



Remuneration Policy

The remuneration policy was agreed in May 2016; the remuneration committee has reviewed the policy and the future policy is set out below. This has been reviewed and benchmarked during the period 2016-2017.

The remuneration policy is designed to attract and retain executive directors and to motivate them in delivering the objectives of the Group. The policy also covers the senior management teams within the subsidiaries who are key to supporting the delivery of those objectives. The underlying principle is that employee and director share ownership is encouraged and the remuneration policy provides opportunity to reward all employees through the award of share options. This links their personal interest to the success of the company.



The following table provides a summary of the key components of the remuneration package for directors:

	Purpose	Operation	Performance Criteria
Salary and fees	To provide competitive fixed elements of reward which can attract and retain high calibre individuals with the appropriate skills and knowledge to deliver the Group's strategy.	Salaries are reviewed annually or when an individual changes position or responsibility. The committee will also consider the skills, experience and on-going performance of individuals when deciding on any changes to their basic salary.	Assessment of personal and corporate performance.
All taxable benefits	To provide a range of cost-effective benefits which are in-line with the market.	The main benefits include a car allowance (capped at that provided to all staff in the Group), private medical insurance and death in service benefit of four times salary. The committee may wish to introduce other benefit provisions from time-to-time.	None
Pensions	To provide cost-effective long-term retirement arrangements	Contributions of 6% of salary is available to all staff. There is no differential for executive directors. A salary sacrifice scheme is available for staff should they wish to increase their personal contributions.	None



	Purpose	Operation	Performance Criteria
Annual bonuses	To incentivise and reward for achievement of in-year objectives linked to the performance of the Group and the individual subsidiaries.	<p>Executive directors are eligible for an annual bonus of up to 30% of their annual salary (unconsolidated award) upon achievement of company/subsidiary targets.</p> <p>Half of the executive directors' annual bonus will be paid into a Long Term Incentive Plan (LTIP), which will earn a rate of interest equivalent to a bank deposit and can be drawn, on a rolling basis, after a minimum of three years. Early release or penalties will be relevant to leavers depending on the circumstances.</p>	<p>Executive directors are measured against an achievement of 10% increase in reported profit before tax and exceptional items year-on-year adjusted for any Group costs and expenses.</p> <p>To take account of further growth within the Group individual subsidiary reported profit for the year of acquisition is used as the baseline for those executive directors.</p>
Long-term share incentive plans	To incentivise and reward for the achievement of long-term performance, aligned to the generation of shareholder value.	<p>An annual grant of share options, which vest after three years subject to continued service and the achievement of targets.</p> <p>Upon the achievement of the target executive directors will be entitled to a share option award which is the equivalent of one third the reported profit (before tax and exceptional items) of the individual subsidiary companies. The number of share options available for distribution is determined from the mid-market price on the day the results are published.</p> <p>The committee can, on the recommendation of the executive directors award share options to individual members of staff to reward exceptional performance. Any share options awarded to staff must be included within the one-third reported profit distribution for each subsidiary.</p>	<p>Share option awards are measured against an achievement of 10% increase in reported profit before tax and exceptional items year-on-year adjusted for any Group costs and expenses.</p> <p>To take account of further growth within the Group individual subsidiary reported profit for the year of acquisition is used as the baseline for those staff within each subsidiary.</p>