

# Directors' Remuneration Committee Report



Dear Shareholder

I am pleased to present, on behalf of the Board, my inaugural Directors' Remuneration Report ('Report') for the year ended 28 February 2019.

The Company is an Irish incorporated company and is therefore not subject to the UK company law requirement to submit its Directors' Remuneration Policy ('Policy') to a binding vote. At the AGM in July 2018, our revised Policy (which simplified the variable pay structure and made a number of changes to reflect the latest corporate governance best practice and market developments) was approved by our shareholders by an advisory vote. These changes included a reduction in pension entitlements for Executives from 30% to 25% of base salary. As no changes to the Policy are proposed this year, the Policy will not be subject to a vote at the 2019 AGM. In the interests of succinct reporting the Policy is not reproduced in this Report but can be found on our website and in our 2018 Annual Report.

We will be submitting our Report to shareholders for an advisory vote at the Company's 2019 AGM. Last year, the Report received the support of over 99% of the votes cast. We hope that shareholders will demonstrate their support again this year.

## Business Performance

FY2019 was a transformational year for the company. Following the acquisition of Matthew Clark and Bibendum, we are now the largest final mile distributor to the on trade of alcohol and other drinks across the British Isles with unparalleled access to this profitable market channel. Our core C&C businesses have performed strongly, growing both revenues and operating profits by just over 3% on a like-for-like basis. At the heart of this

performance the Bulmers, Magners and Tennent's brands were all in revenue growth in their key markets and remain remarkably strong and relevant to today's consumers.

In part driven by the 11 months contribution from Matthew Clark and Bibendum, revenue, on a constant currency basis, was up 188% year-on-year and adjusted diluted earnings per share at 26.6 cent is up 21%. Basic earnings per share was 23.4 cent down 9.3% on the prior year as the prior year benefitted from the recognition of €13.3m negative goodwill relating to the finalisation of the acquisition accounting relating to Admiral Taverns. We continue to be a highly cash generative business, with free cashflow conversion, excluding exceptional costs, of 81% of EBITDA during the year.

## Executive Remuneration for FY2019

In light of strong growth across the business, Executive Directors received maximum payouts under the bonus scheme. Under the LTIP and ESOS, the awards granted in May 2016 vested at 62.4% and 65.4%, respectively. In accordance with the Policy approved at the 2018 AGM, the executive Directors' remuneration framework for FY2019 was as follows:

	Opportunity	Performance Measures	Out-turn
<b>Annual Bonus</b>	80% of salary (compared to a maximum under the policy of 100%)	The annual bonus plan during FY2019 was based on two performance measures, adjusted operating profit (75% of the opportunity) and cash conversion (25% of the opportunity). This was in line with the previous year (having regard to the impact of the acquisition of Matthew Clark and Bibendum) and continues to balance the importance of growth and cash generation, which provides us with the flexibility to make appropriate investments for growth, to maintain our progressive dividend policy and to return cash to shareholders.	<p>The cash conversion element of the bonus was achieved at 24% above the threshold level of performance and a bonus of 20% of salary was therefore payable in relation to this element.</p> <p>The adjusted operating profit element of the bonus was achieved at 19.7% above the threshold level of performance and a bonus of 60% was therefore payable in relation to this element.</p>

# Directors' Remuneration Committee Report

(continued)

	Opportunity	Performance Measures	Out-turn
<b>Long-Term Incentives awarded in the year (Additional share award for the CEO under our Long Term Incentive Plan).</b>	LTIP: 100% of salary	As set out below: <ul style="list-style-type: none"> <li>• EPS growth (33% of the opportunity)</li> <li>• Free Cash Flow Conversion (33% of the opportunity)</li> <li>• Return on Capital Employed (33% of the opportunity)</li> </ul>	Performance will be assessed over the three year period ending with FY2021.
	ESOS: 150% of salary	As set out below, EPS growth.	

## ESOS Performance Conditions

Performance condition	Performance target	% of element vesting
Compound annual growth in Underlying EPS over the three year performance period FY2019, FY2020 and FY2021		
Threshold	2%	25%
Maximum	6%	100%

## LTIP Performance Conditions

Performance condition	Weighting	Performance target	% of element vesting
Compound annual growth in Underlying EPS over the three year performance period FY2019, FY2020 and FY2021	33%		
Threshold		3%	25%
Maximum		8%	100%
Free cash flow Conversion – average over the three year period	33%		
Threshold		65%	25%
Maximum		75%	100%
Return on Capital Employed	33%		
Threshold		9.3%	25%
Maximum		10%	100%

	Opportunity	Performance Measures	Out-turn
<b>Long term incentives vesting in respect of performance in FY2019</b>	LTIP: 100% of salary for Stephen Glancey and Joris Brams	As set out below: <ul style="list-style-type: none"> <li>• EPS growth (33% of the opportunity)</li> <li>• Free Cash Flow Conversion (33% of the opportunity)</li> <li>• Return on Capital Employed (33% of the opportunity)</li> </ul>	The performance measures for the awards granted in May 2016 were met and the awards vested between threshold and maximum as set out below:- <ul style="list-style-type: none"> <li>• EPS growth achieved – 38.9% Award Vested – 13%;</li> <li>• FCF Conversion achieved – 48.3% Award Vested – 16.1%;</li> <li>• ROCE achieved – 100% - Award Vested – 33.3% - Total Vested 62.4%.</li> </ul>
	ESOS: 150% of salary	As set out below and note 4 to the financial statements, EPS growth.	The performance measures for the awards granted in May 2016 were met and the awards vested between threshold and maximum as set out below:- EPS growth achieved – 3.92% Award Vested – 65.4%

### ESOS Performance Conditions

Performance condition	Performance target	% of element vesting
Compound annual growth in Underlying EPS over the three year performance period FY2017, FY2018 and FY2019		
Threshold	3%	50%
Maximum	6%	100%

### LTIP Performance Conditions

Performance condition	Weighting	Performance target	% of element vesting
Compound annual growth in Underlying EPS over the three year performance period FY2017, FY2018 and FY2019	33%		
Threshold		3%	25%
Maximum		8%	100%
Free cash flow Conversion – average over the three year period	33%		
Threshold		65%	25%
Maximum		75%	100%
Return on Capital Employed	33%		
Threshold		9.3%	25%
Maximum		10%	100%

Notwithstanding the extent to which the performance targets set out above are satisfied, an award or option will only vest to the extent the Committee is satisfied that the improvement in the underlying financial performance of the Company over the performance period warrants the degree of vesting.

Definitions are in line with those provided on page 74 of the 2017 Annual Report.

## Directors' Remuneration Committee Report (continued)

During FY2019, Andrea Pozzi received a salary increase. In line with best practice, Andrea Pozzi was appointed as Chief Operating Officer, which was a new Board role, in June 2017 on a below-market salary of £290,000, with the expectation that his salary would increase over time as he developed in the role. At the time, the Committee determined that it would review his salary once he had been in role for a period of time to ensure that it recognised his experience, scope of responsibilities and performance.

Taking into account his excellent growth in the role and his contribution to business performance since his appointment, the Committee concluded that his salary should be increased. As a reference point, the Committee also carefully considered his salary and overall package compared to companies of a similar size and complexity. Following this review, his salary was increased to £315,000 from October 2018.

There were no increases for the other Executive Directors and salaries for the general workforce rose by 2%.

### Additional Share Award

Our approach to remuneration is grounded in ensuring any remuneration is fully aligned with shareholders' interests, and payouts are only generated in the event of strong performance. In recent years, remuneration levels have remained restrained, including examples of our executives waiving bonuses and foregoing salary increases.

During FY2019, the Committee determined that it was appropriate to recognise the Group Chief Executive Officer's ("CEO") contribution to the business in identifying and delivering the acquisitions of Matthew Clark and Bibendum. In doing so, the Committee sought to recognise the CEO's significant contribution and the entrepreneurial value add which he brings, and to incentivise and reward him if the potential synergistic opportunities and trading upside are delivered to shareholders. The opportunity for these acquisitions arose quickly and the CEO negotiated and managed the transaction in very short order. Since acquisition, the CEO has taken a leading role in stabilising the businesses, with EBIT improvement and new management teams in place. These businesses offer considerable potential to the Group. The next three years are a critical period for driving performance and the Committee believes that this additional award best supports the integration of the acquired businesses over the next three-year period and the role the CEO will play in leading management in unlocking shareholder value from these opportunities.

By preference we would have made the grant to the CEO at the same time as those made in May 2018. However the transaction accelerated rapidly, with the opportunity arising unexpectedly and the Board therefore moving swiftly to deliver a successful conclusion. The Committee did not have time to reflect on what was the correct action to take to acknowledge the acquisition and create something which both recognised the delivery of the transaction but more importantly was linked to future value. Over subsequent months, the Committee reflected on the most appropriate way to reward and further incentivise the CEO – hence the additional LTIP award.

A cornerstone of the Committee's considerations was also ensuring that shareholders had the opportunity to provide input into the most appropriate way to recognise the CEO's contribution to the acquisition of Matthew Clark and Bibendum. Following an extensive process of consultation with shareholders representing over 60% of issued share capital, the Committee made an additional grant of shares under the LTIP equal to 100% of salary to the CEO in January 2019.

This additional share award is subject to the same performance conditions as the awards granted in May 2018, and is linked to long term performance and sustained shareholder value delivered from the acquisitions. Following feedback from shareholders, we introduced a two year holding period for this additional award which will also apply to all awards from FY2020. We have also included an under-pin, linked to the business performance of Matthew Clark and Bibendum. Delivering this award in shares which will vest in three years, and remain subject to a holding period for a further two years, ensures that the CEO will be rewarded for delivering what we hope to be value added synergies and revenue opportunities via an increase in the share price. If those do not materialise and share price is not maintained then the value of the LTIP award will fall accordingly.

Under our Policy we can make awards under our Executive Share Option Scheme ("ESOS") of 150% of salary and under our Long Term Incentive Plan ("LTIP") of 100% of salary. There is also an overall limit of 500% of salary across both plans for awards to be made in exceptional circumstances.

Awards of 150% of salary (ESOS) and 100% (LTIP) of salary were made to our executive Directors on 31 May 2018. Performance conditions which apply to these are set out on page 64. As set out in the 2018 Report, we will no longer grant awards under the ESOS.

## Executive remuneration for FY2020

We have set out below a summary of our remuneration arrangements for FY2020.

At a glance summary of our Executive Director remuneration arrangements for FY2020

Salary	Benefits and Pensions	Bonus*
As at the date of this Report, the Committee has not reviewed the salaries for the Executive Directors' for FY2020.	No changes are proposed to the type of benefits provided.  No changes will be made to the level of pension provision.	The maximum bonus opportunity will be 100% of salary, with all bonus earned in excess of 80% of salary deferred into shares for a period of up to 2 years.  Bonus payouts will be based on stretching performance conditions based on adjusted operating profit (75%) and cash conversion (25%).

\* The Company is not disclosing the actual Group bonus profit and cash conversion targets prospectively as, in the opinion of the Board, these targets are commercially sensitive. The Board believes that disclosure of this commercially sensitive information could adversely impact the Company's competitive position by providing competitors with insight into the Company's business plans and expectations. However, the Company will disclose how the bonus pay out delivered relates to performance against targets on a retrospective basis if a bonus is earned by reference to the target.

### Long term incentives

Awards will be granted in the form of LTIP (150% of base salary).

#### LTIP Performance Conditions

Performance condition	Weighting	Performance target	% of element vesting
Compound annual growth in Underlying EPS over the three year performance period FY2020, FY2021 and FY2022	33%		
Threshold		3%	25%
Maximum		8%	100%
Free cash flow Conversion – average over the three year period	33%		
Threshold		65%	25%
Maximum		75%	100%
Return on Capital Employed	33%		
Threshold		9.3%	25%
Maximum		10%	100%

Notwithstanding the extent to which the performance targets set out above are satisfied, an award or option will only vest to the extent the Committee is satisfied that the improvement in the underlying financial performance of the Company over the performance period warrants the degree of vesting.

Vesting will be subject to performance measures based on EPS, ROCE and cash conversion, and subject to an additional performance underpin. All awards will be subject to a two-year holding period after vesting.

Targets are set by reference to challenging internal budgets and external forecasts.

### Director Changes During FY2019

During the year, and in line with our consistent programme of Board refreshment, there were a number of changes to the Board. Sir Brian Stewart stepped down from his role as Non-Executive Chairman and was replaced by Stewart Gilliland. Joris Brams resigned from the Board as Managing Director of our International division. I, together with Jill Caseberry joined the Board during the year, with a third new non-executive Director, Jim Thompson joining in March 2019. Since then Geoffrey Hemphill resigned as a non-executive Director, with effect from 1 May 2019. Finally, after many years of dedicated service, Richard Holroyd will resign as Senior Independent Director on 31 May 2019.

Following appointments to the Board, I, together with Jill Caseberry joined the Committee. I was appointed as Chair of the Committee and believe I have extensive experience to bring as both a member and Chair of the remuneration committee of Pladis Global. Vincent Crowley is the third member of the Committee.

### Conclusion

On behalf of the Board, I would like to thank shareholders and proxy advisory institutions who gave their time to engage with us during the course of our shareholder consultation. We believe that the implementation of our remuneration policy in FY2019 was fair and balanced, align the interests of shareholders and executives and promote the long-term sustainable success of C&C. We hope to receive your support at the 2019 AGM.

### Helen Pitcher OBE

Chairman of the Remuneration Committee

# Directors' Remuneration Committee Report

## (continued)

### Annual report on remuneration for the year ended 28 February 2019

#### Directors' Remuneration (Audited)

The following table sets out the total remuneration for directors for the year ended 28 February 2019 and the prior year.

#### Single Total Figure of Remuneration (Audited)

The table below reports the total remuneration receivable in respect of qualifying services by each Director during the year ended 28 February 2019 and the prior year.

Year ended February	Salary/fees (a)		Taxable benefits (b)		Annual Bonus (c)		Long term incentives (d)		Pension related benefits (e)		Termination Payments (f)		Total	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000
<b>Executive Directors</b>														
Joris Brams*	374	374	28	28	338	54	169	-	-	-	474	-	1,393	456
Stephen Glancey	675	677	51	51	540	97	342	-	169	169	-	-	1,777	994
Kenny Neison**	-	192	-	14	-	-	-	-	-	48	-	227	-	481
Andrea Pozzi***	340	246	26	18	262	36	-	-	85	62	-	-	713	362
Jonathan Solesbury****	481	148	96	30	385	21	-	-	120	37	-	-	1,082	236
Sub-total	1,870	1,637	201	141	1,525	208	511	-	374	316	474	227	4,965	2,529

The remuneration for Stephen Glancey, Kenny Neison, Jonathan Solesbury and Andrea Pozzi was translated from Sterling using the average exchange rate for the relevant year. For Executive Directors who joined or left in the year, salary, taxable benefits, annual bonus, long term incentives and pension relates to the period in which they served as an Executive Director

\* Joris Brams left the Group on 28 February 2019 and was paid €72,000 in redundancy and €401,534 in lieu of his notice period.

\*\* Kenny Neison tendered his resignation in June 2017 and a sum of £200,000 (€227,000) was paid to him in relation to his employment termination.

\*\*\* During FY2019, Andrea Pozzi received a salary increase of 8.6%. In line with best practice, as detailed on page 66.

\*\*\*\* Jonathan Solesbury was appointed as a director in November 2017. His remuneration reflects his appointment as a director from that date.

#### Non-Executive Directors

Jill Caseberry*	4	-	-	-	-	-	-	-	-	-	-	-	4	-
Jim Clerkin	65	60	-	-	-	-	-	-	-	-	-	-	65	60
Vincent Crowley**	78	65	-	-	-	-	-	-	-	-	-	-	78	65
Emer Finnan	90	90	-	-	-	-	-	-	-	-	-	-	90	90
Stewart Gilliland***	179	68	-	-	-	-	-	-	-	-	-	-	179	68
Geoffrey Hemphill	65	51	-	-	-	-	-	-	-	-	-	-	65	51
Richard Holroyd	75	75	-	-	-	-	-	-	-	-	-	-	75	75
Breege O'Donoghue****	-	71	-	-	-	-	-	-	-	-	-	-	-	71
Helen Pitcher*	4	-	-	-	-	-	-	-	-	-	-	-	4	-
Sir Brian Stewart*****	80	230	-	-	-	-	-	-	-	-	-	-	80	230
Sub-total	640	710	-	-	-	-	-	-	-	-	-	-	640	710
Total	2,510	2,347	201	141	1,525	208	511	-	374	316	474	227	5,605	3,239

\* Jill Caseberry and Helen Pitcher were appointed non-executive Directors on 7 February 2019.

\*\* Vincent Crowley was Chairman of the Remuneration Committee from 5 July 2018 to 28 February 2019.

\*\*\* The fees paid to Stewart Gilliland for the year ending 28 February 2019 reflect his appointment as Chairman from July 2018 and his retirement as Chairman of the Remuneration Committee from that date.

\*\*\*\* Breege O'Donoghue retired as a Director and Chairman of the Remuneration Committee in December 2017.

\*\*\*\*\* Sir Brian Stewart retired as Chairman on 5 July 2018.

Details on the valuation methodologies applied are set out in Notes (a) to (f) below. The valuation methodologies are as required by the Regulations and are different from those applied within the financial statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

## Notes to Directors' Remuneration Table

### (a) Salaries and fees

- The amounts shown are the amounts earned in respect of the financial year.
- In addition to the amounts shown above, pursuant to a contract for services effective as of 1 April 2014 between C&C IP Sàrl ('CCIP') and Joris Brams BVBA ('JBB'), (a company wholly owned by Joris Brams and family), CCIP paid fees in both FY2018 and FY2019 of €91,550 to JBB in respect of brand development services provided by JBB to CCIP in relation to Belgian products. As part of Joris Brams termination agreement a further €91,550 was paid to JBB.

### (b) Benefits

- The Executive Directors received a cash allowance of 7.5% of base salary. The Group provided death-in-service cover of four times annual base salary and permanent health insurance (or reimbursement of premiums paid into a personal policy). Stephen Glancey and Kenny Neison also availed of medical insurance under a Group policy. The Group also provided Jonathan Solesbury with a temporary monthly relocation allowance of 12.5% of base salary which was payable up to February 2019.

### (c) Annual Bonus

- The amounts shown are the total bonus earned under the annual bonus scheme in respect of the financial year under review.
- For the year ended 28 February 2019, the annual bonus for Executive Directors was based on performance against a Group adjusted operating profit target (75%) and a cash conversion target (25%). The maximum bonus opportunity was 80% of salary.

Target bonus was 30% of salary (37.5% of the maximum opportunity) below which there are no payouts. Further details of how the bonuses earned relate to performance are provided in the table below.

### (d) Long term incentives

- The amounts shown in respect of long term incentives are the values of awards where final vesting is determined as a result of the achievement of performance measures or targets relating to the financial year and is not subject to achievement of further measures or targets in future financial years.
- In respect of these awards granted in July 2016 to Stephen Glancey and Joris Brams in respect of the LTIP (Part I) and ESOS, the performance conditions for these awards are detailed in note 4 (Share-Based Payments). Details of the extent to which the performance measures were met are set out below.

#### LTIP

The performance measures for the measures granted in May 2016 were met and the awards vested between threshold and maximum as set out below:-

- EPS growth achieved – 38.9% Award Vested – 13%;
- FCF Conversion achieved – 48.3% Award Vested – 16.1%;
- ROCE achieved – 100% - Award Vested – 33.3% - Total Vested – 62.4%.

#### ESOS

The performance measures for the measures granted in May 2016 were met and the awards vested between threshold and maximum as set out below:-

- EPS growth achieved – 3.92% Award Vested – 65.4%;

### (e) Pensions related benefits

No Executive Director accrued any benefits under a defined benefit pension scheme. Under their service contracts, Executive Directors, other than Joris Brams, received a cash payment of 25% of base salary in order to provide their own pension benefits as disclosed in column (e) of the table.

### (f) Termination Payments

Joris Brams stepped down as Managing Director, International Division with effect from 28 February 2019 and both his employment and appointment as a Director terminated on that date. Details of payments made to Joris Brams in connection with the termination of his employment are set on pages 68 and 70.

Measure	Performance Targets		Actual Performance	Bonuses outturn	Bonuses earned (percentage of salary)
	'Target'* (37.5% outturn)	'Maximum'(100% outturn)			
Adjusted Operating Profit (75%)	€85-€88 million	10% above target	19.7% above target	Full pay-out	For FY 2019, Adjusted Operating Profit exceeded the maximum target resulting in a bonus of 60% of salary (75% of the maximum opportunity).
Cash Conversion (25%)	65%	75%	81%	Full pay-out	For FY 2019, cash conversion element of the bonus exceeded the maximum target resulting in a bonus of 20% of salary (25% of the maximum opportunity).

# Directors' Remuneration Committee Report

## (continued)

### Additional Information

#### Fees from external appointments

The Board released Joris Brams to serve on the board of Democo as a non-executive Director. He received and retained an annual fee of €5,000 in FY2019 in respect of this role.

#### Payments to Former Directors

Save as set out in this section, there were no payments to former Directors during the year.

#### Payments for Loss of Office

Sir Brian Stewart retired from the Board after the AGM on 5 July 2018. He was paid his fee to date of departure, and did not receive any payment for loss of office.

Joris Brams stepped down as Managing Director, International Division with effect from 28 February 2019 and both his employment and appointment as a Director of the Company terminated on that date. Joris Brams' remuneration for 2019 is disclosed in the Single Total Figure of Remuneration table on page 68 and below.

As he was employed for the entirety of FY2019, Joris Brams was entitled to receive a bonus in respect of the year ending 28 February 2019, calculated by reference to the performance targets that applied to the 2019 bonus plan. This bonus will be paid in the normal way in June 2019. Having been made redundant, Joris Brams was treated as a good leaver and retained awards granted to him under the ESOS and LTIP 2015 (Part 1) under the terms of the respective schemes. These awards will vest on the normal vesting date, to the extent the performance conditions are met, and will be pro-rated to reflect the proportion of the vesting period which has elapsed on the date his employment terminated.

The arrangements made in respect of Sir Brian Stewart's retirement from the Board and the termination of Joris Brams' employment are in line with the Remuneration Policy approved by shareholders at the 2018 AGM.

### Directors' Shareholdings and Share Interests

#### Shareholding guidelines

Executive Directors are required to build up (and maintain) a minimum holding of shares in the Company. The CEO is expected to maintain a personal shareholding of at least two times' salary. For the other Executive Directors, this has been set at one times' salary. Executive Directors are expected to retain 50% of the after tax value of vested share awards until at least the shareholding guideline has been met.

### Directors' Interests in Share Capital of the Company (Audited)

The beneficial interests, including family interests, of the Directors and the Company Secretary in office at 28 February 2019 in the share capital of the Company are detailed below:

	28 February 2019 Total	1 March 2018 (or date of appointment if later) Total
<b>Directors</b>		
Joris Brams	91,477	91,477
Jill Caseberry	-	-
Jim Clerkin	33,000	-
Vincent Crowley	10,000	10,000
Emer Finnan	5,191	5,000
Stephen Glancey	4,223,586	4,193,586
Stewart Gilliland	57,000	12,000
Geoffrey Hemphill	-	-
Richard Holroyd	68,241	51,921
Helen Pitcher	-	-
Andrea Pozzi	66,460	66,436
Jonathan Solesbury	50,000	-
<b>Total</b>	<b>4,604,955</b>	<b>4,430,420</b>

Jim Thompson joined the Board as a non-executive Director on 1 March 2019. Jim Thompson Holds 136,780 ordinary shares in the Company.

#### Company Secretary

Mark Chilton*	-	-
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\*On the 7 and 8 March 2019 Mark Chilton purchased 17,587 ordinary shares in the Company.

There were no other changes in the above Directors' or the Company Secretary's interests between 28 February 2019 and 22 May 2019.

The Directors and Company Secretary have no beneficial interests in any Group subsidiary or joint venture undertakings.

### Share incentive scheme interests awarded during year

The table below sets out the scheme interests awarded to Executive Directors' and the Company Secretary during the year ended 28 February 2019, each of which is subject to performance conditions as set out below measured over a performance period from 1 March 2018 to 28 February 2021.



Executive Director	Type of award	Maximum opportunity	Number of shares	Face value (at date of grant) <sup>3</sup>	% of maximum opportunity vesting at threshold
Stephen Glancey	ESOS <sup>1</sup>	150% of base salary	342,145	1,023,014	N/A <sup>1</sup>
Stephen Glancey	LTIP <sup>2</sup>	100% of base salary	207,991	683,250	25%
Stephen Glancey	LTIP <sup>2</sup>	100% of base salary	228,097	682,010	25%
Joris Brams	ESOS <sup>1</sup>	150% of base salary	187,384	560,278	N/A <sup>1</sup>
Joris Brams	LTIP <sup>2</sup>	100% of base salary	124,923	373,520	25%
Andrea Pozzi	ESOS <sup>1</sup>	150% of base salary	166,268	497,141	N/A <sup>1</sup>
Andrea Pozzi	LTIP <sup>2</sup>	100% of base salary	110,845	331,427	25%
Jonathan Solesbury	ESOS <sup>1</sup>	150% of base salary	243,669	728,570	N/A <sup>1</sup>
Jonathan Solesbury	LTIP <sup>2</sup>	100% of base salary	162,446	485,714	25%

(1) The ESOS awards were granted in the form of market value share options over €0.01 ordinary shares in the Company. The ESOS awards have an exercise price of €2.99 per share being the closing price on the dealing day before the date of grant and are subject to the following performance condition.

(2) The LTIP awards were granted in the form of nil cost options over €0.01 ordinary shares in the Company.

(3) The face value of awards is based on the number of shares under award multiplied by the closing share price on the date of grant being €2.99 for Andrea Pozzi, Joris Brams and Jonathan Solesbury. Stephan Glancey was awarded LTIP awards in May 2018 and January 2019. The face value of these awards is based on the closing share price on both days being €2.99 and €3.285.

## Directors' Interests in Options (Audited)

### Interests in options over ordinary shares of €0.01 each in the Company

	Date of grant	Exercise price	Scheme	Exercise period	Total at 1 March 2018 (or date of appointment if later)	Awarded in year	Exercised in year	Lapsed in year	Total at 28 February 2019
<b>Directors</b>									
Joris									
Brams	12/5/16	€0.00	LTIP	12/5/19–11/5/26	88,474				88,474
	12/5/16	€4.18	ESOS	12/5/19–11/5/26	132,711				132,711
	1/6/17	€0.00	LTIP	1/6/20–31/5/27	109,858				109,858
	1/6/17	€3.40	ESOS	01/6/20–31/5/27	164,788				164,788
	31/5/18	€0.00	LTIP	31/5/21–30/5/28	NIL	124,923			124,923
	31/5/18	€2.99	ESOS	31/5/21–30/5/28	NIL	187,384			187,384
				<b>Total</b>	<b>495,831</b>	<b>312,307</b>			<b>808,138</b>
Stephen									
Glancey	12/5/16	€0.00	LTIP	12/5/19–11/5/26	178,891				178,891
	12/5/16	€4.18	ESOS	12/5/19–11/5/26	268,337				268,337
	1/6/17	€0.00	LTIP	1/6/20–31/5/27	201,434				201,434
	1/6/17	€3.40	ESOS	1/6/20–31/5/27	302,152				302,152
	31/5/18	€0.00	LTIP	31/5/21–30/5/28	NIL	228,097			228,097
	31/5/18	€2.99	ESOS	31/5/21–30/5/28	NIL	342,145			342,145
	31/1/19	€3.285	LTIP	31/1/24–30/1/29	NIL	207,991			207,991
				<b>Total</b>	<b>950,814</b>	<b>778,233</b>			<b>1,729,047</b>
Andrea									
Pozzi	21/5/14	€0.00	R&R	21/5/17–20/5/21	4,360				4,360
	29/10/15	€0.00	R&R	17/5/17–28/10/22	7,128				7,128
	1/6/17	€0.00	LTIP	1/6/20–31/5/27	97,888				97,888
	1/6/17	€3.40	ESOS	1/6/20–31/5/27	146,833				146,833
	31/5/18	€0.00	LTIP	31/5/21–30/5/28	NIL	110,845			110,845
	31/5/18	€2.99	ESOS	31/5/21–30/5/28	NIL	166,268			166,268
				<b>Total</b>	<b>256,209</b>	<b>277,113</b>			<b>533,322</b>
Jonathan									
Solesbury	13/11/17	€0.00	LTIP	13/6/20–12/6/27	164,140				164,140
	13/11/17	€2.93	ESOS	13/6/20–12/6/27	246,211				246,211
	31/5/18	€2.99	ESOS	31/5/21–30/5/28	NIL	243,669			243,669
	31/5/18	€0.00	LTIP	31/5/21–30/5/28	NIL	162,446			162,446
				<b>Total</b>	<b>410,351</b>	<b>406,115</b>			<b>816,466</b>
Mark Chilton	11/2/19	€0.00	LTIP	11/2/24–10/2/29	Nil	86,334			86,334
				<b>Total</b>	<b>NIL</b>	<b>86,334</b>			<b>86,334</b>

Key: ESOS – Executive Share Option Scheme; LTIP – Long Term Incentive Plan approved in 2015

# Directors' Remuneration Committee Report

## (continued)

Nominal price was paid for any award of options. The price of the Company's ordinary shares as quoted on the Irish Stock Exchange at the close of business on 28 February 2019 was €3.06 (28 February 2018 €2.89). The price of the Company's ordinary shares ranged between €2.60 and €3.565 during the year.

There was no movement in the interests of the Directors in options over the Company ordinary shares between 28 February 2019 and 22 May 2019.

### Statement of Shareholder Voting

The Company is committed to ongoing shareholder dialogue and takes shareholder views into consideration when formulating remuneration policy and practice. To the extent there are substantial numbers of votes against resolutions in relation to directors' remuneration, the Company will seek to understand the reasons for any such vote and will provide details of any actions in response to such a vote.

The following table sets out the votes at our most recent AGMs in respect of the Report and the votes at the 2018 AGM in relation to the Policy.

### Directors' Remuneration Report

AGM	For	against	withheld
2018	230,075,635	521,561	557,974

### Directors' Remuneration Policy

AGM	FOR	Against	Withheld
2018	230,550,915	46,281	557,974

### Governance

The Committee has defined Terms of Reference which can be found in the Investor Centre section of the Group's website. A copy may be obtained from the Company Secretary.

### Remuneration Committee Membership and Meeting Attendance

The following non-executive Directors served on the Committee during the year:

Member	Member since	Number of Meetings Attended	Maximum Possible Meetings	% of Meetings Attended
Stewart Gilliland (Chairman) (retired 5 July 2018)	14 May 2012	2	2	100
Vincent Crowley* (Chairman)	21 March 2018	6	6	100
Richard Holroyd	13 January 2005	6	6	100
Emer Finnan	5 July 2018	4	4	100

\* Vincent Crowley was Chairman of the Committee from 5 July 2018 to 28 February 2019. Helen Pitcher was appointed Chairman of the Committee from 1 March 2019.

All members of the Committee are and were considered by the Board to be independent.

Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 50 and 51. Their remuneration is set out earlier in this Report. The quorum necessary for the transaction of business is two, each of whom must be a non-executive Director. Only members of the Committee have the right to attend committee meetings, however, during the year, Sir Brian Stewart (the then Chairman), Stewart Gilliland (Chairman), Jill Caseberry (non-executive Director), Helen Pitcher (non-executive Director), Stephen Glancey (CEO) and the Group Director of Human Resources were invited to attend meetings (although never during the discussion of any item affecting their own remuneration or employment).

The Company Secretary is Secretary to the Committee.

### Meeting Frequency and Main Activities in the Year

The Committee met six times during the year ended 28 February 2019 to:

- Approve the 2018 bonus;
- Approve the Report for the financial year ended 28 February 2018;
- Approve the Policy for the financial year ended 28 February 2018;
- Approve the 2018/19 Pay Award Strategy;
- Approve the 2018/19 bonus scheme;
- Approve the terms of Managing Director, International Division, Joris Bram's departure;
- Review achievement of the target set for the 2019 bonus;
- Review the Report for the 2019 financial year;
- Consider the 2019/20 Pay Award Strategy;
- Review Executive Directors' and other executives' remuneration packages;
- Approve the terms of the Chairman, Stewart Gilliland's appointment;
- Approve salary increases for the Executive Directors;
- Approve the size of LTIP and ESOS awards to Executive Directors;
- Consider, approve and adopt the performance conditions for 2018/21 and future PSP awards;
- Provide an update upon the Committee Chairman's meetings and conference calls with shareholders; and,
- Consider the bonus scheme for 2019/20.

Since 28 February 2019, the Remuneration Committee met on two occasions to:

- Approve the 2019 bonus;
- Approve the Report for the financial year ended 28 February 2019;
- Approve the 2019/20 Pay Award Strategy;
- Approve the 2019/20 bonus scheme; and,
- Recommend to the Board revisions to the Committee's Terms of Reference

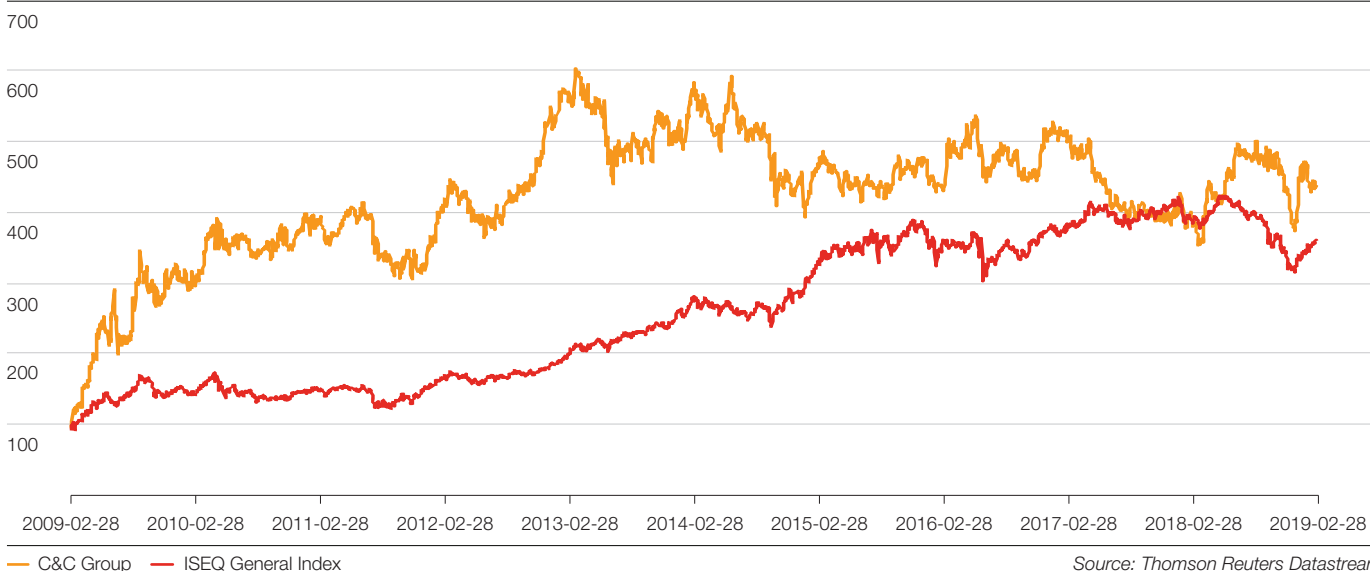
### External Advisers

The Committee seeks and considers advice from independent remuneration advisers where appropriate. During the year ended 28 February 2019, the Committee obtained advice from Deloitte LLP. Deloitte's fees for this advice amounted to €11,850 charged on a time or fixed fee basis. Deloitte is one of the founding members of the Remuneration Consultants' Code of Conduct and adheres to this Code in its dealings. The Committee is satisfied that the advice provided by Deloitte is objective and independent. The Committee is comfortable that the Deloitte engagement team that provide remuneration advice to the Committee do not have connections with the Company that may impair their independence.

### Performance graph and table (Unaudited)

This graph shows the value, at 28 February 2019, of €100 invested in the Company on 28 February 2009 compared to the value of €100 invested in the ISEQ All-Share Index. The relevant index has been selected as a comparator because the Company is a member of that index.

#### Total shareholder return



Source: Thomson Reuters Datastream

# Directors' Remuneration Committee Report

## (continued)

### Chief Executive Officer

The following table sets out information on the remuneration of the Chief Executive Officer for the ten years to 28 February 2018:

		Total Remuneration €'000	Annual Bonus (as % of maximum opportunity)	Long term incentives vesting (as % of maximum number of shares)
FY2011	John Dunsmore	989	Nil	100%
FY2012	John Dunsmore (to 31/12/11)	1,126	75%	100%
FY2012	Stephen Glancey (from 1/1/12)	956	75%	100%
FY2013	Stephen Glancey	1,321	Nil	100%
FY2014	Stephen Glancey	1,152	18.75%	7%
FY2015	Stephen Glancey	980	Nil	Nil
FY2016	Stephen Glancey	1,230	25%	Nil
FY2017	Stephen Glancey	1,052	Nil	Nil
FY2018	Stephen Glancey	994	18%	Nil
FY2019	Stephen Glancey	1,777	100%	Nil

The amounts set out in the above table were translated from Sterling based on the average exchange rate for the relevant year.

John Dunsmore retired as Chief Executive Officer on 31 December 2011 and Stephen Glancey was appointed with effect from 1 January 2012, having previously been Chief Operating Officer. The salary, taxable benefits, annual bonus, long term incentives and pension figures are calculated for the period in office.

### Change in CEO's remuneration

The table below sets out in relation to salary, taxable benefits, annual bonus, long term incentives and pension figures, the percentage change in remuneration for the Chief Executive Officer for the financial year ended 28 February 2019 compared with the previous financial year.

	Change in Total Remuneration	Change in Base Salary	Change in Taxable Benefits	Change in Annual Bonus
Chief Executive Officer	79%	Nil	Nil	See note*

\*The Chief Executive received a bonus of 80% of salary in FY2019 and a bonus of 14.4% in FY2018.

### Employees' Pay Comparison

Information on employee remuneration is given in note 3 to the financial statements. The ratio of the average remuneration of executive Directors to the average remuneration of the employees of the Group (excluding Directors) was 26:1 (FY2018 17:1).

This report was approved by the Board and signed on its behalf by

### Helen Pitcher OBE

Chairman of the Remuneration Committee

22 May 2019