

Directors' Remuneration Policy

This part of the Report sets out the Company's Company Directors' Remuneration Policy, which, subject to shareholder approval at the 2018 Annual General Meeting, shall take binding effect from the close of that meeting.

The Company's Directors' Remuneration Policy was first approved at the 2015 Annual General Meeting and has applied since the date of that meeting. The new Directors' Remuneration Policy does not make significant changes to the overall structure of the remuneration package, and continues to reflect our reward strategy of providing competitive remuneration packages that promote the long term success of the Company. The changes to the remuneration policy approved at the 2015 Annual General Meeting are described in the Statement from the Chairman of the Remuneration Committee on pages 75 to 76.

Executive Directors

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary			
Core element of fixed remuneration to reflect the individual's role and experience as part of a broadly market competitive total remuneration package, to enable the Group to recruit and maintain the required skills and expertise to enable it to achieve its strategy.	Salary levels are determined taking into account a range of factors, which may include (but are not limited to): <ul style="list-style-type: none"> Underlying Group performance; The size and scope of the Executive Director's role and responsibilities; The Executive Director's skill, experience and performance; Salary levels for equivalent roles at other listed companies of a similar size and/ or complexity to the Group; and Pay and conditions elsewhere in the Group. 	<p>Whilst there is no maximum salary level, salary increases will normally be within the range of increases awarded to the wider workforce in percentage of salary terms.</p> <p>Salary increases above this level may be awarded in appropriate circumstances including but not limited to:</p> <ul style="list-style-type: none"> Where an Executive Director has been promoted or has had a change in scope or responsibility; To reflect an individual's development or performance in role (e.g. a newly appointed Executive Director being moved to align with the market over time); or Where there has been a change in the size and/ or complexity of the business. <p>Such increases may be implemented over such time period as the Committee deems appropriate.</p>	Not applicable.

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Benefits			
To provide benefits as part of a broadly market competitive total remuneration package.	<p>Executive Directors receive benefits set at an appropriate level taking into account total remuneration, market practice, the benefits provided to other employees in the Group and individual circumstances. Benefits provided currently include car allowances and private health insurance.</p> <p>Other benefits may be provided based on individual circumstances. These may include, for example, relocation expenses and expatriate allowances.</p>	Whilst the Committee has not set an absolute maximum on the level of benefits Executive Directors may receive, the value of benefits is set at a level which the Committee considers to be appropriately positioned taking into account relevant market levels based on the nature and location of the role, the level of benefits provided for other employees in the Group and individual circumstances.	Not applicable.
Retirement benefits			
To provide an appropriate level of retirement benefit (or cash allowance equivalent) as part of a broadly market competitive total remuneration package.	<p>Executive Directors are eligible to participate in the Company's defined contribution scheme.</p> <p>In appropriate circumstances, such as where contributions exceed the annual or lifetime allowance, Executive Directors may take a taxable cash supplement instead of contributions to a pension plan.</p>	<p>Maximum company pension contribution (or cash allowance equivalent) for existing Executive Directors of 3% of salary.</p> <p>However, the Committee may permit a higher company pension contribution (or cash allowance equivalent) for any new Executive Director, of up to 15% of salary.</p>	Not applicable.
Annual bonus			
Rewards Executive Directors for achieving financial, strategic and/ or individual targets in the relevant year, to provide an incentive for the Group's employees to achieve goals aligned with the Group's strategy.	<p>Performance measures and targets are reviewed annually and pay-out levels are determined by the Committee after the year end based on performance against the targets. The Committee has discretion to amend the pay-out should any formulaic outcome not reflect the Committee's assessment of overall business performance.</p> <p>Where a bonus opportunity is offered in excess of 100% of salary, up to 33% of the bonus earned will be deferred into an award of shares, which shall be released following the end of a two year deferral period. No bonus will be deferred where the deferred amount would otherwise be below £10,000.</p> <p>Deferred bonus awards may take the form of a nil or nominal cost option to acquire the relevant shares following release, or as a requirement to invest the after tax portion of the bonus into shares which must be retained until release.</p> <p>The Committee may award dividend equivalents on deferred amounts to reflect dividends that would have been paid on the deferred award shares over the period to their release; these dividend equivalents may be paid in cash or shares and may assume the reinvestment of dividends into Company shares on such basis as the Committee determines.</p> <p>Recovery Recovery provisions apply as summarised below the table.</p>	<p>Maximum bonus opportunity for Executive Directors is 150% of base salary, although for 2018 the opportunity will be limited to 100% of base salary.</p>	<p>Performance measures and targets are set annually reflecting the Company's strategy and aligned with key financial, strategic and/or individual targets.</p> <p>Pay-out of up to 20% of maximum for threshold performance (the minimum level of performance resulting in any payment), 50% of maximum for on-target performance and full pay-out for stretch performance with straight-line vesting in between each of the points.</p> <p>At least 80% of the bonus will be assessed against key financial performance measures which may include revenue, pre-tax profit or other key financial performance metrics of the Company. The balance of the bonus may be assessed against non-financial strategic measures and/ or individual performance.</p>

Directors' Remuneration Policy (continued)

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Performance Share Plan ("PSP")			
<p>To incentivise Executive Directors over the longer term, and to deliver performance-related pay, with a clear line of sight for Executives and direct alignment with shareholders' interests.</p>	<p>Awards under the PSP will typically be granted as a conditional award or the grant of a nil or nominal cost option, in either case vesting subject to the achievement of specified performance conditions, over a period of at least three years.</p> <p>Awards will vest following assessment of the performance conditions. Other than as noted below in relation to the existing Executive Directors, awards will be granted subject to a holding period of two years beginning on the vesting date either on the basis that they will not ordinarily be released (so that the participant is entitled to acquire the shares) until the end of that period or on the basis that the participant is entitled to acquire shares following the assessment of the applicable performance condition but that (other than as regards sales to cover tax liabilities) the award is not released (so that the participant is able to dispose of those shares) until the end of the holding period.</p> <p>The holding period will apply to existing Executive Directors only in respect of any award with a value at grant (ignoring any CSOP option granted as part of an APSP award as discussed below) in excess of 100% of salary. Awards under the PSP may be granted on the basis that the number of shares shall be increased to reflect dividends paid over the vesting period and/or any holding period; these dividend equivalents may be paid in cash or shares and may assume the reinvestment of dividends into Company shares on such basis as the Committee determines.</p> <p>The Committee may at its discretion structure awards as APSP awards comprising both an HMRC tax-favoured option granted under the Company Share Option Plan (CSOP) and a PSP award. APSP awards enable an Executive Director and the Company to benefit from HMRC tax-favoured option treatment in respect of part of the award without increasing the pre-tax value delivered to participants.</p> <p>APSP awards would be structured as either: (1) a tax-favoured option and a PSP award, with the vesting of the PSP award scaled back to take account of any gain made on exercise of the tax-favoured option; or (2) a tax-favoured option, PSP award over a reduced number of shares and separate PSP award which is to fund the exercise price of the tax-favoured option. Other than to enable the grant of APSP awards, the Company will not grant awards to Executive Directors under the CSOP.</p> <p>Recovery Recovery provisions apply as summarised on the next page.</p>	<p>The usual maximum award level under the PSP in respect of any financial year for Executive Directors is awards over shares with a value of 150% of salary, although for 2018 it is intended that the opportunity will be up to a maximum of 100% of base salary.</p> <p>The Committee has discretion to grant awards under the PSP in respect of any financial year for Executive Directors up to a maximum of 200% of salary.</p> <p>The Committee may at its discretion structure awards as Approved Performance Share Plan ("APSP") awards as described in the "Operation" column. Reflecting the interaction between the tax-favoured option and the PSP award, the shares subject to the tax-favoured option are not taken into account when assessing these limits in order to avoid double counting.</p>	<p>Performance will be assessed against challenging performance targets.</p> <p>Performance will be based typically on financial measures including, but not limited to, EPS growth.</p> <p>Awards (other than, in accordance with the requirements of the applicable tax legislation, any tax-favoured option granted as part of an APSP award) will also be subject to a financial underpin such that PSP awards will only vest if the Committee is satisfied with the overall performance of the Company.</p> <p>Performance measures (and their weighting where there is more than one measure) are reviewed annually to maintain appropriateness and relevance.</p> <p>For threshold performance up to 25% of the award will vest, rising to 100% of the award vesting for maximum performance, typically with straight-line vesting in between. Below threshold performance, the award will not vest.</p> <p>Where a tax-favoured option is granted as part of an APSP award, the same performance conditions will apply to the tax-favoured option as apply to the PSP award.</p>

Information supporting the policy table

Explanation of performance measures chosen

Performance measures for the annual bonus and PSP awards which reflect the Company's strategy are selected. Stretching performance targets are set each year by the Committee taking into account a number of different factors.

The annual bonus can be assessed against financial, strategic and/ or individual targets determined by the Committee with at least 80% subject to key financial targets. The Committee considers financial measures like profit before tax and revenue to be important performance metrics because they encourage behaviours that facilitate profitable growth and the successful future strategic development of the business.

Long-term performance measures are chosen by the Committee to provide a robust and transparent basis on which to measure the Company's performance over the longer term and to provide alignment with the business strategy. They are selected to be aligned with the interests of shareholders and to drive business performance. Currently EPS growth is considered to be a key measure of success as it encapsulates the outcomes of many of the strategic drivers of the business, and helps align management incentives with growth in shareholder value.

The Committee retains the discretion to adjust or set different performance measures or targets where it considers it appropriate to do so (for example, to reflect a change in strategy, a material acquisition and/ or a divestment of a Group business or a change in prevailing market conditions) and to assess performance on a fair and consistent basis from year to year.

Operation of the Company's share plans

The PSP and any deferred bonus plan will be operated by the Committee in accordance with their rules, including the ability to adjust the number of shares subject to awards in the event of a variation of share capital, demerger, delisting, special dividend, rights issue or other event which may, in the opinion of the Committee, affect the current or future value of shares.

At the discretion of the Committee, awards under the PSP and any deferred bonus plan may be settled in cash (or granted as a cash award over a notional number of shares).

Shareholding guidelines

To align the interests of Executive Directors with those of shareholders, the Committee has adopted shareholding guidelines. Executive Directors are required to retain half of any shares acquired under the PSP and any deferred bonus award (after sales to cover tax) until such time as their holding has a value equal to 200% of salary.

Shares subject to PSP awards which have vested but not been released, shares subject to released PSP awards which have not been exercised, and shares subject to deferred bonus awards count towards the guideline on a net of assumed tax basis.

Recovery

Annual bonus

For up to three years following the payment of the non deferred part of an annual bonus award, the Committee may require the repayment of some or the entire cash award paid (or may cancel or reduce any deferred share award or require the forfeiture of shares acquired pursuant to a deferred share award) in the event of fraud or dishonesty leading to a material misstatement of financial results.

PSP

At the discretion of the Committee, unvested awards may be reduced, cancelled or have further conditions imposed in certain circumstances including (but not limited to):

- A material misstatement of the Company's audited financial results;
- A material failure of risk management by the Company or any subsidiary company within the Group; or
- A material miscalculation of any performance measure.

For up to three years following the vesting of an award, the Committee may require the repayment (which may be effected by the cancellation or forfeiture of a vested but unreleased award) of some or the entire award in the event of fraud or dishonesty leading to a material misstatement of financial results.

Directors' Remuneration Policy (continued)

Early vesting of awards

PSP

In the event of a change of control of the Company or other relevant corporate event (such as a demerger, delisting, special dividend or other event which may affect the value of an award), awards under the PSP may vest in accordance with the rules of the PSP. The Committee shall determine the extent of vesting taking into account the extent to which the relevant performance condition has been satisfied. Such vesting would ordinarily be on a time pro rata basis although the Committee has discretion not to apply time prorating.

Deferred bonus plan

In the event of a change of control of the Company or other relevant corporate event (such as a demerger, delisting, special dividend or other event which may affect the value of an award), deferred bonus awards will vest in full.

Cessation of employment

The treatment of PSP awards and deferred bonus awards on cessation of employment is described on page 93.

Non-Executive Directors

Purpose and link to strategy	Operation	Other items
To enable the Company to attract and retain Non-Executive Directors of the required calibre by offering market competitive rates.	<p>The Chairman is paid a basic Chairman fee and additional fees for chairmanship of any Board committees.</p> <p>Non-Executive Directors receive a basic fee and additional fees for chairmanship of any Board committees.</p> <p>The Chairman's fee is determined by the Remuneration Committee and the fees of the other Non-Executive Directors are determined by the Board.</p> <p>Fees are based on the time commitment and contribution expected for the role and the level of fees paid to Non-Executive Directors serving on the board of similar-sized UK listed companies.</p> <p>Overall fees paid to Non-Executive Directors will remain within the limit set by the Company's Articles of Association from time to time.</p>	<p>Non-Executive Directors may be eligible to be reimbursed travel and subsistence costs incurred in the performance of their duties and to receive other benefits relevant to the performance of their roles.</p> <p>The Non-Executive Directors do not participate in the Company's annual bonus, share plans or pension schemes or other benefit in kind arrangements.</p>

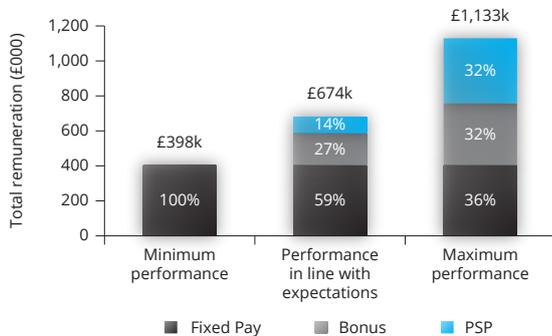
Illustration of the application of remuneration policy

The charts on the next page set out for each Executive Director an illustration of the application for 2018 of the remuneration policy set out above. The charts show the split of remuneration between fixed pay (base salary, taxable benefits and pension), annual bonus and PSP on the basis of minimum remuneration, remuneration receivable for performance in line with the Company's expectations and maximum remuneration (not allowing for any share price appreciation).

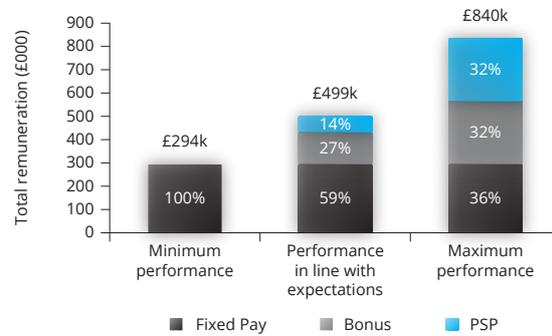
In illustrating the potential reward, the following assumptions have been made:

	Fixed pay	Annual bonus	PSP
Minimum performance Performance below plan approved by the Board.	Fixed elements of remuneration only:	No bonus.	No PSP vesting.
Performance in line with expectations Performance in line with plan approved by the Board.	<ul style="list-style-type: none"> Base salary as disclosed in the single figure table on page 79; Taxable benefits as disclosed in the single figure table on page 79 for the year ended 31 December 2017; and 	50% of maximum awarded (equivalent to 50% of salary).	25% of maximum award vesting (equivalent to 25% of salary).
Maximum performance Performance meets stretch target approved by the Board.	<ul style="list-style-type: none"> Pension assuming an employer contribution of 3% of salary. 	100% of maximum awarded (equivalent to 100% of salary).	100% of maximum award vesting (equivalent to 100% of salary).

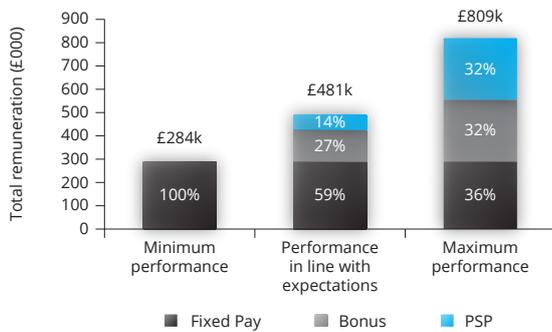
Rod Flavell



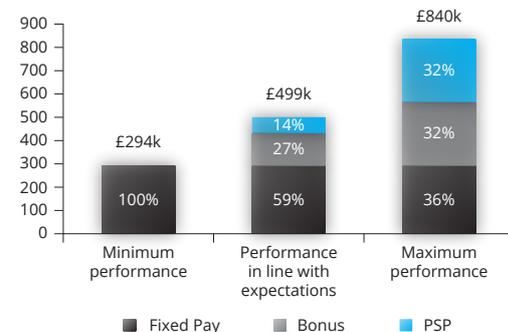
Sheila Flavell



Mike McLaren



Andy Brown



Policy for the remuneration of employees more generally

The Group aims to provide a remuneration package that is competitive in an employee’s country of employment and which is appropriate to promote the long term success of the Group. The Group intends to apply this policy fairly and consistently and does not intend to pay more than is necessary to attract and motivate staff. In respect of Executive Directors, a greater proportion of the remuneration package is “at risk” and determined by reference to performance conditions.

Approach to recruitment remuneration

When hiring a new Executive Director, the Committee will seek to align the remuneration package with the above policy.

When determining appropriate remuneration arrangements, the Committee may include other elements of pay which it considers are appropriate and necessary to recruit and retain the individual. However, this discretion is capped and is subject to the limits referred to below:

- Base salary will be set at a level appropriate to the role and the experience of the Director being appointed. This may include agreement on future increases up to a market rate, in line with increased experience and/or responsibilities, subject to good performance, where it is considered appropriate;
- Benefits will only be provided in line with the above policy;
- Pension contributions may be made above the limit for the existing Executive Directors (3% of salary) up to a maximum of 15%. This flexibility recognises that future Executive Directors will not have the same significant levels of shareholding in the Company as the existing Executive Directors and additional pension benefits may be needed in order to offer a competitive remuneration package;
- The Committee will not offer non-performance related incentive payments (for example a ‘guaranteed sign-on bonus’ or ‘golden hello’);
- Other elements may be included in the following circumstances:
 - An interim appointment being made to fill an Executive Director role on a short term basis;
 - If exceptional circumstances require that the Chairman or a Non-Executive Director takes on an executive function on a short term basis;

Directors' Remuneration Policy (continued)

Approach to recruitment remuneration (continued)

- If an Executive Director is recruited at a time in the year when it would be inappropriate to provide a bonus or long term incentive award for that year as there would not be sufficient time to assess performance. Subject to the limit on variable remuneration set out below, the quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis; or
- If the Director will be required to relocate in order to take up the position, it is the Company's policy to allow reasonable relocation, travel and subsistence payments. Any such payments will be at the discretion of the Committee;
- The Committee may also alter the performance measures, performance period, vesting period and holding period of the annual bonus or PSP and the proportion of any annual bonus that must be deferred, if the Committee determines that the circumstances of the recruitment merit such alteration. The rationale of any such alterations will be clearly explained in the next Directors' Remuneration Report; and
- The maximum level of variable remuneration which may be granted (excluding buyout awards as referred to below) is 350% of salary, in line with the Policy table set out on pages 86 to 88.

The Committee may make payments or awards in respect of hiring an employee to buyout remuneration arrangements forfeited on leaving a previous employer. In doing so, the Committee will take account of relevant factors including any performance conditions attached to the forfeited arrangements and the time over which they would have vested or been paid. The Committee will generally seek to structure buyout awards or payments on a comparable basis to the remuneration arrangements forfeited. Any such payments or awards are excluded from the maximum level of variable remuneration referred to above. Buyout awards will ordinarily be granted on the basis that they are subject to forfeiture or 'clawback' in the event of departure within twelve months of joining the Company, although the Committee will retain discretion not to apply forfeiture or clawback in appropriate circumstances.

Any share awards referred to in this section will be granted as far as possible under the Company's existing share plans. If necessary and subject to the limits referred to above, recruitment awards may be granted outside of these plans.

Where a position is filled internally, any ongoing remuneration obligations or outstanding variable pay elements shall be allowed to continue in accordance with their terms.

Fees payable to a newly appointed Chairman or Non-Executive Director will be in line with the policy in place at the time of appointment.

Letters of appointment for the Directors are available for inspection by shareholders at each AGM and during normal business hours at the Company's registered office.

Service contracts

Each Executive Director has a service contract with the Company which may be terminated by the Company or Director by giving twelve months' notice. This notice period was reviewed and considered appropriate to the Company at the time of Admission. Each Non-Executive Director has a letter of appointment with the Company which may be terminated by the Company or Director by giving three months' notice.

Details of the Directors' service contracts (or letter of appointment in the case of a Non-Executive Director), notice periods and, where applicable, expiry dates, are set out below:

Name	Commencement	Expiry	Notice period
Rod Flavell	20 June 2014	-	12 months
Sheila Flavell	20 June 2014	-	12 months
Mike McLaren	20 June 2014	-	12 months
Andy Brown	20 June 2014	-	12 months
Ivan Martin	20 June 2014	-	3 months
Peter Whiting	20 June 2014	-	3 months
Robin Taylor	20 June 2014	-	3 months
Michelle Senecal de Fonseca	15 January 2016	-	3 months
David Lister	9 March 2016	-	3 months

Payments for loss of office

The principles on which the determination of payments for loss of office will be approached are set out below:

Payment in lieu of notice

Each Executive Director's service contract contains provision for payment in lieu of notice at the discretion of the Company. Such payment would consist of basic salary plus pension and benefits only for the notice period (or the balance of the notice period if relevant) together with any accrued but untaken holiday pay entitlement. Alternatively, benefits may continue to be provided for the duration of the notice period that would otherwise have applied.

Annual bonus

This will be at the discretion of the Committee on an individual basis and the decision as to whether or not to award a bonus in full or in part will be dependent on a number of factors, including the circumstances of the individual's departure and their contribution to the business during the bonus period in question. Any bonus amounts paid will be prorated for time in service during the bonus period and will be paid at the usual time (although the Committee retains discretion to pay the bonus earlier in appropriate circumstances). Where bonus deferral would otherwise apply, the Committee may permit the payment of the whole bonus for the year of departure and previous year in cash.

Deferred bonus awards will continue (other than in the case of summary dismissal, or resignation to join or establish a competing business in which case they will lapse / be forfeited) and will typically be released at the ordinary release date, although the Committee retains discretion to release the award at cessation or at some other date prior to the ordinary release date; release would be of the full award, unless the Committee decided to apply a time based reduction to reflect the proportion of the deferral period served.

PSP

The extent to which any unvested award will vest and be released will be determined in accordance with the rules of the PSP. Unvested awards will normally lapse on cessation of employment. However, the Committee may, in its absolute discretion, determine that on cessation of employment an award that has not yet vested will vest and be released at cessation or at the normal release date (or at some other time between those dates). In either case, the extent of vesting will be determined by the Committee taking into account the extent to which the performance condition is satisfied and, unless the Committee determines otherwise, the period of time elapsed from the date of grant to the date of cessation as a proportion of the vesting period. Awards may then be exercised during such period as the Committee determines.

If an award has vested but not been released (i.e. if it is in a holding period), that award will:

- lapse/be forfeited if cessation is due to summary dismissal; and
- be released at the ordinary release date if cessation is for any other reason.

The Committee retains discretion to release the award at cessation or at some other date prior to the ordinary release date. Awards will be released to the extent they vested by reference to the performance conditions.

If an award has vested and, where relevant, been released prior to an individual's cessation of employment, the Committee may, in its absolute discretion, allow the award to be exercised for such period as the Committee determines.

Other payments

In appropriate circumstances, payments may also be made in respect of outplacement and legal/ other professional advisor fees. Where a buy-out award is made, the leaver provisions would be determined at the time of the award. The Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment.

Directors' Remuneration Policy *(continued)*

Existing contractual arrangements

The Committee retains discretion to make any remuneration payment or payment for loss of office outside the policy in this report:

- Where the terms of the payment were agreed before the policy came into effect, provided that, in the case of a payment agreed after 30 April 2015 it is consistent with the Directors' Remuneration Policy approved on that date;
- Where the terms of the payment were agreed at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company;
- To satisfy contractual commitments; or
- Under legacy remuneration arrangements.

For these purposes, "payments" includes the satisfaction of awards of variable remuneration and, in relation to an award over shares, the terms of the payment are agreed at the time the award is granted.

Statement of consideration of employment conditions elsewhere in the Company

The Committee generally considers pay and employment conditions elsewhere in the Company when considering the Directors' remuneration. When considering base salary increases, the Committee reviews overall levels of base pay increases offered to other employees. Employees are not actively consulted on Directors' remuneration. Employee share ownership is fundamental to the Company's culture and is reflected in the wide participation in our share incentive plans.

Statement of consideration of shareholder views

The Committee is committed to an ongoing dialogue with shareholders and welcomes feedback on Directors' remuneration. The Committee consulted with the Company's largest shareholders in respect of the development of this Policy.