-target level of bonus is taken to be 50% of the maximum bonus opportunity.
5. The on-target level of the LTIP is taken to be 50% of the face value of the award at grant.
6. Share price movement and dividend accrual have not been incorporated into the values shown above.

APPROACH TO RECRUITMENT AND PROMOTIONS

The remuneration package for a new Executive Director – base salary, benefits, pension, annual bonus and long-term incentive awards – would be set in accordance with the terms of the Company's prevailing approved remuneration policy at the time of appointment. The Committee may set the base salary at a value to reflect the calibre, experience and earnings potential of a candidate, subject to the Committee's judgement that the level of remuneration is in the Company's best interest. The maximum level of variable pay (annual bonus and long-term incentive awards) which may be awarded to a new executive director at or shortly following recruitment shall be limited to 450% of salary. These limits exclude buy-out awards and are in line with the 'Remuneration Policy for Directors' set out previously.

The Committee may offer additional cash and/or share-based elements to take account of remuneration relinquished when leaving the former employer when it considers these to be in the best interests of the Company (and therefore shareholders) ('buy-outs'). Any such awards would reflect the nature, time horizons and performance requirements attaching to the remuneration it is intended to replace. Where appropriate the Committee retains the flexibility to utilise Listing Rule 9.4.2 for the purpose of making an award to 'buy out' remuneration relinquished when leaving the former employer.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses and continuing allowances as appropriate. Additionally, in the case of any Executive Director being recruited from overseas, or being recruited by the Company to relocate overseas to perform their duties, the Committee may offer expatriate benefits on an ongoing basis subject to their aggregate value to the individual not exceeding 50% of salary per annum.

For an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

If a new Chairman or non-executive Director is appointed, remuneration arrangements will be in line with those detailed in the remuneration policy for non-executive directors set out in the Remuneration Policy for Directors above.

SERVICE CONTRACTS FOR EXECUTIVE DIRECTORS

The service agreements of the Executive Directors are not fixed-term and are terminable by either the Company or the Director on 12 months' notice and make provision, at the Board's discretion, for early termination by way of payment of salary and pension contributions in lieu of 12 months' notice. In calculating the amount payable to a Director on termination of employment, the Board would take into account the commercial interests of the Company and apply usual common law and contractual principles. Any payments in lieu of notice may be paid in a lump sum or may be paid in instalments and reduce if the director finds alternative employment. The service contracts are available for inspection at the Company's registered office. The Committee reviews the contractual terms for new Executive Directors to ensure these reflect best practice. In summary, the contractual provisions are:

Provision	Detailed Terms
Notice period	12 months
Common law and contractual principles	Common law and contractual principles apply
Remuneration entitlements	A bonus may be payable (pro-rata where relevant) and outstanding share awards may vest (see below)
Change of control	No Executive Director's contract contains provisions or additional payments in respect of change of control. The treatment of bonus awards and outstanding share awards will be treated in line with the relevant plan rules.

The annual bonus may be payable with respect to the period of the financial year served. Any share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on the relevant plan rules.

The default treatment under the 2011 LTIP is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, ill-health, disability, retirement or other circumstances at the discretion of the Committee, 'good leaver' status may be applied. For good leavers, awards will normally vest on the original vesting date, subject to the satisfaction of the relevant performance conditions at that time and reduced pro-rata to reflect the proportion of the performance period actually served. However, the Committee has discretion to determine that awards vest at an earlier date and/or to disapply time pro-rating, although it is envisaged that this would only be applied in exceptional circumstances. Any such incidents, where discretion is applied by the Committee in relation to executive Directors, will be disclosed in the following Annual Report on Remuneration.

The default treatment for deferred bonus awards is that any outstanding awards lapse on cessation of employment. However in certain 'good leaver' circumstances (as described under the 2011 LTIP above), awards will vest in full on the original vesting date, unless (as permitted under the plan rules) the Committee determines that awards should vest at an earlier date.

In determining whether an executive should be treated as a good leaver or not, the Committee will take into account the reasons for their departure.

LETTERS OF APPOINTMENT FOR NON-EXECUTIVE DIRECTORS

The Letter of Appointment for each Non-Executive Director states that they are appointed for an initial period of three years and all appointments are terminable by one month's notice on either side. At the end of the initial period and after rigorous review the appointment may be renewed for a further period, usually three years, if the Company and the Director agree and subject to annual re-election at the AGM. Each letter of appointment states that if the Company were to terminate the appointment, the Director would not be entitled to any compensation for loss of office.

The table below sets out the terms for all current members of the Board.

	Date of Appointment	Notice Period/ unexpired term as at 31 December 2015
Sir David Reid	1 December 2011 Reappointed: 1 December 2014	One month/ 23 months
Edward Astle*	1 September 2009 Reappointed: 1 September 2012 Reappointed: 1 September 2015	One month/ 32 months
Alan Brown	15 April 2011 Reappointed: 15 April 2014	One month/ 15 months
Dame Louise Makin	1 July 2012 Reappointed: 1 July 2015	One month/ 30 months
Gill Rider	1 July 2015	One month/ 30 months
Michael Wareing	15 April 2011 Reappointed: 15 April 2014	One month/ 15 months
Mark Williams	1 September 2013	One month/ 8 months
Lena Wilson	1 July 2012 Reappointed: 1 July 2015	One month/ 30 months

* Edward Astle will be stepping down from the Board at the AGM on 25 May 2016.

CONSIDERATION OF EMPLOYMENT CONDITIONS ELSEWHERE IN THE COMPANY

When setting the remuneration policy for executive directors, the Remuneration Committee takes into account the pay and employment conditions elsewhere within the Group. When considering the remuneration arrangements for the executive directors for the year ahead, the Committee is informed of salary increases across the wider group. The Committee also approves the overall reward strategy in operation across the Group.

The remuneration strategy set out at the beginning of the Directors' Remuneration Policy Report reflects the strategy in place across all employees across the Group. Although this remuneration strategy applies across the Group, given the size of the group and the geographical spread of its operations, the way in which the remuneration policy is implemented varies across the Group. For example bonus deferral applies at the more senior levels within the Group and participation in the LTIP is at the Remuneration Committee's discretion and is typically limited to senior executives employed within the Group.

Given the geographical spread of the Group's operations, the Remuneration Committee does not consider it appropriate to consult employees on the remuneration policy in operation for Executive Directors.

CONSIDERATION OF SHAREHOLDER VIEWS

The Remuneration Committee takes the views of the Group's shareholders very seriously, and as highlighted in both the Remuneration Committee Chair's statement and the Chairman's statement, following the vote on the Annual Remuneration Report at the 2015 AGM, has taken considerable time to engage with and listen to shareholders over the course of 2015 and early 2016 on their views and the remuneration policy going forward. The policy that is being put to shareholders for approval at the 2016 AGM reflects the policy discussed with shareholders during the consultation process.

LEGACY ARRANGEMENTS

For avoidance of doubt, through this approved Directors' Remuneration Policy Report, authority is given to the Company to honour any commitments entered into with current or former Directors (such as the vesting of past share awards) that were agreed:

(i) before the policy set out above, or any previous policy, came into effect;

(ii) at a time when a previous policy approved by shareholders was in place provided that the payment is in line with the terms of that policy; and

(iii) at a time when the relevant individual was not a Director of the Company and the payment was not in consideration for the individual becoming a director of the Company.

Annual Report on Remuneration

COMMITTEE MEMBERSHIP AND MEETING ATTENDANCE

Membership and attendance at meetings of the Committee during the year was as follows:

Committee Members	Number of meetings held in 2015	
	Eligible to attend	Attendance
Christopher Knight[1] (Committee Chair)	4	4
Gill Rider[2] (Committee Chair)	3	3
Alan Brown[3]	5	4
Dame Louise Makin	8	8
Mark Williams[4]	4	4

1. Christopher Knight retired from the Committee on 15 May 2015.
2. Gill Rider was appointed to the Committee as Chair on 1 July 2015.
3. Alan Brown stepped down from the Committee on 1 July 2015, having missed one meeting called at very short notice due to outside commitments.
4. Mark Williams was appointed to the Committee on 15 May 2015 and acted as Chair for the period 15 May to 30 June 2015.

The Chairman, CEO, and the Executive Vice President, Human Resources may, by invitation, attend the Committee meetings, except when their own remuneration is discussed. No Director is involved in determining his or her own remuneration. None of the Committee members has had any personal financial interest, except as shareholders, in the matters decided. The Group Company Secretary acts as Secretary to the Committee.

THE ROLE OF THE COMMITTEE

On behalf of the Board, the Committee:

- determines the Company's policy on the remuneration of the Chairman, the CEO, the Executive Directors and senior executives;
- determines the remuneration packages of the above, including any compensation on termination of office;
- reviews the remuneration arrangements for the wider employee population and considers issues relating to remuneration that may have a significant impact on the Group;
- provides advice to, and consults with, the CEO on major policy issues affecting the remuneration of other executives; and
- keeps remuneration policy under review in the light of regulatory and best practice developments and shareholder expectations. Due regard is given to the interests of shareholders and the requirements of the Listing Rules and associated guidance.

The Terms of Reference of the Committee are available on our website at www.intertek.com.

THE ACTIVITY OF THE COMMITTEE

The Committee met eight times and considered:

- the 2015 Reward Strategy;
- the salary for senior management and the determination of the bonus payments for 2015;
- the TSR and EPS performance results for the 2012 – 2015 share plan award cycles;
- the 2015 bonus targets and performance measures;
- share plan awards for 2015 – 2018 and TSR and EPS performance criteria;
- feedback from shareholders and corporate governance organisations in respect of the vote on the Remuneration report at the 2015 AGM, the Remuneration Policy and the

amendment of the LTIP performance conditions for the 2015 share award to ensure that the targets remain realistic and incentivising;
- the remuneration proposals for the new CEO, CFO and other new senior employees;
- the departure terms for senior executives;
- the remuneration advisers;
- motivation & retention;
- the review of the Directors' Remuneration report to ensure compliance with Remuneration Reporting Regulations; and
- the Remuneration Policy for Directors.

ADVISERS

To ensure that the Group's remuneration practices drive and support achievement of strategies and are market competitive, the Committee obtains advice from various independent sources.

During 2015, the Committee received advice on remuneration matters from New Bridge Street ('NBS'), a trading name of Aon plc, which provided no other services to the Committee during the year under review.

Following the AGM, the Committee also received advice from Deloitte LLP. Deloitte provided no other services to the Committee during the year under review.

NBS and Deloitte are members of the Remuneration Consultants Group and adhere to the Voluntary Code of Conduct in relation to executive remuneration consulting in the UK.

NBS and Deloitte were both selected for their particular expertise both at a local and global level due to the worldwide operations of the Group.

The fees paid to NBS for providing advice in relation to executive remuneration over the financial year under review were £57,280. The fees paid to Deloitte in the year were £26,700.

EXTERNAL APPOINTMENTS

The Company recognises that, during their employment with the Company, Executive Directors may be invited to become Non-Executive Directors of other companies and that such duties can broaden their experience and knowledge. Executive Directors may, with the written consent of the Company, accept such appointments outside the Company, and the policy is that any fees may be retained by the Director.

André Lacroix

André is the Senior Independent Non-Executive Director at Reckitt Benckiser Group plc for which his earnings from 16 May 2015 to 31 December 2015 were £76,118 which he retained. He is also Chairman of Good Restaurants AG for which he received no earnings for the period 16 May 2015 to 31 December 2015.

Wolfhart Hauser

Wolfhart Hauser is a Non-Executive Director of RELX Group (previously Reed Elsevier PLC and Reed Elsevier NV), and his earnings for this appointment from 1 January to 15 May 2015, which he retained, were £33,750 with taxable benefits of £780. He was appointed a Non-Executive Director of Associated British Foods plc with effect from 14 January 2015 and his earnings for the period from appointment to the 15 May 2015 were £24,556 which he retained.

STATEMENT OF SHAREHOLDER VOTING

At the 2015 AGM, a resolution was proposed to shareholders to approve the Remuneration report for the year ended 31 December 2014. This resolution received the following votes from shareholders:

	Remuneration report	
In favour	57,723,515	48.32%
Against	61,739,614	51.68%
Total	119,463,129	74.03%
Withheld	1,092,723	

On 15 May 2015 we announced the AGM voting figures and advised that, noting the outcome of the vote on the Remuneration report, the Committee had engaged with major shareholders and had taken into account their feedback. As a result, the Board, in consultation with André Lacroix, determined that his 2015 Bonus would be subject to the usual performance criteria. Further details on actions taken by the Committee are provided in the Remuneration Committee Chair's statement.

RETIREMENT AND APPOINTMENT OF CEO

Retirement of CEO: Wolfhart Hauser retired from the position of CEO on 15 May 2015; he continued as an employee until 31 December 2015, with no change to his terms and conditions.

Appointment of new CEO: André Lacroix joined the Company as CEO on 16 May 2015. His remuneration arrangements on appointment were within the defined structure and limits of the Directors' Remuneration Policy approved by shareholders at the 2014 AGM. He received an annual salary of £895,000, a pension allowance of 30% of salary, and standard benefits commensurate with his position. He is eligible to be considered for a discretionary bonus of up to 200% of salary with half of any bonus paid being deferred into shares which will vest three years later. Following engagement with shareholders, it was agreed his bonus in 2015 was subject to the normal structure and limits, with the payment adjusted pro-rata for the proportion of the year from his date of appointment. He was also eligible to participate in the Intertek LTIP and an award in shares equal to 250% of his salary was made in September 2015.

To compensate André Lacroix for the loss of payments that would have been made to him by Inchcape plc under its annual and long-term incentive plans if he had not resigned, share awards have been made to him of 91,575 shares to vest in May 2016 and 91,574 shares to vest in May 2017 both with no performance conditions other than continued service. In determining the level of compensatory awards, the Company has taken account of the value of the awards forfeited as well as the performance hurdles attached to them.

Directors' report
Remuneration report continued

DIRECTORS' REMUNERATION EARNED IN 2015

The table below summarises Directors' remuneration received in 2015 and the prior year for comparison.

		Base salary or fees £'000	Benefits[1] £'000	BIK arising from performance of duties[8] £'000	Pension £'000	Annual bonus[4] £'000	Long-term incentives £'000	Other £'000	Total £'000
Executive Directors									
André Lacroix[9]	**2015**	**557**	**20**	**–**	**167**	**1,080**	**–**	**–**	**1,824**
Wolfhart Hauser	**2015**	**274**	**23**	**–**	**84[2]**	**495**	**–**	**–**	**876**
	2014	725	72	–	181[2]	644	389[6]	–	2,011
Edward Leigh[3]	**2015**	**390**	**24**	**–**	**78[7]**	**772**	**–[5]**	**–**	**1,264**
	2014	90	5	–	18[7]	69	–[6]	–	182
Non-Executive Directors									
Edward Astle	**2015**	**71**	**–**	**1**	**–**	**–**	**–**	**–**	**72**
	2014	71	–	1	–	–	–	–	72
Alan Brown	**2015**	**67**	**–**	**–**	**–**	**–**	**–**	**–**	**67**
	2014	66	–	–	–	–	–	–	66
Christopher Knight	**2015**	**38**	**–**	**–**	**–**	**–**	**–**	**–**	**38**
	2014	86	–	–	–	–	–	–	86
Dame Louise Makin	**2015**	**66**	**–**	**1**	**–**	**–**	**–**	**–**	**67**
	2014	66	–	–	–	–	–	–	66
Gill Rider	**2015**	**32**	**–**	**–**	**–**	**–**	**–**	**–**	**32**
Sir David Reid	**2015**	**320**	**25**	**3**	**–**	**–**	**–**	**–**	**348**
	2014	320	25	6	–	–	–	–	351
Michael Wareing	**2015**	**93**	**–**	**7**	**–**	**–**	**–**	**–**	**100**
	2014	93	–	7	–	–	–	–	100
Mark Williams	**2015**	**65**	**–**	**4**	**–**	**–**	**–**	**–**	**69**
	2014	58	–	8	–	–	–	–	66
Lena Wilson	**2015**	**68**	**–**	**6**	**–**	**–**	**–**	**–**	**74**
	2014	68	–	6	–	–	–	–	74

1. Benefits include allowances in lieu of company car, annual medicals, life assurance and private medical insurance, and the use of a car and driver for the CEO. With respect to the Non-Executive Directors, other than Sir David Reid, who receives a car allowance of £25,000 per annum, no other benefits are provided.
2. Pension contributions for Wolfhart Hauser were made into his personal scheme.
3. Information for Edward Leigh for 2014 is for remuneration from 1 October 2014 on his appointment as CFO.
4. This relates to the payment of the annual bonus and Deferred Bonus Share Award for the financial year end. Further details of this payment are set out on the following pages.
5. This relates to the vesting of the 2013 LTIP award. The performance period for this award ended on 31 December 2015.
6. This figure has been updated to show the actual value of the vested 2012 LTIP award based on the share price of £25.7967 as the 2014 Report included figures based on £24.75.
7. The pension contributions for Edward Leigh include the sum of £39,600 (2014: £9,900) which was paid into the Intertek Group Personal Pension Plan, which is a defined contribution scheme.
8. Following a review by HMRC, certain expenses relating to the performance of a director's duties (not included in the Benefits in Kind column above) in carrying out the activities such as travel to and from Company meetings and related accommodation have now been classified as taxable. In such cases, the Company will ensure that the director is not out of pocket by settling the related tax via the PSA. In line with current regulations, these taxable benefits have been disclosed and are shown in the benefits arising from performance of duties column. The figures shown are the cost of the taxable benefit.
9. Information for Andre Lacroix for 2015 is for remuneration from 16 May 2015, on his appointment as CEO.

ANNUAL BONUS

The annual bonus for the 2015 financial year was based on performance against adjusted diluted EPS growth, adjusted operating profit growth, cash conversion, return on invested capital and general contribution. Performance against the financial targets is set out below:

Financial measures	% Weighting	2013 Actual	2014 Actual	2015 Target[2]	2015 Actual	% Achieved[3]	% Weighted achievement
Adjusted diluted EPS growth[1]	50%	128.8p	132.1p	134.8p	139.2p	100%	50%
Adjusted operating profit growth[1]	25%	£320.6m	£324.4m	£333.6m	£340.1m	82.9%	20.7%
Operating cash flow % of adjusted operating profit	15%	72.8%	91.0%	93.0%	103.7%	100%	15%
Return on invested capital	10%	18.4%	16.3%	16.0%	16.9%	100%	10%
Total	**100%**						**95.7%**

1. Calculated using constant 2014 exchange rates. Adjusted results exclude the impact of Separately Disclosed Items, which includes the impairment of Industry Services (see note 3 to the financial statements).
2. Target is equivalent to 50% pay-out.
3. Percentage achieved against stretch target.

General Contribution is a qualitative award taking into account the overall personal contribution of the Executive Director to developing the strategy for the Group, ensuring sustainability, team building and leadership.

The Remuneration Committee discussed and assessed the general contribution of André Lacroix and Edward Leigh to be 100% for the year, and 70% for Wolfhart Hauser.

The combined bonus outturn for both the financial and General Contribution elements is as follows:

	Financial targets		General contribution		Total	
	Maximum % of salary	Actual % of salary	Maximum % of salary	Actual % of salary	Maximum % of salary	Actual % of salary
André Lacroix	160.0%	153.2%	40.0%	40.0%	200.0%	193.2%
Wolfhart Hauser	160.0%	153.2%	40.0%	28.0%	200.0%	181.2%
Edward Leigh	160.0%	153.2%	40.0%	40.0%	200.0%	193.2%

The annual bonus outturn in cash and shares is as follows:

	Payable in cash £'000	Deferred Share Award £'000	LTIP Share Award £'000
André Lacroix	540.1	540.1	2,237.5[2]
Wolfhart Hauser[1]	247.5	247.5	–
Edward Leigh	386.2	386.2	800[2]

1. As a result of his retirement as a Director on 16 May 2015 and ceasing employment with Intertek on 31 December 2015, it was determined that no LTIP would be awarded for 2015.
2. See page 76: LTIP awards to be granted later in 2016.

The Committee has the discretion to adjust the final bonus outcome downwards if it considers short-term performance has been achieved at the expense of long-term future success. The Committee may also adjust the final bonus outcome upwards to recognise exceptional circumstances that were beyond the direct responsibility of the Executive Director and the Executive has managed and mitigated the impact of any loss. The Committee did not exercise any discretion in respect of the above bonus outturn.

Both the cash and share elements of the bonus are subject to malus and clawback. Overpayments may be reclaimed in the event of performance achievements being found to be significantly misstated.

VESTING OF LTIP SHARE AWARDS

The LTIP Share awards granted in 2013 are based on performance for the three-year period ended 31 December 2015. The performance conditions attached to this award and actual performance against these conditions is as follows:

Metric	Performance condition	Threshold target	Stretch target	Actual performance	Vesting level
Earnings Per Share	Annualised fully diluted, adjusted EPS growth, calculated on the basis of foreign exchange rates adopted at the start of the performance cycle	6%	16%	4.1%	**0%**
Total Shareholder Return	Relative TSR performance against the FTSE 31 to 130 (excluding banks and investment trusts)	Median	Upper quartile	Below median[1]	**0%**
Total vesting					**0%**

1. TSR performance calculation was calculated by Deloitte; Intertek was ranked 68th of the 92 members of the comparator group of companies.

The LTIP Share awards granted in 2013 to the Executive Directors were as follows:

Executive Director	Number of shares at grant	Number of shares based on accrued dividends	Total number of shares	Number of shares to lapse	Number of shares to vest[1]	Value £
Wolfhart Hauser[2]	41,378	2,079	43,457	(43,457)	–	–
Edward Leigh[3]	1,755	88	1,843	(1,843)	–	–
Total vesting						

1. The 2013 award includes accrual of dividends paid and payable during the vesting period.
2. Awards granted on 5 March 2013 to be pro-rated to reflect 33 months employment out of 36 month term.
3. Awards granted on 20 May 2013 which reflect awards made prior to Edward Leigh's appointment as CFO on 1 October 2014.

LTIP SHARE AWARDS GRANTED DURING THE YEAR

The following LTIP Share awards were granted to the Executive Directors on 22 September 2015:

	Type of award	Basis of award granted	Share price at date of grant £	Number of shares over which award was granted	Face value of award £'000	% of face value that would vest at threshold performance	Vesting determined by performance over
André Lacroix	LTIP Share Award	250% of salary	24.74	90,440	2,237	25%	Three years to 31 December 2017
Edward Leigh	LTIP Share Award	200% of salary	24.74	32,336	800	25%	

The LTIP Share awards granted in 2015 are based on performance for the three-year period ended 31 December 2017. During 2015, the Remuneration Committee consulted with the Group's largest shareholders on the EPS performance targets for the 2015 LTIP awards.

Following a review of the challenging trading environment within which the Company is operating in, particularly within the oil and gas capex and minerals business, and having reviewed external expectations over the performance period, the Remuneration Committee considered it appropriate to re-position the EPS targets that apply for the 2015 awards (which will apply to 50% of the award). In line with this consultation, the performance conditions attached to this award and actual performance against these conditions is as follows:

Metric	Performance condition	Threshold target	Stretch target
Earnings Per Share	Annualised fully diluted, adjusted EPS growth, calculated on the basis of foreign exchange rates adopted at the start of the performance cycle	4%	10%
Total Shareholder Return	Relative TSR performance against the FTSE 31 to 130 (excluding banks and investment trusts)	Median	Upper quartile

MIRROR SHARE AWARDS

On 20 May 2015 André Lacroix was granted conditional rights to acquire 183,149 shares under a one-off arrangement as a condition of his recruitment as CEO of the Company. The principal terms of the award are summarised below. The award comprised two parts, tranche A and B, with tranche A vesting on 20 May 2016 and tranche B vesting on 20 May 2017.

Type of award	Granted in 2015 Number of shares	Award price £	Dividend accrued in 2015	Vested in 2015 Number of shares	Lapsed in 2015 Number of shares	31 December 2015 Number of shares	Date of vesting
Mirror Award Tranche A	91,575	28.006	1,810	–	–	93,385	May 2016
Mirror Award Tranche B	91,574	28.006	1,810	–	–	93,384	May 2017
Total	**183,149**	**–**	**3,620**	**–**	**–**	**186,769**	

Shares were awarded at a share price of £28.006, being the average closing mid-market price of an ordinary share of 1p on the trading days during the first 10 calendar days of September 2014 (being the date used for the calculation of the mirror awards in the negotiations with the Director). Each tranche will ordinarily vest on its normal vesting date subject to André Lacroix's continued employment with Intertek. The awards may only be satisfied with market purchased shares or cash. No newly issued shares or treasury shares will be used in connection with the awards. The Mirror Share awards attract dividend equivalent shares.

SHARE PLAN AWARDS

The table below shows the Directors' interests in the Intertek share plans:

	Type of Award	31 December 2014 Number of shares	Granted in 2015 Number of shares	Award price[1] £	Dividend accrued in 2015[9]	Vested in 2015 Number of shares[2]	Lapsed in 2015 Number of shares	31 December 2015 Number of shares	Date of vesting
André Lacroix									
2015[7]	LTIP Share	–	90,440	24.74	–	–	–	**90,440**	Sep 2018
	Dividend	–	–	–	612	–	–	**612**	
Total		**–**	**90,440**	**–**	**612**	**–**	**–**	**91,052**	
Edward Leigh									
2013[4]	Share	1,755	–	34.17	–	–	–	**1,755**	May 2016
	Dividend	53	–	–	35	–	–	**88**	
	Performance	1,755	–	34.17	–	–	–	**1,755**	May 2016
	Dividend	53	–	–	35	–	–	**88**	
2014[5]	Deferred Share	1,331	–	30.41	–	–	–	**1,331**	Mar 2017
	Dividend	22	–	–	26	–	–	**48**	
	LTIP Share	6,576	–	30.41	–	–	–	**6,576**	Mar 2017
	Dividend	111	–	–	130	–	–	**241**	
2015	Deferred Share[6]	–	5,405	25.572	–	–	–	**5,405**	Mar 2018
	Dividend	–	–	–	106	–	–	**106**	
	LTIP Share[7]	–	32,336	24.74	–	–	–	**32,336**	Sep 2018
	Dividend	–	–	–	218	–	–	**218**	
Total		**11,656**	**37,741**	**–**	**550**	**–**	**–**	**49,947**	
Wolfhart Hauser									
2012	Share	28,696	–	23.24	–	(28,696)	–	**–**	Mar 2015
	Dividend	1,258	–	–	–	(1,258)	–	**–**	
	Performance	57,392	–	23.24	–	(14,462)	(42,930)	**–**	Mar 2015
	Dividend	2,517	–	–	–	(634)	(1,883)	**–**	
2013	Share[8]	20,689	–	33.528	–	–	–	**20,689**	Jan 2016
	Dividend	630	–	–	409	–	–	**1,039**	
	Performance[3]	41,378	–	33.528	–	–	–	**41,378**	Mar 2016
	Dividend	1,261	–	–	818	–	–	**2,079**	
2014	Deferred Share[8]	10,507	–	30.41	–	–	–	**10,507**	Jan 2016
	Dividend[8]	177	–	–	208	–	–	**385**	
	LTIP Share[5]	46,991	–	30.41	–	–	–	**46,991**	Mar 2017
	Dividend	794	–	–	929	–	–	**1,723**	
2015	Deferred Share[8]	–	12,585	25.572	–	–	–	**12,585**	Jan 2016
	Dividend[8]	–	–	–	248	–	–	**248**	
Total		**212,290**	**12,585**	**–**	**2,612**	**(45,050)**	**(44,813)**	**137,624**	

1. Awards made are based on a share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
2. Awards vested on 6 March 2015, on which date the closing market price of shares was £25.7967 having been granted on 6 March 2012 on which date the closing market price was £22.62.
3. Awards will vest on 5 March 2016, subject to performance and continued employment, having been granted on 5 March 2013 on which date the closing market price was £34.40. 50% of awards are subject to EPS and 50% are subject to relative TSR. The EPS threshold level was set at 6% per annum and the upper target at 16% per annum. Under the TSR condition, the Company's TSR ranking is measured relative to the FTSE index members 31 to 130 (excluding banks and investment trusts).
4. Awards will vest on 20 May 2016, subject to performance and continued employment, having been granted on 20 May 2013 on which date the closing market price was £33.27. 50% of awards are subject to EPS and 50% are subject to relative TSR. The EPS threshold level was set at 6% per annum and the upper target at 16% per annum. Under the TSR condition, the Company's TSR ranking is measured relative to the FTSE index members 31 to 130 (excluding banks and investment trusts).
5. Awards will vest on 10 March 2017, subject to performance and continued employment, having been granted on 10 March 2014 on which date the closing market price was £30.46. 50% of awards are subject to EPS and 50% are subject to relative TSR. The EPS threshold level was set at 6% per annum and the upper target at 14% per annum. Under the TSR condition, the Company's TSR ranking is measured relative to the FTSE index members 31 to 130 (excluding banks and investment trusts).
6. Awards will vest on 9 March 2018, subject to continued employment, having been granted on 9 March 2015 on which date the closing market price was £25.70.
7. Awards will vest on 22 September 2018, subject to performance and continued employment, having been granted on 22 September 2015 on which date the closing market price was £23.94. 50% of awards are subject to EPS and 50% are subject to relative TSR. The EPS threshold level was set at 4% per annum and the upper target at 10% per annum. Under the TSR condition, the Company's TSR ranking is measured relative to the FTSE index members 31 to 130 (excluding banks and investment trusts).
8. Awards vested in January 2016, and will be held until the original vesting dates.
9. The dividend shares are accrued on the date the dividend is paid and determined using the closing market price of the shares on that date. The dividend accruals relate to share awards made in lieu of not receiving cash dividends during the vesting period.

MALUS AND CLAWBACK

Malus and clawback will operate in circumstances where there is reasonable evidence of misbehaviour or material error, conduct considered gross misconduct, breach of any restrictive covenants by participants, conduct which resulted in (a) significant loss(es) to the Company, failure to meet appropriate standards of fitness and proprietary; a material failure of management in the Company; a discovery of a material misstatement in the audited consolidated accounts or the behaviour of a Director has a significant detrimental impact on the reputation of the Group.

DIRECTORS' INTERESTS IN ORDINARY SHARES

The interests of the Directors in the shares of the Company as at the year end, or date of retirement, are set out below. Save as stated in this report, during the course of the year, no Director nor any member of his or her immediate family had any other interest in the ordinary share capital of the Company or any of its subsidiaries.

	Beneficially owned at 31 December 2014 or on appointment	Beneficially owned at 31 December 2015 or on retirement[7]	Outstanding LTIP Share Awards	Outstanding Deferred Shares/ Mirror Awards	Outstanding Share Award dividends	Shareholding as a % of salary[3]	Shareholding guideline met?
André Lacroix[1]	–	**100,000**	**90,440**	**183,149**	**4,232**	**310[3]**	**Yes**
Edward Leigh	1,000	**1,000**	**40,667**	**8,491**	**789**	**7[3]**	**No[2]**
Edward Astle	1,220	**1,443**	–	–	–	**n/a**	**n/a**
Alan Brown	1,391[8]	**1,623**	–	–	–	**n/a**	**n/a**
Dame Louise Makin	342	**546**	–	–	–	**n/a**	**n/a**
Sir David Reid	2,192	**2,828**	–	–	–	**n/a**	**n/a**
Gill Rider[4]	–	–	–	–	–	**n/a**	**n/a**
Michael Wareing	3,578	**3,801**	–	–	–	**n/a**	**n/a**
Mark Williams	2,172	**2,384**		–	–	**n/a**	**n/a**
Lena Wilson	326	**530**	–	–	–	**n/a**	**n/a**
Wolfhart Hauser[5]	139,777	**150,554**	**88,369**	**43,781**	**2,862**	**557[6]**	**Yes**
Christopher Knight[5]	7,601	**7,813**	–	–	–	**n/a**	**n/a**

1. Appointed 16 May 2015.
2. Appointed on 1 October 2014 with the guideline to hold 150% of base salary in shares by 1 October 2019. This guideline is to be increased to 200% once the remuneration policy is approved by shareholders in 2016 and must be met five years after that point.
3. Based on a share price of £27.77 as at 31 December 2015.
4. Appointed 1 July 2015.
5. As at date of retirement, 15 May 2015.
6. As at date of retirement, based on a share price as at 15 May 2015 of £26.95.
7. No changes in the above Directors' interests have taken place between 31 December 2015 and the date of this report
8. The number of shares beneficially owned at 31 December 2014 have been restated to include an additional 21 ordinary shares acquired as part of a dividend reinvestment scheme.

PAYMENTS TO PAST DIRECTORS

Wolfhart Hauser

After retiring as CEO and Executive Director on 15 May 2015, Wolfhart Hauser remained an employee and was available to provide support to André Lacroix as required until 31 December 2015. Wolfhart Hauser received his full salary and benefits for the period 15 May 2015 until 31 December 2015. No payment was made in lieu of notice.

He was eligible for an annual bonus in 2015 for the period from 1 January 2015 to 15 May 2015 which was calculated according to the usual full year criteria and pro-rated. It will be paid in 2016 and is disclosed in the single figure of remuneration. No bonus was paid for the period from 16 May 2015 to 31 December 2015.

Wolfhart Hauser did not receive an LTIP Share Award for 2015. The 2011 LTIP awards made in 2013 and 2014 will vest as follows: his Deferred Share Awards were released in full (after 31 December 2015) and will be held until the original vesting dates, his LTIP Share Awards will vest according to the original dates and criteria and be pro-rated for time served. The Performance Shares awarded in 2012 vested on 6 March 2015. As noted earlier in the report, following a review of the performance criteria, the 2013 LTIP award will lapse in full.

Christopher Knight

No remuneration payments were made following his retirement and no payments have been made for loss of office.

PAYMENTS FOR LOSS OF OFFICE

No payments were made in respect of loss of office during the year ended 31 December 2015.

PERCENTAGE CHANGE IN REMUNERATION LEVELS

The table below shows the average movement in salary and annual bonus for UK employees between the 2014 and 2015 financial years. In 2015 Wolfhart Hauser's salary was unchanged from his 2014 award of £729,000 as part of the Group's salary review. On taking up his appointment as CEO on 16 May 2015, André Lacroix's salary was £895,000 for 2015.

	Salary	Bonus	Benefits
CEO (W Hauser[1])	0%	(23.1)%	(68.1)%
CEO (A Lacroix[2])	–	–	–
Average pay based on Intertek's UK employees	2.8%	16%	1.2%

1. The percentage change for bonus and benefits for Wolfhart Hauser are based on actual amounts earned as set out on page 70.
2. There were no salary, bonus and benefits in the comparative period for André Lacroix.

RELATIVE IMPORTANCE OF THE SPEND ON PAY

The table below shows the movement in spend on staff costs between the 2014 and 2015 financial years, compared to dividends.

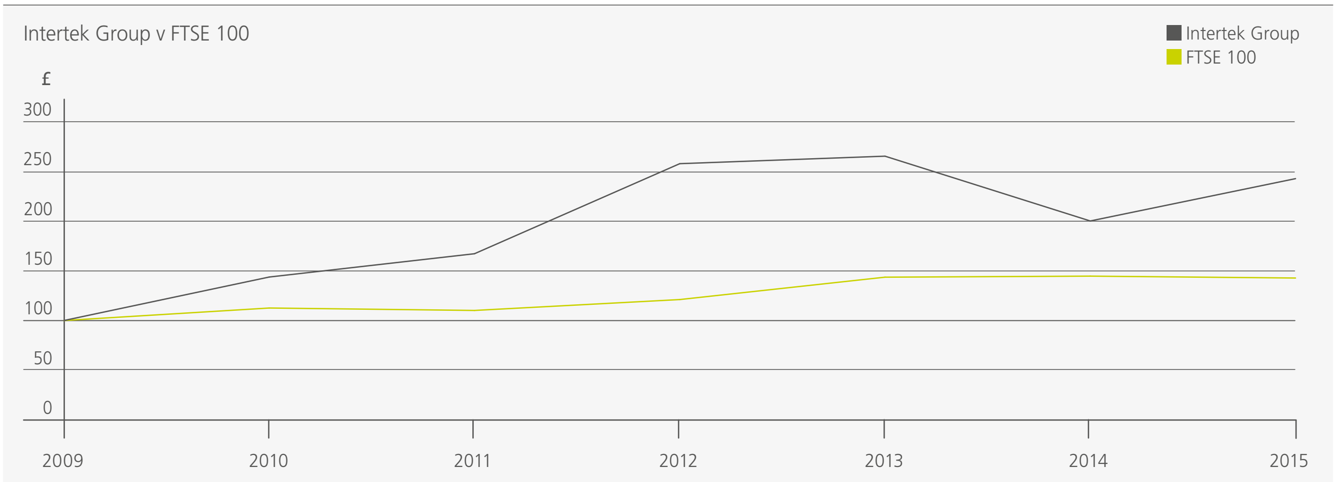
	2015 £m	2014 £m	% change
Staff costs*	**956.2**	921.5	3.8%
Dividends	**80.7**	75.5	6.9%

* Staff costs are shown at actual rates, which include a 0.2% foreign exchange impact.

PERFORMANCE GRAPH

The graph below shows the TSR in respect of the Company over the last seven financial years, compared with the TSR for the FTSE 100 Index. TSR, reflecting the change in the value of a share and dividends paid, can be represented by the value of a notional £100 invested at the beginning of a period and its change over that period.

TSR performance



CEO TOTAL REMUNERATION

The total remuneration figures for the CEO during each of the past six financial years are shown in the table below. Consistent with the calculation methodology for the single figure for total remuneration, the total remuneration figure includes the total annual bonus and Deferred Share Award based on that year's performance and LTIP Share awards based on the three-year performance period ending in the relevant year. The annual bonus pay-out and LTIP award vesting level as a percentage of the maximum opportunity are also shown for each of these years.

	Year ended 31 December							
	2009	2010	2011	2012	2013	2014	2015 W Hauser	2015 A Lacroix
Total remuneration £'000	2,451	3,164	4,554	5,298	3,195	2,011[1]	**876**	**1,824**
Annual bonus (%)	100	96.6	92.3	83.1	34.6	38.4	**90.6**	**96.6**
LTIP award vesting (%)	100	100	100	100	81.8	25.2	**–**	**–**

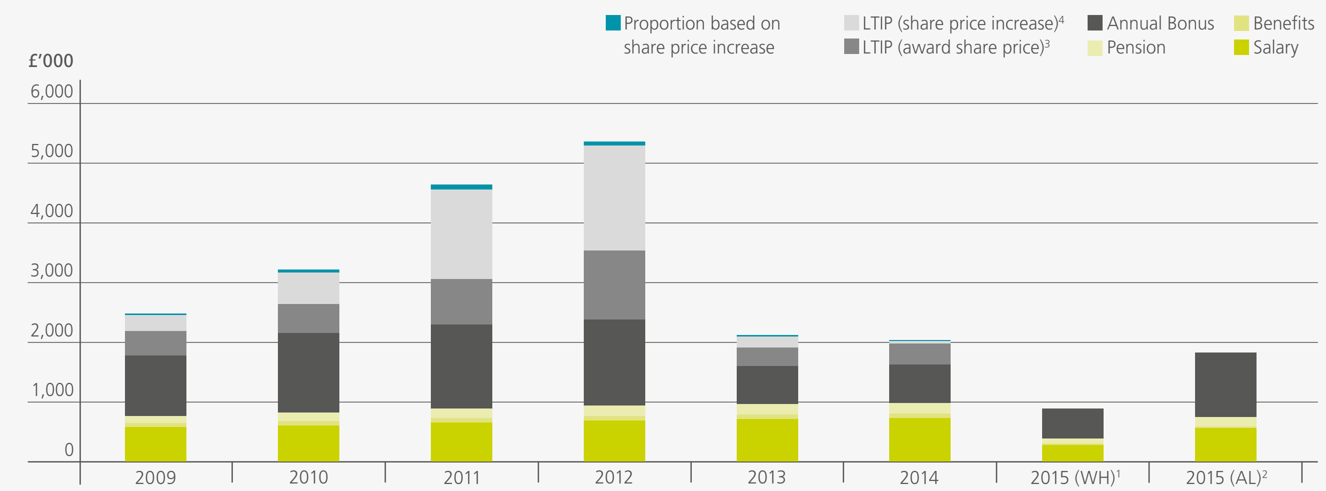
1. The total remuneration figure for 2014 has been updated to include the actual value of the vested 2011 LTIP share award.

DIRECTORS' REPORT

CEO TOTAL REMUNERATION

The graph below shows the total remuneration of the Intertek CEO over the seven year period from 2009 to 2015.

CEO total remuneration figure



1. Shows W Hauser remuneration based on period to 15 May 2015.
2. Shows A Lacroix remuneration for the period from appointment as CEO on 16 May 2015.
3. LTIP (award share price) shows the proportion of the LTIP value received which resulted from the share price on award date.
4. LTIP (share price increase) shows the proportion of the LTIP value received which resulted from increase in the share price over the vesting period.

THE IMPACT OF SHARE PRICE ON THE VALUE OF THE CEO'S LTIP AWARD

The table below shows the change in share price from the date of award to the vesting of LTIP share awards for the 2010 to 2015 financial years for Wolfhart Hauser.

	LTIP award share price £	LTIP vesting share price £	Share price change over the performance period
2010	9.15	19.06	108.3%
2011	8.34	24.34	191.8%
2012	13.33	34.37	157.8%
2013	18.99	30.59	61.1%
2014	23.24	25.80	11.0%
2015	**33.53**	**26.57**[1]	**(20.8)%**

1. The value shown for the 2015 vesting share price is the average price during the three months to 31 December 2015; this will be updated to actual vesting share price in the 2016 Report.

REMUNERATION DECISIONS TAKEN IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2016

Base salary

Following a review of each individual's performance in the year, the Remuneration Committee approved salary increase of 2% for the Executive Directors. This is in line with the increase provided to UK employees in the Group.

The Executive Directors' salaries are:

	Base salary from 1 April 2015 £'000	Base salary from 1 April 2016 £'000	% increase
André Lacroix[1]	**895**	913	2.0%
Edward Leigh	**400**	408	2.0%

1. The 2015 base salary for André Lacroix is shown as the annual salary awarded on taking up the role of CEO.

Annual Bonus and LTIP awards to be granted in 2016

For 2016, the annual bonus opportunity expressed as a percentage of base salary will be 200% for the CEO and CFO. The Committee has determined that the Annual Bonus will be based on financial performance as follows:

- 80% will be determined by a matrix (illustration provided below) based on revenue growth and operating profit growth; and
- 20% will be based on return on invested capital performance.

Annual Bonus will continue to be subject to a quality of earnings review at the end of the year to ensure that pay-outs are appropriate based on the underlying performance of the Group and to ensure that any awards are commensurate with the Group's culture and values.

Overview of the matrix (80% of the award)

		Operating profit performance (£m)			
		Below threshold	**Threshold**	**Target**	**Maximum**
Revenue performance (£m)	Maximum	0%	40%	65%	100%
	Target	0%	30%	50%	75%
	Threshold	0%	25%	35%	60%
	Below threshold	0%	0%	0%	0%

Straight line pay-outs occur between each of the points noted above.

The Committee has chosen not to disclose, in advance, the performance targets for the forthcoming year as these include items which the Committee considers commercially sensitive. In accordance with good governance, the Committee is however committed to providing insightful and transparent disclosure to our shareholders. In this regard, and in line with the Investment Association's position regarding bonus target disclosure, the Committee will disclose the performance targets for the annual incentive as soon as they are no longer considered to be commercially sensitive.

For 2016, the LTIP opportunity for the CEO and CFO will be 250% and 200% of salary respectively. The Committee reviewed the performance targets for awards to be made in 2016, and in line with the targets set for the 2015 LTIP award, the Committee considered it appropriate to appropriate to set the following targets for the 2016 LTIP awards:

Metric	Performance condition	Threshold target	Stretch target
Earnings Per Share	Annualised fully diluted, adjusted EPS growth, calculated on the basis of foreign exchange rates adopted at the start of the performance cycle	4%	10%
Total Shareholder Return	Relative TSR performance against the FTSE 31 to 130 (excluding banks and investment trusts)	Median	Upper quartile

NON-EXECUTIVE DIRECTORS' FEES

As detailed in the remuneration policy, fees for the Non-Executive Directors are determined by the Board, based on the responsibility and time committed to the Group's affairs and appropriate market comparisons. Individual Non-Executive Directors do not take part in discussions regarding their own fees. A summary of current fees is as follows:

	2015 £'000	2016 £'000
Board membership		
Chairman	**320**	320
Non-Executive Director	**58**	58
Senior Independent Non-Executive Director	**12**	12
Committee membership		
Chair Audit & Risk Committee	**20**	20
Chair Remuneration Committee	**15**	15
Chair Nomination Committee	**–**	–
Member Audit & Risk Committee	**10**	10
Member Remuneration Committee	**7.5**	7.5
Member Nomination Committee	**2.5**	2.5

Pursuant to the policy of aligning Directors' interests with those of shareholders, £10,000 of the fees paid to the Non-Executive Directors and £30,000 of the fees paid to the Chairman are used each year to purchase shares in the Company.

Approval of the Directors' Remuneration report

The Directors' Remuneration report, including both the Directors' Remuneration Policy Report and Annual Report on Remuneration, was approved by the Board on 1 March 2016.

GILL RIDER
Chair of the Remuneration Committee

Michael Wareing – Chair of the Audit & Risk Committee

DEAR SHAREHOLDER

I am pleased to present this year's report of the Audit & Risk Committee ('Committee'). The report outlines the activities and the responsibilities of the Committee, on behalf of the Board, in scrutinising the conduct of the business, its management and auditors to protect the interests of shareholders. During the year the Committee continued to draw on the recommendations in last year's review of the Group's total assurance and risk management framework. One of the changes introduced in the 2014 version of the UK Corporate Governance Code ('Code') is focused on risk management and internal control. In light of this, we reviewed the Committee's procedures to ensure that the Group continues to comply with the requirements of the Code.

A further key aspect of the Committee's work during the year was to oversee a formal and comprehensive tender process for the external auditor appointment. Following the completion of the tender process, the Board agreed to recommend to shareholders, for approval at the 2016 Annual General Meeting ('AGM'), the appointment of PricewaterhouseCoopers LLP ('PwC') as the Group's auditor for the year ending 31 December 2016. The Group's current auditor, KPMG Audit Plc ('KPMG'), has continued in the role and has undertaken the audit of the Group's consolidated accounts for the year ended 31 December 2015. On behalf of the Committee I would like to thank KPMG for their significant contribution as the Group's auditor over many years. We expect an orderly transition and look forward to working with PwC in the future. The audit tender process is described in more detail in the following pages, together with the Committee's other activities during the year, which include a thorough review of the internal audit function. During the year the Committee also ensured that separate meetings with the CFO, Group General Counsel, Head of Internal Audit and the external auditor without management present took place in order to provide a forum for any issues to be raised.

Finally, there have been a number of changes during the year to the membership of the Committee. As announced, Christopher Knight retired at the 2015 AGM and Alan Brown joined the Committee on 1 July 2015. I am pleased to welcome Alan as a member of the Committee, and his relevant industry experience adds breadth and knowledge.

The external evaluation of the performance of the Committee was conducted during the year and it was shown that the Committee is able and effective in discharging its duties in accordance with its Terms of Reference and the requirements of the Code.

COMMITTEE MEMBERSHIP AND MEETING ATTENDANCE

Membership and attendance at meetings of the Committee during the year was as follows:

Committee Members	Number of meetings held in 2015	
	Eligible to attend	Attendance
Michael Wareing (Committee Chair)	5	5
Edward Astle	5	5
Christopher Knight[1]	2	2
Alan Brown[2]	3	3
Lena Wilson	5	5

1. Christopher Knight retired from the Committee on 15 May 2015
2. Alan Brown joined the Committee on 1 July 2015

Throughout 2015, the composition of the Committee was in compliance with the Code and all members are independent Non-Executive Directors. The Board had determined that Michael Wareing has recent and relevant financial experience. Alan Brown also has relevant financial experience as detailed in his biography on page 57.

New Committee members receive an appropriate induction, consisting of the review of the Terms of Reference, previous Committee meeting papers, information on the Company's financial and operational risks and also have access to senior operational staff and the Group's internal and external auditors.

The business of the Committee is linked to the Group's financial calendar of events and the timetable for the annual audit. At the invitation of the Committee, the Chairman, CEO, CFO, Group Financial Controller, Group General Counsel, the Head of Internal Audit and the audit partner and audit lead from KPMG attended all meetings. Other senior executives were invited to attend the Committee meetings as required. The Terms of Reference of the Committee are available on the Company's website at www.intertek.com.

ROLE AND ACTIVITY OF THE COMMITTEE

The Board has authorised the Committee to review the effectiveness of the Company's financial reporting and internal controls and risk management systems together with procedures for the identification, assessment and reporting of key risks. A summary of the key matters considered by the Committee during 2015 is set out below and on the next page.

Audit & Risk Committee agenda items 2015

Financial statements and reports	Feb	May	Jul	Sep	Dec
Full year results 2014	•				
Annual Report and Accounts 2014	•				
Management highlights memorandum	•		•		
Going concern assessment	•		•		
Fair, balanced and understandable assessment	•				
Review of significant accounting policies					•
Half year results 2015			•		
Viability Statement Methodology					•
Internal Controls sign-off	•				
Review of models and methodology for impairment testing					•

External audit	Feb	May	Jul	Sep	Dec
Audit strategy & plan 2015			●		
Audit fee proposal 2015			●		
Engagement letter			●		
Non-audit fees review of policy, spend and cap	●				
Update on non-audit fees			●		
Report on interim findings					●
KPMG highlights/review memorandum	●		●		
KPMG effectiveness		●			
Letter of representation to the auditors	●		●		
External audit tender – update & auditor presentations		●		●	
Internal audit					
2016 Internal Audit plan					●
Internal audit reports	●	●	●		●
Internal audit effectiveness			●		
Governance, risk and assurance					
Group risk register review			●		●
Compliance and operational risk report	●	●	●		●
Key claims report	●	●	●		●
Other					
2015 rolling Committee agenda	●				
Discussion on Finance Systems, Controls and Transformation				●	
Review and endorsement of Tax and Treasury policies					●

SIGNIFICANT ISSUES CONSIDERED BY THE COMMITTEE

In preparation for each year end, the Committee reviews the significant accounting policies, estimates and judgements to be applied in the financial statements and discusses their application with management. The external auditor also considers the appropriateness of these assessments as part of the external audit.

In accordance with the Code, the external auditor prepares a report for the Committee on both the half year and full year results, which summarises the approach to key risks in the external audit and highlights any issues arising out of their work on those risks, or any other work undertaken on the audit. During the year, the Committee reviewed and considered the following areas of judgement to be exercised in the application of the accounting policies:

Claims

From time to time the Group is involved in various claims and lawsuits incidental to the ordinary course of business. The Committee considered the claims provision which reflects the estimates of amounts payable in connection with identified claims from customers, former employees and others. The Committee noted that once claims have been notified the finance teams liaise with the business to determine whether a provision is required, based on IAS 37 'Provisions, Contingent liabilities and Contingent assets' ('IAS 37').

The level of provision is subsequently reviewed on a regular basis with the Group General Counsel, taking into account the advice of external legal counsel. The Group General Counsel briefs the Committee at every meeting on the latest status of key claims and the level of provision. The Committee, following assurance from management and review of the report presented by the external auditor, considered and agreed that the claims provision was appropriate given the size, status and number of claims reported during the year.

Taxation

The determination of profits subject to tax is calculated according to complex laws and regulations, the interpretation and application of which can be uncertain. In addition, deferred tax assets and liabilities require judgement in determining the amounts to be recognised, with consideration given to the timing and level of future taxable income. The main areas of judgement in the Group tax calculation are the expected central tax provisions for the full year and the recognition of the UK deferred tax asset. Twice a year, the Committee receives a report from management providing an evaluation of existing risks and tax provisions which is reviewed and rigorously challenged by the Committee. The Committee also considered reports presented by the external auditor before determining that the levels of tax provisioning were appropriate.

Restructuring

In reviewing the provision for restructuring, details of which are contained in the financial review on page 36 and in note 3 to the financial statements, the Committee reviewed details of each of the activities pursued as part of the restructuring to ensure that the appropriate level of provision is put in place. The Committee also sought confirmation from the external auditor that the restructuring plan met the criteria for recognising a provision under IAS 37 before determining that the provision was appropriate.

Accounting for acquisitions

In November 2015, the Group made the significant acquisition of PSI in the US. The recognition of goodwill, intangible assets, other assets and liabilities and estimates of the fair value of consideration transferred are all based on a number of assumptions. The Committee considered the valuation of these assets and liabilities, and reviewed management's assumptions underpinning the valuations. Management is required to estimate the fair value of the consideration transferred and to estimate the fair value of the assets and liabilities acquired, including any separately identifiable intangible assets, and engaged external advisers as necessary to support this process. The Committee has reviewed management's accounting papers on the acquisition, and taken into account the report presented by the external auditor, before determining that the acquisition accounting is appropriate.

Impairment

The Group's strategy includes acquisition-led growth to generate new services and expand into new locations. These acquisitions, being in the service sector, generate significant goodwill that benefits the Group as a whole and specifically the business to which the acquisition relates. Goodwill, aggregated at the business line level, must be tested annually for impairment under IAS 36 'Impairment' ('IAS 36'), or when there are indicators of impairment. These indicators include poor performance compared to budget.

The Committee reviewed the impairment consideration and calculations prepared by management considering the trading assumptions, the discount rates used as well as the sensitivities included by management, details of which are contained in note 9 to the financial statements. The Committee also took into account the work undertaken by the external auditor in respect of impairment and is satisfied that the impairment recorded against the Industry Services cash-generating unit ('CGU') is appropriate, and that no impairment is required against any other CGU.

The significant issues considered by the Committee in relation to the financial statements were consistent, with the exception of restructuring, with those identified by the external auditor in their report on pages 138 to 140.

FAIR, BALANCED AND UNDERSTANDABLE ASSESSMENT

Further to the request of the Board, the Committee has reviewed the Annual Report and Accounts with the intention of providing advice to the Board on whether, as required by the Code, the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the necessary information for shareholders and other readers of the Annual Report and Accounts to assess the Group's position and performance for 2015, its business model and strategy. In justifying this statement, the Committee has considered the robust process that underpins it, which includes:

- Clear guidance and instruction given to all contributors, including at business line level;
- Revisions as a result of regulatory requirements were monitored on a regular basis;
- Pre year-end discussions held with the external auditor in advance of the year-end reporting process;
- Pre year-end input provided by senior management and corporate functions;
- A verification process dealing with the factual content of the reports to ensure accuracy and consistency;
- Comprehensive review by the senior management team to ensure overall consistency and balance;
- Review conducted by external advisers and the external auditor on best practice with regard to the content and structure of the Annual Report and Accounts;
- Review and consideration of the Annual Report and Accounts by the Committee; and
- Final sign-off provided by the Board.

The results are presented to the Committee to ensure compliance with the Code. The Committee challenge judgemental statements to ensure that they are reasonable within the context of the report.

This process enabled the Committee, and then the Board, to confirm that the 2015 Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

EXTERNAL AUDIT TENDER

In November 2014, the Committee agreed to start the process for the formal tender of the external audit with the intention of selecting a new external auditor to be appointed for the year ending 31 December 2016 following the completion of the 2015 year end process and recommending their appointment at the 2016 AGM.

KPMG were not invited to participate in the audit tender. The process was led by an audit tender team comprising the Committee Chair, the CFO, the Group Financial Controller and the Deputy Group Financial Controller. It included a Request for Proposal, interviews with management and the Committee, and site visits followed by an assessment of the proposals. The Committee reviewed and approved the tender process, governance and selection criteria. Following the first stage of the process, two shortlisted firms were invited to respond to specific questions from the Committee and then to present to the Committee, followed by a Q&A session. At the conclusion of the second stage of the process, the Committee discussed their findings and the audit tender team made a recommendation to the Committee. The Committee then made a recommendation to appoint PwC which was approved by the Board.

Following the conclusion of the formal tender process, a resolution proposing the appointment of PwC as auditor of the Group for the year ending 31 December 2016 and giving authority to the Directors to determine its remuneration will be submitted to the forthcoming AGM.

INDEPENDENCE

The Terms of Reference of the Committee include ensuring the continued independence and objectivity of the Group's external auditors. This is achieved through:

- The annual approval of the policy for the engagement of external auditors for audit and non-audit services;
- Setting limits and a budget for non-audit spend for the external auditors;
- An annual review of the auditors performance in conducting the external audit; and
- Where appropriate, audit tendering and rotation.

AUDIT AND NON-AUDIT FEES

The Company has set out a policy on the provision of non-audit work by the external auditors to make sure that the auditors' independence is safeguarded. The policy was reviewed during the year and is consistent with the Auditing Practices Board's Ethical Standards No. 5 – Non Audit Services. The policy is designed to ensure that the provision of such services does not create a threat to the external auditors' independence and objectivity.

It identifies certain types of engagement that the external auditors shall not undertake, including internal audit and actuarial services relating to the preparation of accounting estimates for the financial statements, appraisal or valuation services, tax services in relation to marketing, planning or opining in favour of a transaction and any other services that, locally, are prohibited through regulation. An annual cap for non-audit services is presented to the Committee for approval, which should not ordinarily exceed 50% of the audit fee. Caps are also assigned to each category, compared to spend in the previous two years and prior approval is required for all items over an agreed level.

A report is presented to the Committee twice a year showing year to date spend against each category of the annual cap previously approved by the Committee.

The policy also recognises that there are some types of work, such as accounting and tax advice, where a detailed understanding of the Group's business is advantageous.

The policy is designed to ensure that the external auditor is only appointed to provide a non-audit service where it was subject to a competitive tender and is considered to be the most suitable supplier of the service.

A summary of the fees paid for non-audit fees is set out in the table below and further information is contained in note 4 to the financial statements on page 100:

Auditor fee breakdown	2015 £m	2014 £m
Total non-audit fees, of which	**0.6**	0.6
– audit related services	**–**	–
– tax services	**0.4**	0.4
– other non-audit services	**0.2**	0.2
Audit fee	**2.5**	2.3
% of audit fee	**25%**	26%

The Committee remains satisfied with KPMG's independence and their overall challenge to management with respect to the work undertaken in 2015 and in respect of this Annual Report and Accounts. PwC have confirmed their independence in preparation for their appointment as auditor following the 2016 AGM.

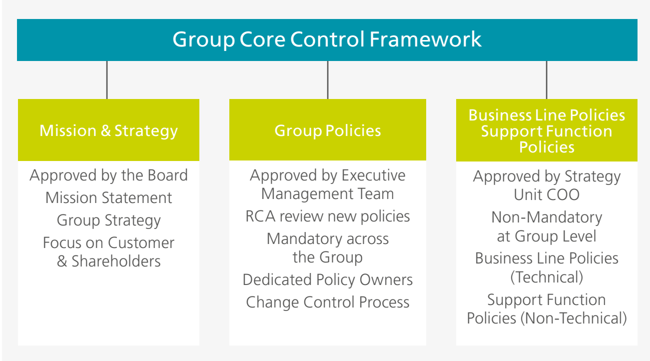
EFFECTIVENESS OF THE EXTERNAL AUDIT

The Committee conducts an annual assessment of the effectiveness of the external audit. During the year KPMG presented its approach to maintaining audit quality to the Committee and a questionnaire was circulated to those within the Group who were involved in the audit process seeking their views on the service provided as to adequacy of planning, resources, fieldwork and quality of reporting. The Committee considered in detail the feedback received from the internal review, KPMG's performance and independence and the effectiveness of the overall audit process.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for monitoring the Group's system of internal control and risk management and for reviewing their effectiveness. Risk management and internal controls are embedded in the running of each business line, country and support function. The risk register process follows the global organisation, and risk registers are produced for significant countries and for each business line and support function, and then consolidated at Group level. The time commitment and breadth of data gathering in completing the risk registers have been expanded and have been reviewed in the context of the wider controls framework initiatives. The Committee reviews the Group risk register twice a year and presents the register to the Board for final approval in December.

A detailed verification programme assists the Committee to check that all the statements made in the Annual Report and Accounts are accurate. Intertek's Manual of Accounting Policies and Procedures is issued to all finance staff and gives instructions and guidance on all aspects of accounting and reporting that apply to the Group. The Intertek Core Control Framework is a key Group-wide framework that provides an easy reference to the core elements of the Group's Governance Framework. It includes those mandatory policies applying across the Group in all locations and provides a single place where each employee has easy access to mandatory policies. This is reviewed and refreshed on a regular basis to reflect the changes in the risk and governance environments.



Any material breaches of the Group's systems of internal and risk management controls that are identified by the Group's control review procedures are reported to the Committee and corrective action is taken. The Committee endeavours to ensure that the Group has in place the most appropriate and effective controls, checks, systems, and risk management techniques so as to be in line with best practice. The control environment within the Group is further strengthened by two internal Committees. The Risk Control and Assurance Committee ('RCA') has the remit of overseeing the development of the internal control and an Investment Committee ('IC') is in place with the remit of reviewing and approving material expenditure and other key actions throughout the business within certain limits as outlined in the Board Approval Matrix. Further information on the membership and remit of the RCA and IC is on page 62.

INTERNAL CONTROLS AND REPORTING

In order to provide assurance that the Intertek controls and policy framework is being adhered to, a self-certification exercise is undertaken across the Group's global operations. This process is facilitated by Company Secretariat. An online questionnaire requesting confirmation of adherence to financial and operation controls is sent to all Intertek country operations. Where corrective actions are needed, the country is required to provide an outline and a confirmed timeline. These items are monitored closely to ensure timely completion.

Once reviewed and signed-off at country level, a consolidated assessment is made at regional level for further approval. An evaluation is undertaken with Executive Vice-Presidents following which a company-wide position is submitted to the CEO and the CFO. A final summary assessment is provided to the Committee.

The Committee can confirm that it reviewed the Group's internal controls and risk management systems and concluded that there was a sound and effective control environment in place across the Group during 2015 and up to the date upon which these financial statements were approved. No material weaknesses had been identified.

Directors' report
Audit & Risk Committee continued

AUDIT AND RISK STRATEGY
The Audit and Risk Strategy was presented to the Committee during the year. The strategy has focused on ensuring that the programme is annually strengthened and enhanced to reflect the size and global reach of the Intertek Group. The Group has a programme of training and on-line courses for compliance matters, covering topics such as health and safety, anti-bribery, and integrity. The Group has a zero-tolerance policy to any bribery. Every employee is required to sign a zero-tolerance document confirming their understanding that any breaches of the Group's Code of Ethics will result in disciplinary action that may include summary dismissal. Each year as part of the appraisal process every employee is asked to confirm their understanding of and adherence to the Code of Ethics.

As highlighted, our Code of Ethics was reviewed and updated in 2014 to simplify and consolidate Intertek's approach to compliance. This has reinforced the Intertek Compliance Principles in respect of integrity, conflicts of interest, confidentiality, anti-bribery and fair marketing and strengthened our approach to protecting our environment. The Code of Ethics is available on the Group's website. An on-line training programme was developed for the new Code of Ethics and was rolled out to employees during 2015. The Code of Ethics is available in 28 languages.

CONFIDENTIAL HOTLINE
We are committed to maintaining a culture where issues of integrity and professional ethics can be raised and discussed. There is a global hotline system, which is operated by an independent third party, providing a web-based system in 24 languages, for the confidential reporting of any suspected or real breaches in compliance by any employee, contractor, customer or other stakeholder. There is also a telephone hotline where calls are answered 24/7 by trained specialists. This underpins the ethics programme and also helps the business protect itself against any unethical behaviour. The details of the hotline have been communicated to staff through the Group's main intranet page and by posters at Intertek locations. All reports are investigated thoroughly, with action taken when required. Reports of significant matters raised on the hotlines are also provided to the Committee, if appropriate.

INTERNAL AUDIT
The annual Internal Audit plan is reviewed and approved by the Committee. Where there is no internal expertise to perform a specialised audit, a third party auditor with the requisite skills is appointed to undertake the audit, the findings of which are reported to the Committee. In its quarterly reports to the Committee, Internal Audit provided summaries of each audit performed, with commentary on the robustness of risk management activities and internal control design and operating effectiveness. In 2015 there was a varied plan of work across key risk areas, including reviews of businesses, functions and projects, as well as regular follow-up activities.

As part of its annual programme, the Committee reviewed the effectiveness of the Group Internal Audit function. In addition a more detailed external benchmarking review was performed in July by Deloitte. This was the first such review performed, and led to the conclusion that the function was effective. It also provided useful input for the future direction of the department.

COMPLIANCE
We have dedicated compliance officers across the Group's markets who undertake investigations of issues that arise either from quality assurance audits or from other sources, such as routine compliance questions. Reports of significant findings are presented to the Committee which monitors and reviews the effectiveness of the risk management and internal control activities across the Company.

PRIORITIES FOR 2016
The priorities for the Committee over the next 12 months are as follows:

- Oversee an orderly transition to the new external auditor;
- Continue to monitor the impact of external economic factors on the Group and its financial position; and
- Monitor any relevant changes in the corporate governance and regulatory arena.

GOING CONCERN
The Directors have a reasonable expectation that the Group has adequate resources for a period of at least 12 months from the date of signing the Annual Report and Accounts, and have therefore assessed that the going concern basis of accounting is appropriate in preparing the financial statements and that there are no material uncertainties to disclose.

This conclusion is based on a review and an assessment of the levels of facilities expected to be available to the Group, based on levels of cash held, Group Treasury funding projections, and the Group's financial projections for a period to 31 December 2020. With the exception of £91m of facilities maturing in 2016, all the current borrowing facilities are expected to be available at 31 December 2016.

In making this assessment, management has considered the covenants attached to the Group's borrowing facilities and performed downside scenarios on the Group's financial projections of 10% and 20% reduction in EBITDA forecast. Even in these circumstances, there is significant headroom on the debt covenants.

After making diligent enquiries the Directors have a reasonable expectation based upon current financial projections and bank facilities available, that the Group has adequate resources to continue in operation for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the Group's financial statements.

MICHAEL WAREING
Chair of the Audit & Risk Committee

Nomination Committee

Sir David Reid – Chair of the Nomination Committee

DEAR SHAREHOLDER

I am pleased to report on how the Nomination Committee ('Committee') has continued to undertake its role during 2015. Following the extensive work undertaken in 2014 to successfully fill the roles of the CEO and CFO, the Committee's focus continued to be on succession planning and the review of the composition of the Board and the Committees. Following a rigorous selection process the Committee was pleased to recommend the appointment of Gill Rider to the Board as a Non-Executive Director and Chairman of the Remuneration Committee with effect from 1 July 2015. Her successful career in both the Non-Executive and Executive worlds adds further valuable experience to our Board.

The Committee continues to ensure that the composition of the Board retains the right balance of skills, experience, industry and technical knowledge and diversity to provide the quality of leadership necessary to implement the strategy and achieve the strategic objectives necessary for the long-term success of the Company.

The Terms of Reference of the Committee are available on the website at www.intertek.com. I will be available at the forthcoming AGM to answer any questions on the work of the Committee during the year.

COMMITTEE MEMBERSHIP AND MEETING ATTENDANCE

Membership and attendance at meetings of the Committee during the year was as follows:

Committee Members	Number of meetings held in 2015	
	Eligible to attend	Attendance
Sir David Reid (Committee Chairman)	4	4
Edward Astle[1]	4	3
Christopher Knight[2]	2	2
Dame Louise Makin[3]	1	1
Michael Wareing	4	4
Mark Williams[4]	2	2

1. Edward Astle was unable to attend one Committee Meeting due to an unavoidable commitment.
2. Christopher Knight retired from the Committee on 15 May 2015.
3. Dame Louise Makin was appointed to the Committee on 1 December 2015.
4. Mark Williams was appointed to the Committee on 15 May 2015.

The Group Company Secretary attends all meetings of the Committee.

MAIN RESPONSIBILITIES OF THE COMMITTEE

- Review the structure, size and composition of the Board and its Committees.
- Identify, review and nominate candidates to fill Board vacancies.[1]
- Evaluate the balance of skills, knowledge, experience and diversity on the Board and Committees.
- Review the results of the performance evaluation process that relate to the composition of the Board and Committees.
- Review the time commitment required from Non-Executive Directors.

1. Neither the Chairman nor the CEO participates in the recruitment of their own successor.

THE ACTIVITY OF THE COMMITTEE DURING THE YEAR

Composition of the Board, the Committees and appointments

In the first half of 2015 the Committee spent a significant amount of time considering the succession requirements of the Board and its Committees and subsequently overseeing the process which led to Gill Rider joining the Board as Non-Executive Director on 1 July 2015.

The Committee considered a number of factors including the experience, competency and personal qualities that would be required for this position. We also considered the current balance of skills, knowledge and experience on the Board and whether the candidate would be able to allocate sufficient time to the Company to discharge their responsibilities. We worked with the external search firm Egon Zehnder to identify suitable candidates. We can confirm that they have no other connection to the Company apart from in relation to the 2015 Board evaluation and search consultancy services.

Gill Rider was deemed to be the most suitable candidate based on merit and her biography is available on page 57.

Directors' report
Nomination Committee continued

With the retirement of Christopher Knight at the 2015 AGM each of the principal Committees was left with a vacancy. This gave us the opportunity to appoint Mark Williams to the Remuneration Committee and Nomination Committee with effect from 15 May 2015. To ensure compliance with the Code, Mark acted as Interim Chair of the Remuneration Committee until Gill's appointment. With effect from 1 July 2015, Alan Brown moved from the Remuneration Committee and became a member of the Audit & Risk Committee given his financial background and experience in the industry. Dame Louise Makin was also appointed to the Nomination Committee with effect from 1 December 2015.

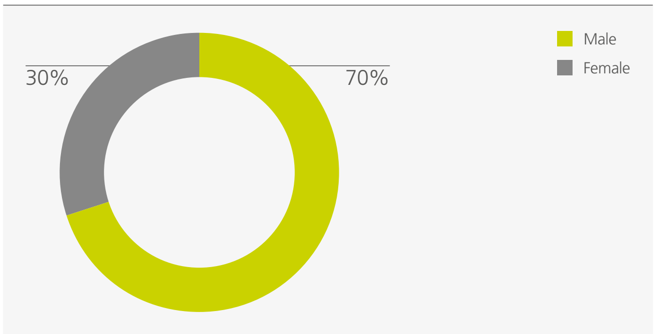
Also during 2015, the Board, upon the recommendation of the Committee, took the decision to reappoint Dame Louise Makin and Lena Wilson CBE as Non-Executive Directors of the Company for a further three years. Where the reappointment of a member of the Committee is being discussed, they are precluded from any involvement in the discussions and the Senior Independent Non-Executive Director would chair the Committee when the reappointment of the Chairman is discussed.

DIVERSITY ON THE BOARD

The Board continues to endorse the recommendations made by Lord Davies in his report issued in 2011 on 'Women on Boards' and our policy of diversity is available at www.intertek.com. The Committee is committed to achieving a Board which includes and makes the best use of differences in culture, gender, skills, background, regional and industry experience as well as other qualities. All of these factors are considered by the Committee in determining the composition of the Board as outlined on the previous page. With the appointment of Gill Rider during the year, the Company has exceeded Lord Davies' recommendation of 25% gender diversity ratio and now has 30% women on the Board. Whilst the Board's wish is to maintain at least 25% female representation at Board level, the need to ensure the progressive refreshing of the Board to maintain the correct balance of skills, knowledge and experience remains paramount.

An analysis of the diversity of the Board by gender as at 31 December 2015 is provided below. Details of our total workforce by gender can be found in the Sustainability and CSR report on page 48.

Board of Directors



SIR DAVID REID
Chair of the Nomination Committee

Other statutory information

In accordance with the requirements of the Companies Act 2006 ('Act') and the Disclosure Rules and Transparency Rules ('DTR') of the Financial Conduct Authority ('FCA'), the following section describes the matters that are required for inclusion in the Directors' report and were approved by the Board. Further details of matters required to be included in the Directors' report that are incorporated by reference into this report are set out below.

DIRECTORS

The Directors who held office during the year are set out below:

Director	Position
Sir David Reid	Chairman
Wolfhart Hauser	Chief Executive Officer (retired 15 May 2015)
André Lacroix	Chief Executive Officer (appointed 16 May 2015)
Edward Leigh	Chief Financial Officer
Edward Astle	Non-Executive Director
Alan Brown	Non-Executive Director
Christopher Knight	Non-Executive Director (retired 15 May 2015)
Dame Louise Makin	Non-Executive Director
Gill Rider	Non-Executive Director (appointed 1 July 2015)
Michael Wareing	Senior Independent Non-Executive Director
Mark Williams	Non-Executive Director
Lena Wilson	Non-Executive Director

The biographies of the Directors at the date of this report are set out on pages 56 and 57.

ARTICLES OF ASSOCIATION

The Company's Articles of Association contain provisions relating to the retirement, election and re-election of Directors but, in accordance with best practice, all continuing Directors will stand for election or re-election at the Annual General Meeting ('AGM').

The Articles of Association set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment or removal of Directors and the conduct of the Board and general meetings. Copies are available upon request from the Group Company Secretary and are available at the Company's AGM. Further powers are granted by members in general meeting and those currently in place are set out in detail within the appropriate section of this report.

DIRECTORS' INDEMNITIES

The Board believes that it is in the best interests of the Group to attract and retain the services of the most able and experienced directors by offering competitive terms of engagement, including the granting of indemnities on terms consistent with the applicable statutory provisions. In accordance with the Articles of Association, the Company has executed deed polls of indemnity for the benefit of Directors of the Company.

These provisions which are deemed to be qualifying third-party indemnity provisions (as defined by section 234 of the Act), were in force during the financial year ended 31 December 2015, for the benefit of the Directors and, at the date of this report, remain in force in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office.

DIRECTORS' INTERESTS

Other than employment contracts, none of the Directors of the Company had a personal interest in any business transactions of the Company or its subsidiaries. The terms of the Directors' Service Agreements and the Directors' interests in the shares and share awards of the Company, in respect of which transactions are notifiable to the Company under Rule 3 of the DTR of the FCA are disclosed in the Remuneration report on pages 63 and 77.

DIRECTORS' POWERS

The Directors are responsible for the strategic management of the Company and their powers to do so are determined by the provisions of the Act and the Company's Articles of Association.

DIVIDEND

The Directors are recommending a final dividend of 35.3p per ordinary share (2014: 33.1p) making a full year dividend of 52.3p per ordinary share (2014: 49.1p) which will, if approved at the AGM, be paid on 3 June 2016 to shareholders on the register at close of business on 20 May 2016.

SHARE CAPITAL

The issued share capital of the Company and details of the movements in the Company's share capital during the year are shown in note 15 to the financial statements.

The holders of ordinary shares are entitled to receive dividends when declared, to receive the Company's Annual Report and Accounts, to attend and speak at general meetings of the Company, to appoint proxies and exercise voting rights. A waiver of dividend exists in respect of 514,938 shares held by the Intertek Group Employee Share Ownership Trust ('Trust') as at 31 December 2015. Details of the shares purchased by the Trust during the year are outlined within note 15 to the financial statements. There are no restrictions on the transfer of ordinary shares in the Company.

The rights attached to shares in the Company are provided by the Articles of Association, which may be amended or replaced by means of a special resolution of the Company in a general meeting. The Directors' powers are conferred on them by UK legislation and by the Company's Articles of Association.

No ordinary shares carry any special rights with regard to control of the Company and there are no restrictions on voting rights except that a shareholder has no right to vote in respect of a share unless all sums due in respect of that share are fully paid. There are no arrangements known to the Company by which financial rights carried by any shares in the Company are held by a person other than the holders of the shares, nor are there any arrangements between holders of securities that may result in restrictions on the transfer of securities or on voting rights known to the Company. All issued shares are fully paid.

Shares are admitted to trading on the London Stock Exchange and may be traded through the CREST system.

Directors' report
Other statutory information continued

ALLOTMENT OF SHARES

At the AGM held in 2015 the shareholders generally and unconditionally authorised the Directors to allot relevant securities up to approximately two-thirds of the nominal amount of issued share capital. It is the Directors' intention to seek renewal of this authority in line with guidance issued by The Investment Association. The resolution will be set out in the Notice of AGM.

Also at the AGM in 2015 the Directors were empowered by the shareholders to allot equity securities, up to 5% of the Company's issued share capital, for cash under section 570 of the Act. It is intended that this authority be renewed, up to 10%, at the forthcoming AGM. This limit has increased from the authority given at last year's AGM to reflect the Pre-Emption Group's revised Statement of Principles issued in March 2015. It is the Company's intention that the extra 5% would be used only for the purpose of an acquisition or a specified capital investment.

PURCHASE OF OWN SHARES

Shareholders also approved the authority for the Company to buy back up to 10% of its own ordinary shares by market purchase until the conclusion of the AGM to be held this year. The Directors will seek to renew this authority for up to 10% of the Company's issued share capital at the forthcoming AGM. This power will only be exercised if the Directors are satisfied that any purchase will increase the earnings per share of the ordinary share capital in issue after the purchase and accordingly, that the purchase is in the interests of shareholders. The Directors will also give careful consideration to gearing levels of the Company and its general financial position. Any shares purchased in this way may be held in treasury which, the Directors believe, will provide the Company with flexibility in the management of its share capital. Where treasury shares are used to satisfy share options or awards, they will be classed as new issue shares for the purpose of the 10% limit on the number of shares that may be issued over a ten-year period under our relevant share plan rules.

SIGNIFICANT AGREEMENTS – CHANGE OF CONTROL

The Company is not a party to significant agreements which take effect, alter or terminate upon a change of control following a takeover bid apart from a number of credit facilities with banks together with certain senior notes issued by the Company. The total amount owing under such credit facilities and senior note agreements as at 31 December 2015 is shown in note 14 to the financial statements. These agreements contain clauses such that, in the event of a change of control, the Company can offer to or must repay all such borrowings together with accrued interest, fees and other sums owing as required by the individual agreements.

The rules of the Company's incentive plans contain clauses relating to a change of control resulting from a takeover and in such an event awards would vest subject to the satisfaction of any associated performance criteria.

MATERIAL INTERESTS IN SHARES

Up to 23 February 2016, being the latest practicable date before the publication of this report, the following disclosures of major holdings of voting rights have been made (and have not been amended or withdrawn) to the Company pursuant to the requirements of Rule 5 of the DTR of the FCA:

	At date of notification	
Shareholder	**Number of voting rights**	**% of voting rights**
BlackRock, Inc.	11,865,413	7.35
MFS Investment Management	9,547,182	5.92
Marathon Asset Management LLP	8,024,521	4.97
Mawer Investment Management Ltd	4,857,399	3.01

EMPLOYMENT

Information about the Group's employees, employment of disabled persons and employment practices is contained within the Sustainability and CSR report on pages 48 and 49. Information on employee share schemes appears in note 17 to the financial statements.

GREENHOUSE GAS EMISSIONS ('GHG')

Details regarding the Group's Greenhouse Gas emissions are given in the Sustainability and CSR report on page 50.

POLITICAL DONATIONS

At the AGM in 2015 shareholders passed a resolution, on a precautionary basis, to authorise the Company to make donations to EU political organisations and to incur EU political expenditure (as such terms are defined in the Act) not exceeding £90,000. During the year the Group did not make any political donations (2014: £nil). It is the Company's policy not, directly or through any subsidiary, to make what are commonly regarded as donations to any political party. However, at the forthcoming AGM of the Company, shareholders' approval will again be sought to authorise the Group to make political donations and/or incur political expenditure (as such terms are defined in sections 362 to 379 of the Act). Further information is contained in the Notice of AGM.

BRANCHES

The Company, through various subsidiaries has established branches in a number of different countries in which the business operates. The list of subsidiaries is available on pages 129 to 132.

FINANCIAL INSTRUMENTS

Details about the Group's use of financial instruments are outlined in note 14 to the financial statements.

AUDITORS

Following the audit tender process, PwC have expressed their willingness to be appointed as auditors of the Company. Upon the recommendation of the Audit & Risk Committee, resolutions to appoint them as auditors and to authorise the Directors to determine their remuneration will be proposed at the forthcoming AGM in accordance with section 485(4) of the Act.

ANNUAL GENERAL MEETING

The Notice of AGM, to be held on 25 May 2016, is available for download from the Company's website at www.intertek.com/investors. The Notice details the business to be conducted at the meeting and includes information concerning the deadlines for submitting proxy forms and in relation to voting rights.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that he or she ought to have taken as a Director of the Company to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

ANNUAL REPORT AND ACCOUNTS AND COMPLIANCE WITH LISTING RULE ('LR') 9.8.4 R

The Board has prepared a Strategic report (pages 4 to 51) which provides an overview of the development and performance of the Company's business during the year ended 31 December 2015 and its position at the end of that year, and which covers likely future developments in the business of the Company and Group.

For the purposes of compliance with DTR 4.1.5 R(2) and DTR 4.1.8 R, the required content of the 'Management Report' can be found in the Strategic report and this Directors' report (pages 52 to 88), including the sections of the Annual Report and Accounts incorporated by reference.

For the purposes of LR 9.8.4C R, the information required to be disclosed by LR 9.8.4 R can be found in the following locations:

Topic	Location
1. Amount of interest capitalised	Not applicable
2. Any information required by LR 9.2.18 R (Publication of unaudited financial information)	Not applicable
3. Details of long-term incentive schemes	Directors' Remuneration report (pages 63 to 77)
4. Waiver of emoluments by a director	Not applicable
5. Waiver of future emoluments by a director	Not applicable
6. Non pre-emptive issues of equity for cash	Not applicable
7. Information required by (6) above for any unlisted major subsidiary undertaking of the Company	Not applicable
8. Company participation in a placing by a listed subsidiary	Not applicable
9. Any contracts of significance	Other statutory information (page 86)
10. Any contracts for the provision of services by a controlling shareholder	Not applicable
11. Shareholder waivers of dividends	Other statutory information (page 85)
12. Shareholder waivers of future dividends	Other statutory information (page 85)
13. Agreements with controlling shareholders	Not applicable

Statement of Directors' responsibilities

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK Accounting Standards, including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the Parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' Remuneration report and Corporate Governance Statement that complies with that law and those regulations.

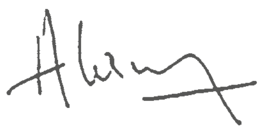
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

Each of the Directors, whose name and functions are listed on pages 56 and 57, confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Directors' report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Company's 2015 Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Directors' report comprising pages 52 to 88 and the Group Strategic report comprising pages 4 to 51 have been approved by the Board and signed on its behalf by:



ANDRE LACROIX
Chief Executive Officer
1 March 2016

Registered Office
25 Savile Row
London
W1S 2ES

Registered Number: 04267576