

AN INTERVIEW WITH OUR CHAIRMAN



Ken Hanna
Chairman



Q

What were the Board's main priorities during the year?

A

2014 has been a transitional year for Aggreko's Board. Our focus in 2014 has been on successfully handling the change in senior management, whilst not losing sight of our goals and delivering a solid trading performance. An important part of this process was ensuring good leadership and robust governance arrangements as a number of different people held the office of Chief Executive through the year. The chart on the opposite page summarises the timeline of events. In addition to managing these changes, the Nomination Committee led the recruitment process for our new Chief Executive Officer, regularly reporting back to the Board on progress as they came to a final short list. At this point all of the Non-executive Directors became involved in the process, interviewing the short list and coming to the unanimous view that Chris Weston was the preferred candidate for the role. We were delighted that Chris was able to join the Board on 2 January 2015.

Q

How was stability of leadership maintained as the composition of the Board changed?

A

Throughout the year and at the point of each change in the position of Chief Executive Officer we carefully considered our options, ensuring that the Board and executive management could provide the correct level of support and revising our governance arrangements in line with this. We had a robust succession plan in place to assist us on the departure of a key role, so we were fortunate that Angus Cockburn, then Chief Financial Officer, agreed to assume the interim Chief Executive Officer role when Rupert Soames tendered his resignation.

Angus Cockburn had served alongside Rupert Soames for 11 years and had the support of an extremely able interim Chief Financial Officer in Carole Cran, which allowed the Board to focus on identifying a permanent Chief Executive Officer. Carole Cran was officially promoted to Chief Financial Officer and appointed to the Board on 1 June 2014.

When we announced Chris Weston as our new Chief Executive Officer, Angus Cockburn had also indicated that he wished to step down from his interim role and he left Aggreko at the end of September 2014. This left us with a short period of time between Angus Cockburn's departure and Chris Weston's start date. In order to facilitate an orderly handover and ensure continuity of leadership, I was appointed as Executive Chairman. I would like to pay tribute to all of the employees of Aggreko, and in particular the Executive Committee, for maintaining the momentum of the business throughout this period of transition. The performance of the Group in 2014 is a testament to the strength and depth of the team and the resilience of the Aggreko culture.

TRANSPARENT REPORTING

On page 5, I state our commitment to transparent and high quality reporting. The key features of this approach in the corporate governance report include:

- Enhanced integration and linkage to the strategic report and information on our website.
- Detailed disclosure around the decision making process for our annual Board evaluation.
- Quick read sections for each of the Board Committees, highlighting key achievements in 2014 and areas of focus for 2015.
- Greater clarity in our Remuneration Committee report.
- An in-depth report from our Nomination Committee on the process to select and recommend Chris Weston's appointment as Chief Executive Officer.

Q

How would you describe the decision making culture of the Board?

A

My role as Chairman is to ensure that Aggreko has a Board which works effectively and where everyone is encouraged to contribute. I aim for flexibility in my approach to foster a culture of openness and debate on the Board, setting the agenda to take full account of the issues and concerns of the Directors. Formal Board meetings are supplemented with regular informal meetings between myself and all Board Members.

The culture of the Board will undoubtedly go through a period of change as we welcome a new Chief Financial Officer, Chief Executive Officer and Non-executive Director. For this reason we decided to delay our externally facilitated evaluation of the Board for one year until Autumn 2015. We carefully considered our position and have explained the rationale in detail on page 78 of this report. We anticipate that the 2015 evaluation will provide valuable insights into the dynamics of the Board and how the new team is settling down and working. We will report on the results of the externally facilitated evaluation in next year's annual report.

Carole brings continuity of the finance leadership team at Aggreko. Although new to the Board, Carole has 11 years of finance experience at Aggreko and is an able successor to Angus Cockburn, having worked closely with Angus and the Board for many years as Group Financial Controller and Director of Finance.

We have continued to add new skills to the Board in 2015, appointing Uwe Krueger as a Non-executive Director on 1 February 2015. Uwe's experience in the engineering and services sector, combined with his understanding of renewable energy, will bring further expertise to the Aggreko Board.

We were pleased to be recognised by the Department for Business Innovation and Skills in the UK as one of the most improved companies in relation to women on boards between 2010 and 2014. We have always been aware of the benefits of greater diversity and we have made good progress at Board level. We will continue to keep diversity under close review whilst ensuring we appoint the most qualified candidates for our available positions.

Q

What would you say the new Directors have brought to the Aggreko Board?

A

Our policy is to recruit Board members with a broad range of skills, background and experience. Chris brings proven leadership skills and a good knowledge of the energy sector; he has consistently succeeded in driving performance and growth in his career and we believe he has the skills and vision to continue Aggreko's growth and lead the Group to the next level.

Q

What are the Board's key objectives for the coming year?

A

In the early part of 2015, the Board will monitor and oversee Chris Weston's induction to ensure he has a thorough understanding of our business, our operations, the markets we operate in and our people. Following this induction process, we will support a business review, led by Chris, to establish our key priorities for driving continued growth over the next few years. We will report on this in further detail around the time of our interim results in August 2015.

Another key priority for the coming year is to review our succession plans for all of our Board and senior management roles. This review will be led by the Nomination Committee for the Board and senior management and will be supported by the Group HR Director.

WHO HELD THE OFFICE OF CEO DURING 2014



OVERVIEW



LEADERSHIP

Your Board rigorously challenge strategy, performance, responsibility and accountability to ensure that every decision we make is of the highest quality.

In this section you will find information on how we divide up our responsibilities amongst the Directors, the structure and role of our Committees, the Board's activities in 2014 and areas of focus for 2015.

Read more about our leadership

→ Page 74



EFFECTIVENESS

Your Board continuously evaluates the balance of skills, experience, knowledge and independence of the Directors. We ensure that all new Directors receive a tailored induction programme and we scrutinise our performance in an annual effectiveness review.

In this section you will find information on the induction of our new Directors, approach to our Board evaluation in 2014, progress against findings and action points.

Read more about our effectiveness

→ Page 78



ACCOUNTABILITY

All of our decisions are discussed within the context of the risks involved. Effective risk management is central to achieving our strategic objectives.

In this section you will find information on our approach to risk management, internal controls and the processes underpinning fair, balanced and understandable reporting at Aggreko.

Read more about our accountability

→ Page 81



RELATIONS WITH SHAREHOLDERS

Maintaining strong relationships with our Shareholders, both private and institutional, is crucial to achieving our aims. We hold events throughout the year to maintain an open dialogue with our investors.

In this section you will find information on Shareholder engagements in 2014 and the different ways investors can access useful information about Aggreko.

Read more about our relations with Shareholders

→ Page 82



REMUNERATION

Having a formal and transparent procedure for developing policy on remuneration for Executive Directors is crucial. Our remuneration policy aims to attract, retain and motivate by linking reward to performance.

In this section you will find information on our proposed remuneration policy for Shareholder approval and how we implemented our current remuneration policy in 2014.

Read more about our remuneration

→ Page 92

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

Our approach to corporate governance

Aggreko is committed to maintaining high standards of corporate governance; it is the way we do business and it is at the core of everything we do. Summarised on the opposite page and explained in detail throughout this report we have described the key elements which we believe are essential for good corporate governance. We have also used case studies headed "governance in action" to bring to life our approach.

We follow the UK Corporate Governance Code (the Code), as published by the Financial Reporting Council in September 2012 and except as referred to below, Aggreko has complied with all relevant provisions of the Code throughout the year.

Our explanations for non-compliance

For three months of 2014, we did not comply with part of Code provision A.2.1 which states that the roles of Chairman and Chief Executive Officer should not be exercised by the same individual. Between 1 October 2014, when Angus Cockburn, our Interim Chief Executive left the Company, and 2 January 2015, when Chris Weston took up the permanent role of Chief Executive Officer, Ken Hanna exercised the role of Executive Chairman. This was a temporary measure whilst we waited for Chris Weston to join the Company. Recognising the importance of robust governance arrangements in this circumstance, we revised our framework of delegated authorities during this interim period to ensure that no one individual had unfettered powers of decision making. The Board believes that our overall approach to the separate roles of Chairman and Chief Executive Officer is consistent with the main principle of the Code, which requires a clear division of roles, set out in writing and agreed by the Board; we are fully compliant with this provision from 2 January 2015.

We have not complied with Code provision B.6.2 which states that the evaluation of the Board should be externally facilitated at least every three years. For 2014 the Board decided to conduct an internal evaluation of its own performance, notwithstanding that the last external evaluation took place in 2011. We provide a detailed explanation of the reasons behind this decision and the evaluation process for 2014 on pages 78 and 80. The Board's intention remains to undertake an externally facilitated evaluation at least every three years with internal reviews undertaken in the intervening years.



ROLE OF THE BOARD

Our Board remains focused on

- Driving the Group's long-term objectives.
- Oversight of our operations to ensure we have competent and prudent management.
- Sound planning and internal control.
- Developing leadership and succession plans.
- Protecting our reputation and the relationships we have with customers, suppliers and employees.

Read our schedule of matters reserved for the Board

www.aggreko.com/pdf/matters_reserved_for_the_board.pdf

OUR BOARD



KEY TO COMMITTEE MEMBERSHIP



Audit



Ethics



Nomination



Remuneration



Ken Hanna
Chairman



Appointed: Non-executive Director in October 2010 and Chairman in April 2012.

Experience: Ken has international experience, bringing financial and leadership expertise to Aggreko. He possesses knowledge of many different business sectors and is an experienced senior executive and leader, promoting robust debate and a culture of openness in the Boardroom.

Ken is also currently Chairman of Inchcape Plc, Non-executive Director and Audit Committee Chairman of Tesco Plc and Chairman of Shooting Star CHASE Charity. Until 2009, Ken spent five years as Chief Financial Officer of Cadbury Plc. He has also held positions as Operating Partner for Compass Partners, Group Chief Executive at Dalgety Plc, Group Finance Director of United Distillers Plc and Group Finance Director of Avis Europe Plc.



Chris Weston
Chief Executive Officer



Appointed: January 2015.

Experience: Chris has experience at a senior level in the energy industry, proven leadership skills in a large international business and has consistently succeeded in driving performance and growth in his career.

Prior to his appointment in January 2015, Chris was Managing Director, International Downstream at Centrica plc, where he was the Executive Director responsible for the Group's largest division. In this role Chris was operationally responsible for both British Gas in the UK and Direct Energy in the USA. He joined Centrica in 2001 after a successful career in the telecoms industry, working for both Cable & Wireless and One.Tel. Before that, Chris served in the Royal Artillery. He has a BSc in Applied Science, as well as an MBA and PhD from Imperial College London.



Carole Cran
Chief Financial Officer



Appointed: June 2014.

Experience: Carole has corporate finance and accounting experience acquired over a number of years in senior financial roles with considerable exposure to emerging markets. Carole was appointed to the Board as Chief Financial Officer on 1 June 2014, following her appointment as Interim Chief Financial Officer on 24 April 2014. Having joined Aggreko in 2004, previous roles include Group Financial Controller and Director of Finance. A key member of the senior management team, Carole has worked to align financial strategies with the strategic direction of the business.

Prior to joining Aggreko, Carole spent seven years at BAE Systems, in a range of senior financial positions, including four years in Australia. Carole is also a chartered accountant, having trained at KPMG whilst working in their audit divisions in the UK and Australia.



Debajit Das
Regional Director
APAC



Appointed: January 2013.

Experience: Debajit brings experience of the energy sector, particularly in the Asia Pacific market. Debajit joined Aggreko in 2006 following the merger with GE Rentals, where he held a variety of leadership positions in their energy business for 10 years, including small power generation sales, energy services, Six Sigma and major events.

Debajit has held several key senior management positions at Aggreko; he was initially appointed to lead our Major Events business before being appointed as the Managing Director of the Asia business unit in 2009. In January 2013, Debajit added the Australia Pacific business to his responsibilities and was appointed as Regional Director for Asia Pacific.



Asterios Satrazemis
Regional Director
The Americas



Appointed: January 2013.

Experience: Asterios has international experience in the equipment rental and services sectors with a record of sustainable growth across a global business. He joined Aggreko in 2008 and has acquired considerable experience from senior leadership positions across the Group; initially as Vice-President of Aggreko North America's northern business unit; in 2010, he relocated to Australia to take up the position of Managing Director for Australia Pacific; and was most recently appointed as Regional Director for the Americas in January 2013.

Prior to Aggreko, Asterios spent 10 years at United Rentals, in a range of senior roles including operations and mergers and acquisitions.



David Taylor-Smith
MBE
Regional Director EMEA



Appointed: March 2013.

Experience: David has international experience, a proven ability in building and managing large businesses and a thorough understanding of how to operate successfully in Europe, Asia, Africa, the Americas and the Middle East.

Prior to his appointment in March 2013, David spent 14 years at G4S Plc in a number of senior leadership roles culminating as the Group Chief Operating Officer and Regional Chief Executive Officer for the UK, Ireland and Africa. Before joining G4S Plc David held a number of senior management roles with Securicor Plc and Jardine Matheson in Hong Kong. David also served as a British Army Officer and has sat on the boards of a number of high profile charities; he is currently an Ambassador for the World Wide Fund for Nature (WWF).

COMPANY SECRETARY

Peter Kennerley
Appointed: October 2008

Peter is our Group Legal Director and Company Secretary. He also has responsibility for our compliance and commercial function and is a member of the Executive Committee.

OTHER DIRECTORS WHO SERVED DURING 2014

Rupert Soames
Chief Executive until 24 April 2014

Angus Cockburn
Chief Financial Officer until 24 April 2014 and Interim Chief Executive until 30 September 2014

David Hamill
Senior Independent Director until 24 April 2014



Russell King
Senior Independent
Director



Appointed: Non-executive Director in February 2009 and Senior Independent Director in April 2014.

Experience: Russell brings international experience, acquired across a number of sectors including mining and chemicals, together with strong experience in strategy.

An experienced Non-executive Director, Russell currently sits on the Board of Spectris Plc and is Chairman of Hummingbird Resources plc. He has recently been appointed a Non-executive Director of Sepura plc and Interserve plc. He is also a senior adviser to Heidrick & Struggles. Prior to this, Russell spent eight years at Anglo American Plc, latterly as Chief Strategy Officer. Prior to this, he spent 20 years in senior roles at ICI.



Uwe Krueger
Non-executive Director



Appointed: February 2015.

Experience: Uwe brings expertise of the engineering, services and renewable energy sectors. He is a physicist with a PhD and an honorary professorship from the University of Frankfurt and an honorary PhD from Heriot-Watt University. Most of his career has been spent leading engineering and consulting organisations.

Uwe is currently Chief Executive Officer of WS Atkins plc. He also sits on the boards of SUSI Partners AG and Ontex S.A. and lectures at the University of Frankfurt on renewable energy. Before joining WS Atkins plc, Uwe was Chief Executive Officer of Oerlikon, Senior Advisor at Texas Pacific Group, President of Cleantech Switzerland, and held various senior leadership positions at Hochtief AG.



Diana Layfield
Non-executive Director



Appointed: May 2012.

Experience: Diana brings extensive international experience and detailed understanding of how to operate successfully across emerging markets, particularly in Africa and Asia. She also brings experience in sales, technology and strategy.

Diana is currently Chief Executive, Africa Region for Standard Chartered Plc. Previous positions held over 11 years at Standard Chartered include; Chief Operating Officer for the Wholesale Bank; Group Head of Strategy & Corporate Development; and Global Head of Corporate Clients. Prior to Standard Chartered, Diana was Chief Executive Officer of Finexia Ltd, a technology firm, and spent five years with McKinsey & Co, an international strategy consulting firm. Diana has a BA from the University of Oxford and a Master's degree in International Economics and Public Administration from Harvard University.



Robert MacLeod
Non-executive Director



Appointed: September 2007.

Experience: Robert has corporate finance and accounting experience acquired over a number of years in senior financial roles across the international engineering and chemicals sectors; he also has a detailed understanding of strategy and business development.

Robert was appointed as Chief Executive of Johnson Matthey Plc in June 2014, having served as Group Finance Director for five years. Prior to this, Robert served five years as Group Finance Director for WS Atkins Plc and one year as Group Financial Controller, having previously worked in a variety of senior financial roles at Enterprise Oil Plc. Robert is also a chartered accountant, having trained at KPMG.



Ian Marchant
Non-executive Director



Appointed: November 2013.

Experience: Ian brings knowledge of the domestic and international energy markets, along with a substantial understanding of associated strategic, financial and regulatory issues. Until his retirement in June 2013, Ian spent 21 years at SSE Plc, most recently as Chief Executive, and prior to that as Finance Director.

Ian is an experienced Non-executive Director, currently serving as Chairman of John Wood Group Plc and as Chairman of Infinis Energy Plc. He is also Chairman of Scotland's 2020 Climate Group, President of the UK's Energy Institute, Chairman of Maggie's Cancer Charity and a Member of the Prince's Council of the Duchy of Cornwall.



Rebecca McDonald
Non-executive Director



Appointed: October 2012.

Experience: Rebecca has knowledge of the international energy markets and brings business development expertise, with a strong customer focus.

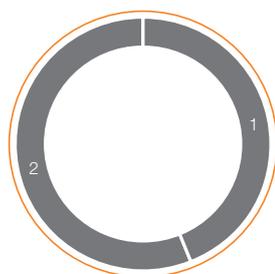
An experienced Non-executive Director, Rebecca currently sits on the board of Veresen Inc, Granite Construction Inc and ITT Corporation. Rebecca has held a variety of senior executive roles across a number of relevant industries, most recently as Chief Executive Officer of Laurus Energy Inc. Other past appointments include President Gas and Power for BHP Billiton Plc, Chairman and Chief Executive Officer for Enron Global Assets and Chief Executive Officer for Amoco Energy Development Company.

LEADERSHIP



Diversity and experience metrics as at 31 December 2014

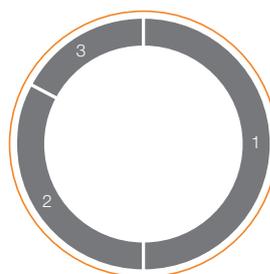
Executive Directors/Independent Non-executive Directors



1. Executive	44%
2. Non-executive	56%*

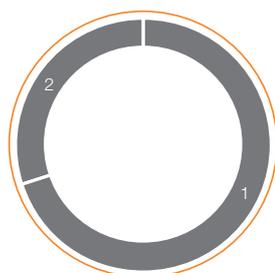
*As required by Code provision B.1.2, this calculation excludes the Chairman when looking at the independent Non-executive composition of the Board

Non-executive tenure



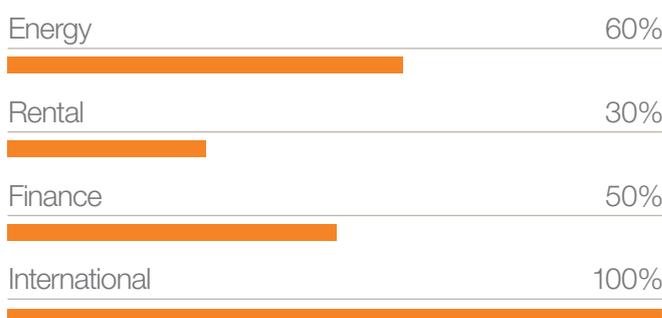
1. 0–3 years	50%
2. 3–6 years	33%
3. 6–9 years	17%

Gender split



1. Male	70%
2. Female	30%

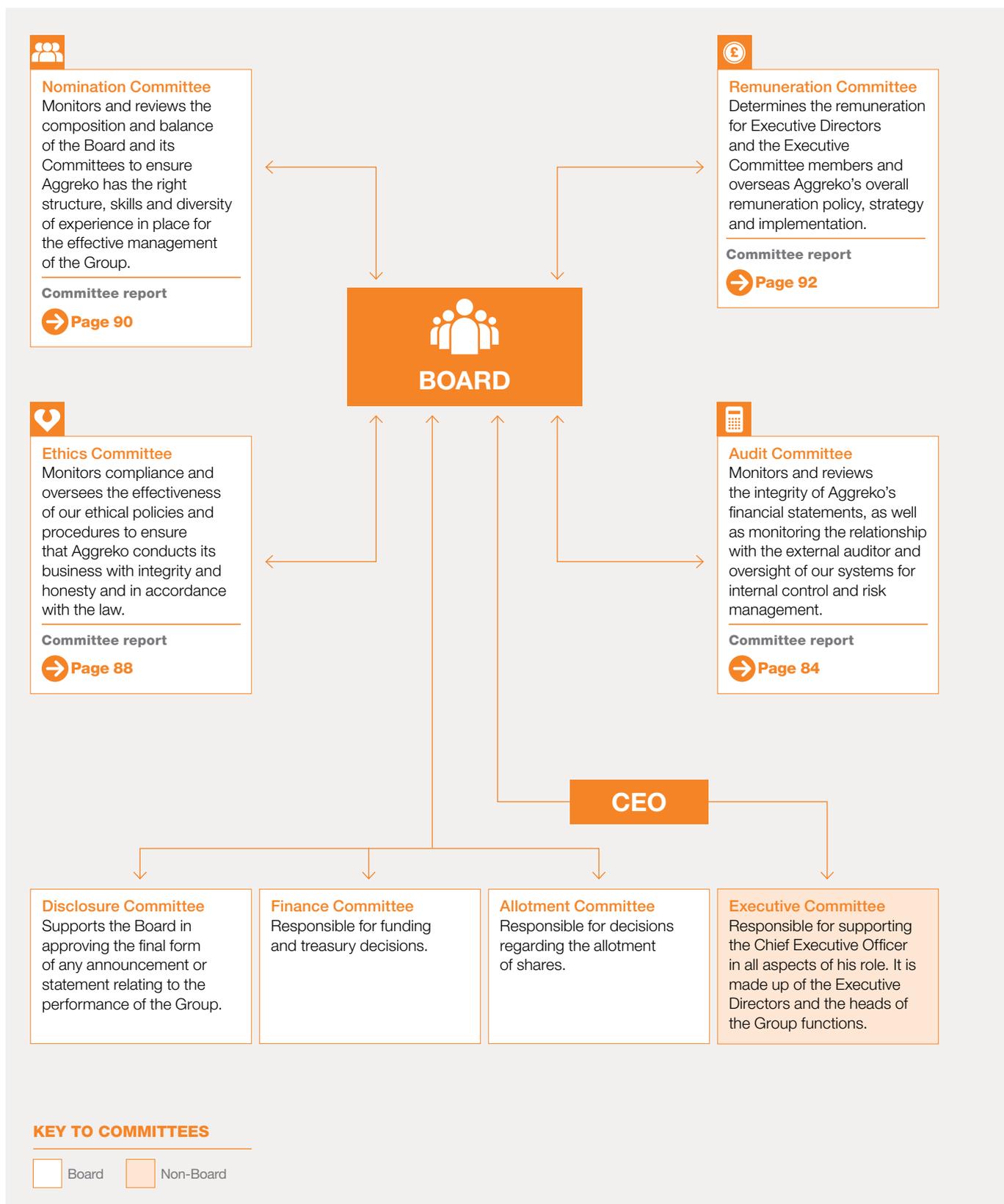
Experience



How we divide up our responsibilities

Chairman	Responsible for leading the Board, its effectiveness and governance. Setting the agenda to take full account of the issues and concerns of the Directors and ensuring the links between the Shareholders, Board and management are strong.
Chief Executive Officer	Responsible for the day-to-day leadership, management and control of the Group, for recommending the Group strategy to the Board and ensuring that the strategy and decisions of the Board are implemented.
Chief Financial Officer	Supports the Chief Executive Officer in devising and implementing strategy in relation to the financial and operational performance of the Group.
Senior Independent Director	Provides a sounding board for the Chairman, acts as an intermediary for the other Directors when necessary and is available to meet with Shareholders.
Independent Non-executive Directors	Constructively challenge the Directors and monitor the delivery of the Group strategy within the risk and control environment set by the Board.
Regional Executive Directors	Supports the Chief Executive Officer and Chief Financial Officer in relation to devising and implementing strategy in relation to their specific region.
Company Secretary	Supports the Chairman and Chief Executive Officer and is available to all Directors for advice and support. Informs the Board and Committees on governance matters and responsible for development of corporate governance policies.

Board Committees



LEADERSHIP
CONTINUED



Board attendance in 2014

Name of Director	Board Meetings		Percentage attended
	A	B	
Ken Hanna	6	6	100%
Carole Cran ¹	4	4	100%
Debajit Das	6	6	100%
Asterios Satrazemis	6	6	100%
David Taylor-Smith	6	6	100%
Angus Cockburn ²	4	4	100%
Rupert Soames ³	2	2	100%
Russell King	6	6	100%
Diana Layfield	6	6	100%
Robert MacLeod	6	5	83%
Ian Marchant	6	6	100%
Rebecca McDonald	6	6	100%
David Hamill ⁴	2	2	100%

A – maximum number of meetings Director could have attended
B – actual number of meetings Director attended

1 Carole Cran joined the Board on 1 June 2014
2 Angus Cockburn retired from the Board on 30 September 2014
3 Rupert Soames retired from the Board on 24 April 2014
4 David Hamill retired from the Board on 24 April 2014

GOVERNANCE IN ACTION:
BOARD MEETING IN DUBAI, JUNE 2014

Site visits give the Board key insights into the business; at least one meeting each year is held at a Group location outside London or Glasgow to give the Directors an opportunity to review operations and meet local management.

In June 2014, the Board visited Dubai, a key location for Group Operations and Technology (O&T) and the EMEA region. During their visit the Board received presentations from the EMEA region, including an in-depth review of the EMEA business units in Africa and the Middle East; each was presented by the relevant Managing Director with support from the EMEA Business Development Director. O&T also presented to the Board on how they support the regions with project design, logistics, mobilisation, fleet, product design, development and health and safety.

The Board received a guided tour of the facility at Jebel Ali, learning more about our supply chain and our training facility. The trip concluded with a dinner hosted by the Board and attended by the management teams based in Dubai to give the Board the opportunity to engage with individuals working for the EMEA region and O&T.

Meetings of the Board, Ethics, Nomination and Remuneration Committees were held and the Non-executive Directors also held a private meeting without members of management present.

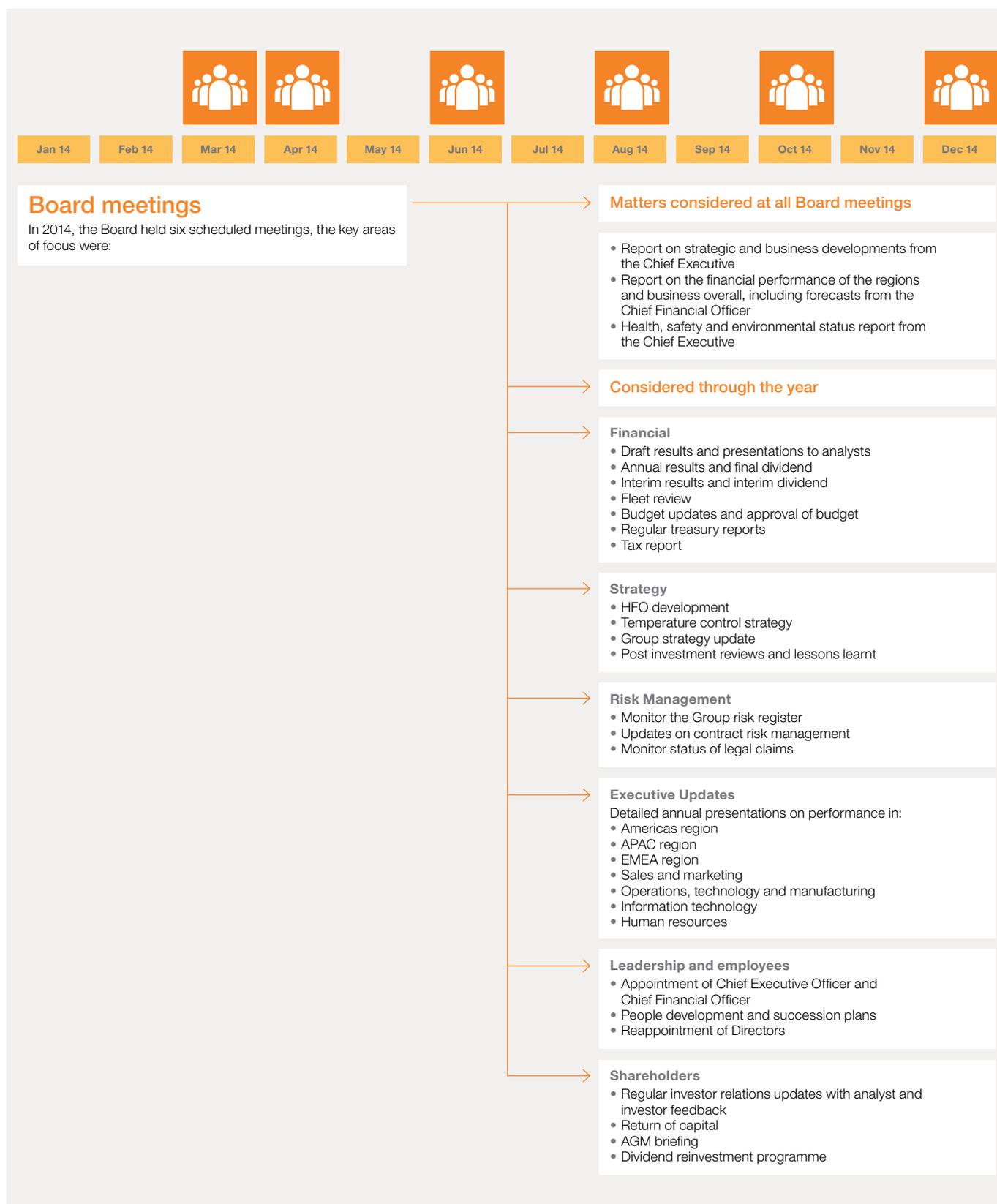
What the Board achieved during 2014

- Oversaw a period of transition for the role of Chief Executive Officer, appointing an Interim Chief Executive and Executive Chairman whilst recruiting Chris Weston to the permanent role of Chief Executive Officer.
- Continuously updated our framework of delegated authorities to ensure good governance during this transition period.
- Successful use of our succession plan to appoint Carole Cran as Chief Financial Officer.
- Appointed Russell King as Senior Independent Director.
- Oversaw Shareholder consultation and engagement with governance bodies for our new incentive arrangements.
- Reviewed and updated Committee terms of reference and schedule of matters reserved for the Board.
- Strengthened our ethical policies.
- Established a robust process to assess the Fair, Balanced and Understandable requirement of the Code for the 2013 Annual Report, using it again for our 2014 Annual Report.
- Returned approximately £200 million to Shareholders.
- Visited the Power Projects operations and technology centre in Dubai.
- Undertook post investment reviews of the Poit Energia acquisition in 2012 and depot openings in 2013.

Key priorities for 2015

- Induction of Chris Weston, further detail can be found in the case study on page 79.
- Undertake a business review to establish key priorities for 2015, ensuring all actions are assigned following the changes in senior management.
- Focus on senior management succession planning to ensure our new senior management structure is fully supported.
- Appointment and induction of Uwe Krueger as a Non-executive Director.
- Complete the return of capital to Shareholders by making a second offer to purchase B Shares, subject to Shareholder approval at our 2015 AGM.
- Review our risk management processes to ensure compliance with the new corporate governance code requirements to monitor and assess the risk management process.
- Plan a Board visit to Singapore in June 2015 to review the APAC business and engage with local employees, we will report on this in our 2015 Annual Report.
- Undertake an externally facilitated Board evaluation in Autumn 2015.

Board meetings



EFFECTIVENESS



Induction, development and support

We make sure that all new Directors receive a full, formal and tailored induction on joining the Board, as we explain in more detail below. We also plan our Board calendar to ensure that Directors are able to visit different business locations and are briefed on a wide range of topics throughout the year. These topics range from those with particular relevance for our business, such as world energy demand, to more general matters such as developments in corporate governance. We recognise that our Directors have a diverse range of experience, and so we encourage them to attend external seminars and briefings that will assist them individually.

Typical induction programme for a Non-executive Director

Our induction programme aims to give new Non-executive Directors a thorough grounding in Aggreko's business and a clear understanding of their roles and responsibilities. Every newly appointed Director will spend time with the Company Secretary to ensure an understanding of directors' duties, conflicts of interest, corporate governance, Board procedures, Group policies and the use of our electronic Board packs.

Whilst we do take into account the Directors' background and experience, the induction programme will include a broad introduction to our business, on a Group and Regional basis, and areas of significant risk. Key elements include meeting the Executive Directors, senior management in the Group and Regional functions and visiting our main sites for briefings on Group strategy and the regional businesses. We also arrange for new Non-executive Directors to meet the External Audit Partner.

As part of his induction, Uwe Krueger will visit our manufacturing facility at Dumbarton in April 2015 to learn about our products and work on research and development.

This year's Board evaluation exercise

In line with the UK Corporate Governance Code, it is the Board's policy to undertake a formal and rigorous annual evaluation of our own performance and that of our Committees and Directors each year. The evaluation is required to be externally facilitated at least every three years. Aggreko's last externally facilitated evaluation took place in 2011, and so we were due another one in 2014. At the beginning of the year we had aimed to do this in Autumn 2014, however, we agreed that we would review whether this was appropriate in view of the change of Chief Executive Officer.

After careful consideration, the Board agreed to postpone the externally facilitated evaluation until Autumn 2015 for the following reasons:

- We had already conducted a thorough review of the executive composition of the Board, particularly in relation to the posts of Chief Executive Officer and Chief Financial Officer. In this exercise the Board received detailed external advice from Russell Reynolds. Whilst recognising that this exercise did not comprise a full evaluation of the work of the Board, it was agreed that there would not be much to be gained and that it would be inappropriate to engage an additional external adviser on similar grounds at this stage.
- Chris Weston had yet to start work with Aggreko. The dynamics of the Board were bound to change once he was in post; it was agreed that any in-depth evaluation would quickly become out-dated and moreover would not have the benefit of Chris' views.
- By waiting until Autumn 2015, the external evaluation should provide valuable insights on how the new team is settling down and working.

The Board agreed the following approach for 2014:

- Formal reviews for each individual Director would be retained. The Chairman's review was conducted by the Non-executive Directors in April 2014.
- The action points identified from the 2013 Board evaluation would be followed up to ensure they were fully addressed.
- A full review of the Terms of Reference of the Board Committees and matters reserved for the Board was undertaken in Autumn 2014. The review focused on updates in best practice and new versions were approved by the Board. A formal Disclosure Committee was also established to support the Board in approving the final form of any announcement or statement relating to the financial performance of the Group.
- The Committee Chairmen would hold one to one meetings with Committee Members to identify areas of improvement within the Committees, using a questionnaire prepared by the Company Secretary as the basis for discussion.

The result of this process confirmed that overall the Board operated effectively and that the Board should continue to focus on the issues identified in the previous evaluation. On page 80 we set out the progress we have made during 2014 and priorities for 2015. We also set out specific action points we have identified for each of the Board Committees.

Chris visiting a Local business customer site in Dubai, February 2015



GOVERNANCE IN ACTION: CHRIS WESTON'S INDUCTION

Chris Weston's two-month induction programme was designed to help him understand our business, our operations, the markets we operate in, meet our customers and meet the people that make up Aggreko.

To kick start his induction, Chris visited our Head Office in Scotland, spending time with the Group functions, his new direct reports and the EMEA operations team. Whilst in Scotland, Chris was accompanied by Ken Hanna on a visit to our manufacturing facility in Dumbarton, where they received a site tour and spent time meeting our manufacturing apprentices.

Chris then moved on to the Americas region, attending the Americas executive team meeting in Houston and visiting the depot in Louisiana, before flying to Panama to visit a customer site and take a tour of the Panama hub.

Time was spent with the EMEA management team in Europe and Africa, visiting a depot in the UK, the project site at Ressano Garcia in Mozambique, the Southern Africa business and meeting some of our larger EMEA customers in Africa.

For the APAC region, Chris joined the APAC executive team in Melbourne and Singapore, visiting a project site in Bangladesh.

Finally, Chris spent time in Dubai at our Power Projects operations, technology centre, technical training centre and with our Middle East operations.

Chris also took the time to speak to our largest Shareholders, to analysts, to the banks that support us and to our key suppliers in order to hear their views of Aggreko.

EFFECTIVENESS
CONTINUED



The table below follows up on the action points identified from the 2013 review and includes feedback from the 2014 review:

Board Composition	Succession	Strategy and Competition	Board Meetings
<p>2013 Findings</p> <p>The Board has a good mixture of skills covering all main areas and the balance between Executive and Non-executive was effective. However, we recognised that we need to keep the areas of expertise under review as the business develops.</p>	<p>2013 Findings</p> <p>The Executive appointments to the Board in 2013 had gone well, with good levels of confidence and interaction between the Executives. In order to build on this success, the Board agreed to increase their focus on succession in 2014 and improve access to Non-executive Directors for executives below Board level.</p>	<p>2013 Findings</p> <p>A number of topics were identified during the evaluation as items on which the Board would welcome deeper debate. Topics included key strategic issues and the competitive landscape, on a regional and international level.</p>	<p>2013 Findings</p> <p>Board meetings are chaired effectively, timekeeping is well managed and the level and quality of information provided to the Board is generally good. Some suggestions were made to improve the running order of meetings, the provision of information and the level and detail of financial reports.</p>
<p>Progress in 2014</p> <p>Appointment of new CEO and CFO announced in May 2014.</p> <p>External consultants engaged to search for an additional Non-executive Director.</p>	<p>Progress in 2014</p> <p>Internal appointment of CFO announced in May 2014.</p> <p>Appointment of new Group HR Director in June 2014.</p> <p>Board visit to Dubai gave opportunity to engage with EMEA and O&T management teams.</p>	<p>Progress in 2014</p> <p>Annual Board planner expanded to include items on key strategic issues and the competitive landscape.</p>	<p>Progress in 2014</p> <p>Revised financial reports have improved quality of information.</p> <p>New investor relations report established.</p>
<p>Action points for 2015</p> <p>Appointment of new Non-executive Director in February 2015.</p> <p>Externally facilitated review of the Board scheduled for Autumn 2015 to focus on dynamics of new team.</p>	<p>Action points for 2015</p> <p>In-depth review of succession plans following new Board appointments.</p> <p>Continue with programme to improve access to Non-executive Directors for executives below Board level by introducing a mentoring scheme.</p>	<p>Action points for 2015</p> <p>Chris Weston to lead a business review in H1 2015 to establish key priorities.</p>	<p>Action points for 2015</p> <p>Review quality and consistency of Board paper submissions to identify areas for improvement.</p>
Audit Committee	Ethics Committee	Nomination Committee	Remuneration Committee
<p>2014 Findings</p>	<p>2014 Findings</p>	<p>2014 Findings</p>	<p>2014 Findings</p>
<p>All committees continue to work effectively, with balanced meetings, good levels of participation and blend of experience amongst members.</p>			
<p>Action points for 2015</p> <p>Continue with presentations on managing financial risks from the Regional Finance Directors and technical specialists.</p>	<p>Action points for 2015</p> <p>Continue participation in ethics training for all Board members.</p> <p>Review our compliance framework to reflect developing sanctions regulations.</p>	<p>Action points for 2015</p> <p>Recommend appointment of all Non-executive Directors as members of the Nomination Committee to reflect current best practice.</p>	<p>Action points for 2015</p> <p>Schedule regular updates on evolving best practice from our remuneration advisers.</p>

ACCOUNTABILITY



Risk management and internal control

The Board is responsible for the Group's system of internal control, including financial control, and we have worked hard to embed these controls into the culture of the Group. The process is designed to manage rather than eliminate risk, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board's approach to risk management is supported by an oversight structure that includes the Audit Committee, details of which can be found in the Audit Committee Report.

The Board has an ongoing process to identify, evaluate and manage significant risks faced by the Group, details of which can be found in the risk section of the Strategic Report. This process has been in place for the period under review and up to the date of approval of the Annual Report and Accounts. In addition, the Board reviews annually the effectiveness of the risk management and internal control systems. No significant failings or weaknesses were identified. Further detail on this process can be found in the Audit Committee Report.

Read more in our Audit Committee report

➔ **Page 84**

Read more about our risks

➔ **Page 28**

GOVERNANCE IN ACTION: FAIR, BALANCED AND UNDERSTANDABLE REPORTING

The Board recognises its responsibility to present a fair, balanced and understandable assessment of Aggreko in all of our reporting obligations. This responsibility covers the Annual Report and extends to the interim report and other regulatory announcements. The Directors consider this Annual Report, taken as a whole, to be fair, balanced and understandable, providing the information necessary for Shareholders to assess the Company's performance, business model and strategy. In arriving at this position, the Board asked the Audit Committee to review and confirm the process we have in place to support this assessment. The Audit Committee confirmed that we have a robust approach in place to support the fair, balanced and understandable assessment.

For the 2014 Annual Report, this process included:

- Comprehensive management and statutory accounts processes, with written confirmations provided by the regional senior management teams on the "health" of the financial control environment.
- Detailed reviews of the Annual Report and Accounts undertaken at different levels of the Group and by the senior management team that aim to ensure consistency and overall balance.
- A verification process, involving our internal audit team, dealing with the factual content of the Annual Report.
- A key accounting judgements paper covering contract and tax provisions, along with a summary of any changes in our accounting policies for 2014.
- Both the Audit Committee and Board received an early draft of the Annual Report to enable time for review and comment.

RELATIONS WITH SHAREHOLDERS



SHAREHOLDER ENGAGEMENT CALENDAR 2014

March	April	May	June
<p>Roadshows in the UK, USA, Canada and Europe following the preliminary results announcement</p> <p>Citi Business Services Conference</p>	<p>Conference calls and meetings with investors following the first quarter IMS</p> <p>Analyst and investor site visit to Dumbarton</p> <p>The Chairman met a number of our major Shareholders to discuss CEO succession</p>	<p>JP Morgan Cazenove Business Services Conference</p> <p>Barclays Select Series 2014: UK Stockholm Conference</p> <p>Introductory roadshows in the US and Asia</p>	<p>Analyst and Shareholder site visit to our operations in the Americas</p> <p>Analyst and investor site visit to Dumbarton</p> <p>Goldman Sachs Business Services conference</p>



HOW OUR INVESTORS CAN FIND US



➔ **Online 2014 Report**
www.annualreport2014.aggreko.com



➔ **Our Group website**
www.aggreko.com/investors



➔ **Download the IR app**
www.aggreko.com/investors



SELL-SIDE ANALYST AND SHAREHOLDER VISIT TO THE US AND PANAMA

In June 2014, we took a group of around 20 sell-side analysts and Shareholders to visit our Americas business. The two-day visit included presentations from each of the Americas business unit managers and site visits to our facilities in Houston and our Power Project site in Panama. The site visit was well received with all those attending gaining a greater appreciation for the Local Business in particular, but also the strength and depth of the management team.

KEY TO ACTIVITIES



IMS



Half year results



Full year results



Investor meetings



AGM



Site visit



August



Roadshow in the USA following the interim results announcement

September



Roadshows in the UK and France following the interim results announcement

Analyst and investor site visit to Dumbarton

October



The Chairman met a number of our major Shareholders to discuss CEO transition arrangements

Introductory roadshow in the US

November



Conference calls and meetings with investors following the third quarter IMS

December



Credit Suisse European Business Services and Transport Conference

Analyst and investor site visit to Dumbarton

Understanding what analysts and investors think about us is a key part of driving our business forward and we actively seek dialogue with the market. This provides us with the opportunity to communicate with analysts and investors and to understand their views on the Company's strategy and performance.

The Board receives regular updates on the views of Shareholders through briefings and reports from those that have had Shareholder interaction over the year, including the Head of Investor Relations, Directors, Makinson Cowell our retained advisers and the Company brokers. In addition, our Senior Independent Director, Russell King, is available to meet Shareholders if they wish to raise any issues separately.

Results and other news releases such as contract wins are published via the London Stock Exchange's Regulatory New Service (RNS). Any announcement published via RNS is also available on the Group's Investor Relations website at www.aggreko.com/investors; a subscription service is available for interested parties to receive these updates by email. We continually seek to enhance our communications, including online communications, and during the year implemented changes to the Investor Relations website, including improved functionality and greater disclosure of information. We had over 260,000 unique visitors to the corporate website in 2014. In early 2015 we launched an Investor Relations and Media App that can be downloaded to tablet and smartphone devices; this enables a wider audience to view results, announcements, presentations, videos, webcasts and images on the move.

The Group has an office in London, where the Head of Investor Relations is based, and maintains ongoing relations with analysts and investors through telephone calls and meetings. Throughout 2014, we have continued to maintain open and transparent communication with analysts and investors through meetings, presentations, conferences and site visits, including a visit in June to our Americas business. During the year, the Head of Investor Relations and Senior Management conducted over 460 meetings, met or spoke to over 400 institutions and participated in five conferences. Meetings are conducted by at least one of the Chairman, Chief Executive Officer, Chief Financial Officer or Head of Investor Relations and these meetings occurred in a number of different locations around the world to reflect the global nature of our Shareholder base; during the year Senior Management travelled to meet investors in the UK, USA, Canada, Germany, France, Switzerland, the Netherlands, Belgium, Italy, Sweden, Hong Kong and Japan. We have also committed to include the Regional Directors in investor meetings throughout the year, to allow investors to gain a broader perspective of management and the business. During the year, the Chairman of the Remuneration Committee held a number of consultations with Shareholders around the development of the new Long-Term Incentive Plan and general performance of the business.

Read more about our remuneration policy



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We also enjoy meeting and engaging in discussion with our private Shareholders at the Company's Annual General Meeting (AGM). The 2015 AGM will be held in Glasgow on Wednesday 29 April 2015. Further details of the meeting are set out on page 119.