

NOMINATION COMMITTEE REPORT



Philip Toomey
Chairman of the
Nomination Committee

Dear Shareholder,

On behalf of the Nomination Committee, I am pleased to present our report for the year ended 31 December 2018. This report sets out the Committee's key activities in 2018 as well as the Committee's priorities for 2019.

The Nomination Committee is responsible for evaluating the structure, size, composition and successional needs of the Board and making recommendations on same, with due regard for Board diversity. Additionally, the Committee is responsible for the review of the results of the annual Board evaluation process as it relates to the Board and Committee performance and composition.

On 3 May 2018, I was appointed Chairman of the Board succeeding Mr. Michael Dowling who retired from the Board on the same date. On 30 September 2018, Mr. Brian Mehigan retired as Chief Financial Officer and stepped down from the Board on 28 December 2018. Ms. Marguerite Larkin was appointed Chief Financial Officer on 30 September 2018 and to the Board on the same date.

During the year under review, the Committee continued to lead the Board refreshment process ensuring that the composition of the Board and its Committees has the correct balance of skills, knowledge, experience, diversity and independence. We engaged independent external agencies to conduct a search for new independent non-Executive Directors. Potential non-Executive Directors were considered by the Committee and a shortlist was interviewed after assessing their qualifications against the above criteria and their time commitments. This culminated in the appointment of Mr. Christopher Rogers to the Board and as Audit Committee Chairman on 8 May 2018. Mr. Rogers is a highly experienced international board director and business leader. Non-Executive Director succession remains a priority as we continue to identify a pipeline of appropriate talent.

An internal review of the effectiveness of the Board and its' Committees was conducted during 2018 and the outcome of this review is that the Board and its' Committee are performing well. Further details are set out on page 99.

The Committee's priority for the coming year will continue to be on Board refreshment taking account of skill sets required, diversity and planned retirements over the coming years. The Committee will also focus on senior management development and succession planning whilst having regard to diversity below Board level and taking account of business growth and geographic expansion.

The Committee has considered the changes resulting from the Financial Reporting Council's review of the UK Corporate Governance Code particularly in relation to Board diversity and director independence and will take these into account in its work programme for 2019.

A handwritten signature in black ink, appearing to read 'Philip Toomey', with a stylized flourish at the end.

Philip Toomey
Chairman of the Nomination Committee

Role and Responsibilities

The main roles and responsibilities of the Committee, which were reviewed during 2018, are set out in written terms of reference which are available from the Group's website (www.kerrygroup.com) or upon request.

The key responsibilities outlined in the terms of reference are included in the following table:

Primary Responsibilities of the Nomination Committee
<ul style="list-style-type: none"> – Evaluating the balance of skills, experience, independence, knowledge and diversity of the Board to ensure optimum size and composition; – Ensuring an appropriate nomination process is in place for Board appointments; – Ensuring a formal induction plan is in place for each new Director on appointment; – Reviewing a candidate's other commitments to ensure that on appointment, a candidate has sufficient time to undertake the role; – Reviewing the Board Diversity Policy; – Making recommendations to the Board on the appointment and re-appointment of both Executive and non-Executive Directors; – Making recommendations to the Board concerning membership of Board Committees in consultation with the Chairs of the Committees; – Ensuring plans and processes are in place for succession planning for Directors, including the Chairman, Senior Independent Director, non-Executive Directors and senior management positions; and – Overseeing the conduct of the annual evaluation of the Board and its Committees.

The Chairman of the Board or an independent non-Executive Director of the Company acts as the Chairman of the Committee. The Chairman of the Board does not chair the Committee when it is dealing with the matter of succession to the Chairmanship.

Committee Membership

During 2018, the Nomination Committee comprised three independent non-Executive Directors; Dr. Hugh Brady, Dr. Karin Dorrepaal, Mr. James Kenny and was chaired by Mr. Philip Toomey who was appointed to the role when Mr. Michael Dowling retired on 3 May 2018.

The Board ensures that the membership of the Nomination Committee is refreshed in accordance with the Group's Corporate Governance Policy. The quorum for Committee meetings is two and only Committee members are entitled to attend. The Nomination Committee may extend an invitation to other persons to attend meetings or to be present for particular agenda items as required. The Company Secretary acts as Secretary of the Committee.

During 2018, the Committee engaged Korn Ferry and Spencer Stuart, both international specialist recruitment firms to assist with Board refreshment. Neither Korn Ferry nor Spencer Stuart have any other connection to the Group.

Committee Meetings

The Committee met five times during the year and there was full attendance by Committee members, who were eligible to attend, at all meetings.

Nomination Process

There is a formal, rigorous and transparent procedure determining the nomination for appointment of new Directors to the Board. Candidates are identified and selected on merit against objective criteria and with due regard to the benefits of diversity on the Board. The Committee engages specialist recruitment consultants to assist in the identification and selection process. The Committee makes recommendations to the Board concerning appointments of Executive or non-Executive Directors, having considered the blend of skills, experience, independence and diversity deemed appropriate and reflecting the global nature of the Group.

The Nomination Committee also makes recommendations to the Board concerning the reappointment of any non-Executive Director at the conclusion of their specified term and the re-election of all Directors who are the subject of annual rotation. The terms and conditions of appointment of non-Executive Directors are set out in formal letters of appointment, which are available for inspection at the Company's registered office during normal office hours and at the AGM of the Company.

The key stages in the nomination process are outlined in the following diagram:



Board Refreshment Policy

On an ongoing basis, the Nomination Committee reviews and assesses the structure, size, composition and overall balance of the Board and makes recommendations to the Board with regard to refreshment and succession planning.

Appointments to the Board are for a three year period, subject to shareholder approval and annual re-election, after consideration of annual performance evaluation and statutory provisions relating to the removal of a Director. The Board may appoint such Directors for a further term not exceeding three years and may consider an additional term if deemed appropriate.

During the year, the Chairman conducted a rigorous review of all non-Executive Directors as part of the Board evaluation process, taking into account the need for progressive refreshment of the Board. The Board explains to shareholders, in the papers accompanying the resolutions to elect and re-elect the non-Executive Directors, why it believes the individual should be re-elected based on the results of the formal performance evaluation.

Diversity Policy

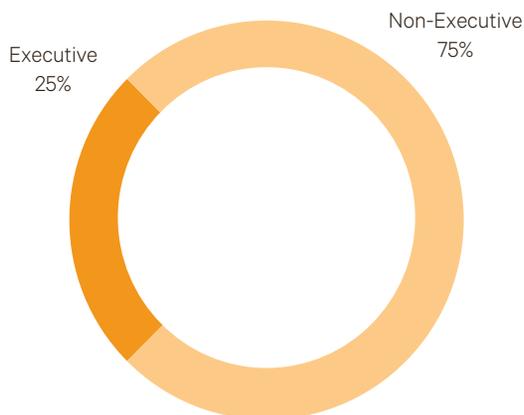
Diversity is fully embraced at Kerry and the Group is committed to having a work environment that is respectful of everyone. In order to achieve a positive and productive workplace, all employees must work together and realise each individual has something unique to contribute to the overall success of Kerry.

The Group's Diversity and Inclusion policy is an integral part of the Group Code of Conduct ensuring that diversity and inclusion are embedded in Kerry Group's core values. Within this, the Group seeks to recruit, hire and retain the best talent from a diverse mix of backgrounds, with the skills and experiences to drive new ideas, products and services providing a sustained competitive advantage.

The Board believes in the benefits of having a diverse Board and the benefits that it can bring to its effective operation. In accordance with the Board Diversity Policy, differences in background, gender, skills, experiences, nationality, ethnicity and other attributes are considered in determining the optimum composition of the Board with the aim to balance it appropriately. All Board appointments are made on merit, with due regard to diversity. The Board currently has a 25% female representation, an increase from the 17% representation in 2017. In line with its diversity policy, and recommended best practice, the Board's ambition is to increase this number further. In reviewing Board composition and agreeing a job specification for new non-Executive Director appointments, the Committee considers the benefits of all aspects of diversity including, but not limited to, those described above, in order to complement the range and balance of skills, knowledge and experience on the Board. As part of the identification process external consultants are required to present a list of potential candidates, who meet the stated specification and requirements comprising candidates of diverse backgrounds, for consideration by the Committee.

A summary of the Group's current position relating to Board and senior management diversity is provided below:

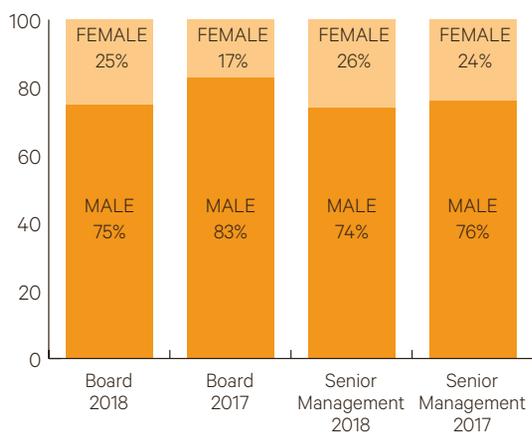
Executive / Non-Executive Directors



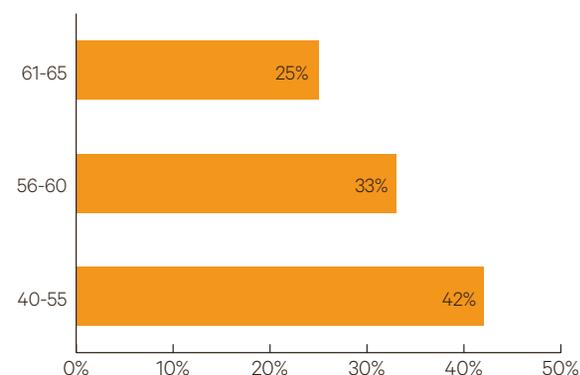
Board Tenure (Years)



Diversity



Board Age Profile



Key Activities

The key activities of the Committee throughout the year are detailed below:

Subject	Committee Activity
Chairman Succession	Mr. Michael Dowling retired from the Board on 3 May 2018. The formal process to identify and recommend a candidate to succeed Mr. Dowling was lead by a separate sub-committee comprising Dr. Hugh Brady, Dr. Karin Dorrepaal, Mr. Tom Moran and was chaired by Mr. James Kenny. Following the conclusion of this process Mr. Philip Toomey was appointed Chairman of the Board on 3 May 2018 and stepped down as a member and Chairman of the Audit Committee and as Senior Independent Director on the same date.
Group CFO Succession	Mr. Brian Mehigan transitioned from Group CFO to Chief Strategy Officer on 30 September 2018 and resigned from the Board on 28 December 2018. Following the conclusion of a formal process to identify and appoint a new CFO, the Nomination Committee recommended to the Board that the successful candidate, Ms. Marguerite Larkin, be appointed to the Board on assuming the role of Group CFO on 30 September 2018. The recommendation was approved by the Board on 19 February 2018.
Senior Independent Director	Following a process overseen by the Committee, Ms. Joan Garahy was appointed Senior Independent Director on 3 May 2018.
Board Refreshment	A new non-Executive Director, Mr. Christopher Rogers was appointed to the Board on 8 May 2018 following a process conducted by the Committee, in conjunction with external advisors. The Committee and the Board agreed that Mr. Rogers had a balance of skills, knowledge and experience that matched the requirements set.
Committee Refreshment	<p>On his appointment as Chairman of the Board, Mr. Toomey was also appointed Chairman of the Nomination Committee.</p> <p>Following the conclusion of a process to identify and appoint a new Audit Committee Chairman, the Nomination Committee recommended to the Board that Mr. Christopher Rogers, given his recent and relevant financial experience together with his knowledge of the food and beverage industry, be appointed as Audit Committee Chairman effective on 8 May 2018.</p> <p>There were no other changes to the composition of the Board Committees during the year.</p>
Board Size and Composition	In 2018, as part of its remit, the Committee considered the size and composition of the Board. At 31 December 2018, the Board comprised 12 members. Following the retirement of Mr. Michael Dowling and the appointments of Ms. Marguerite Larkin and Mr. Christopher Rogers, the Board size increased to 13 members and reduced to 12 following the retirement of Mr. Brian Mehigan from the Board on 28 December 2018. The Committee will continue to consider both Board size and composition during 2019.
Re-appointment of non-Executive Directors	During the year Mr. Philip Toomey, Dr. Karin Dorrepaal, Mr. James Kenny and Mr. Tom Moran each completed terms as non-Executive Directors. After detailed consideration, including a review of their performance and independence, the Board, upon the recommendation of the Committee, agreed that they should serve additional terms.
Re-election of Directors	The Committee recommended that all Directors, subject to and seeking re-election, be put forward for re-election at the Group's 2019 AGM.
Company Secretary	On the recommendation of the Committee, Mr. Ronan Deasy's appointment as Company Secretary was approved by the Board and he assumed the role on 1 March 2018.
Board and Committees Effectiveness Evaluation	<p>As outlined in detail on page 99, an internal evaluation of the Board and its Committees took place in 2018 in line with the provisions of the 2016 UK Corporate Governance Code and the Irish Annex.</p> <p>The Committee considered the outcome of this evaluation and identified the areas relevant to the Nomination Committee. Each recommendation was assessed and an action plan was developed to address areas for potential improvement. These recommendations will be reviewed and considered by the Committee in 2019.</p>