

13 June 2014

Dear Shareholder

CHANGE OF AUDITOR

I am writing to inform you of the Board's decision to appoint Ernst & Young LLP ("**EY**") as auditor for the Dignity group.

As detailed in the Group's 2013 Annual Report, the Board recognised the ratio of non audit to audit services provided by PricewaterhouseCoopers LLP ("**PwC**") as having been relatively high. The Board therefore decided to tender the role of external auditor. PwC did not take part in the tender, leaving them available to continue to provide the non audit services from which the Group has benefitted over recent years.

Following a competitive tender process, with formal proposals and presentations from EY, KPMG LLP and Deloitte LLP, EY was successful in this process. PwC has consequently resigned as auditor of the Dignity group and, as required by section 519(3) of the Companies Act 2006 (the "**Act**") has deposited with Dignity a statement of the circumstances connected with its resignation. A copy of this statement is included with this letter and is being sent to shareholders for information only as required by section 520(2) of the Act.

The Group's policy on non audit fees, as adopted on 1 January 2014 and as detailed in the Group's 2013 Annual Report, will apply to EY. This policy states that non audit fees will be limited to 50 per cent of the annual audit fee unless there are exceptional circumstances, which are defined as:

- The work necessitates the use of the auditor for regulatory reasons; and
- Their use represents a material time/ cost benefit to the Group in conducting a transaction.

If the non audit fee to be incurred is in excess of 20 per cent of the audit fee, then Audit Committee approval will be required prior to the work commencing. Further disclosure of the works and the reasons for it will be included in the following Annual Report.

Yours sincerely

Richard Portman
Corporate Services Director and Company Secretary



The Directors
Dignity plc
4 King Edwards Court
King Edwards Square
Sutton Coldfield
B73 6AP
FAO: Steve Whittern

6 June 2014

Dear Sirs,

Statement of Circumstances connected with ceasing to hold office as Auditors

In accordance with Section 519 of the Companies Act 2006, we set out below the circumstances connected with our ceasing to hold office as auditors of Dignity plc, registered number 4569346 (the Company), and its subsidiary undertakings as listed below, effective from 6 June 2014.

In accordance with the Company's newly implemented internal policy, the financial statements audit was subject to a tendering process in which we did not take part.

Company name	Registered number
Dignity (2002) Limited	04349697
Dignity Funerals Limited	00041598
Dignity Holdings Limited	04349716
Dignity Holdings No. 2 Limited	04349722
Dignity Mezzco Limited	04569044
Dignity Finance Holdings Limited	04594314
Dignity Finance PLC	04488292
Dignity Services	02894910
Birkbeck Securities Limited	00008032
Dignity (2004) Limited	04995412
Dignity Pre-Arrangement Limited	01862158
Advance Planning Limited	03292336
Dignity Securities Limited	00371084
Dignity (2008) Limited	06748901
Dignity Crematoria Limited	05029403
Dignity Funerals No. 2 Limited	07541500
Dignity (2011) Limited	07541182
Ely Funeral Service Limited	05370615
Yew Holdings Limited	06141773

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The East Riding Crematorium Company Limited	03195343
The Haltemprice Crematorium Limited	02836883
Warburton Funerals Limited	05858729
N A Medd Ltd	06871296
Cumbernauld Funeral Services Ltd	SC239467

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers LLP', written in a cursive style.

PricewaterhouseCoopers LLP