Remuneration Policy

This part of the report sets out the Directors' Remuneration Policy, which will be subject to a binding vote at the 2020 AGM and take effect from the close of the meeting. The policy is determined by the Company's Remuneration Committee ('the Committee'). References in this policy to Executive Directors include both Executive Directors and any other person who is required to be treated as an Executive Director under the applicable legislation.

No significant changes have been made to the policy approved at the 2017 AGM. However, certain amendments have been made to take account of developments since the 2017 AGM, including aligning the policy to our updated strategy and our response to the 2018 UK Corporate Governance Code. This is to ensure the policy remains appropriate for the Company going forward. A summary of the changes made to the proposed policy as compared to the policy approved at the 2017 AGM are as set out in the Annual Statement from the Committee Chairman.

Aims

The policy is designed to ensure that Executive Directors are provided with sufficient remuneration to motivate each individual with incentives that are aligned to strategy and encourage enhanced performance. The Committee believes that variable pay should only be earned for achievement against stretching targets and will continue to ensure that targets provide an appropriate balance between motivating and rewarding Executive Directors to deliver stretching but sustainable performance, without encouraging excessive risk taking.

Base salary

Purpose and link to strategy	Core element of fixed remuneration, reflecting the individual's role and experience.
Operation	Usually reviewed annually and fixed for 12 months commencing 1 October. Whilst Executive Directors are contractually entitled to an annual review of their salary, there is no entitlement to an increase as a result of this review. Salary levels are determined by the Committee taking into account a range of factors including: • role, experience and performance; • underlying Group performance; • alignment with workforce; • prevailing market conditions; and • external benchmarks for similar roles at comparable companies.
Opportunity	Salary increases are reviewed in the context of salary increases across the wider Group. The Committee considers any increase which is out of line with these very carefully and such increases may be awarded where there is a reason to do so taking into account relevant factors. These circumstances may include but are not limited to: • increase in scope and responsibility; • development and performance in the role (including if a newly appointed Executive Director's salary is positioned below a market rate that it may be increased to a market rate over such period as the Committee considers appropriate); or • a salary falling significantly below market positioning.
Performance metrics	Not applicable, although the individual's contribution and overall performance are considerations in determining the level of any salary increase.

Remuneration Policy continued

Benefits

Purpose and link to strategy	Ensures the overall package is competitive. Participation in the Save As You Earn scheme (SAYE) creates staff alignment with the Group and promotes a sense of ownership.
Operation	Executive Directors receive benefits in line with market practice which include a car allowance, private medical insurance and life assurance. The SAYE is an HMRC tax qualifying monthly savings scheme facilitating the purchase of shares at a discount. Other benefits may be provided based on the role and individual circumstances. These may include, for example, relocation and travel allowances.
Opportunity	Set at a level which the Committee considers appropriate against the market and provides a sufficient level of benefit based on individual circumstances. SAYE contribution and operation of the SAYE scheme as permitted in accordance with the relevant tax legislation.
Performance metrics	Not applicable.

Annual Bonus and Deferred Bonus Plan ('DBP')

Purpose and link to strategy	Rewards performance against annual targets which support the strategic direction of the Group. Compulsory deferral into shares aligns Executive Directors with shareholder interests and provides a retention element.
Operation	Performance measures and applicable targets are set annually and any payout is determined by the Committee after the period end, based on performance. The Committee has discretion to vary the bonus payout should any formulaic output not reflect the Committee's assessment of overall business performance or not be appropriate in the context of circumstances that were unexpected or unforeseen at the start of the bonus year. Any bonus earned in excess of 40% of the maximum award is usually payable in shares in the Company which will be deferred for a period of three years. Executive Directors can opt to defer a greater proportion if they wish. Deferral of any bonus earned is subject to a de minimis limit of £5,000. As with all Group bonuses, they remain discretionary and can be adjusted or removed at the Committee's discretion. At its discretion, the Committee may award dividend equivalents to reflect dividends that would have been paid over the period from grant to vesting on vested shares under the DBP. These dividend equivalents may be calculated assuming the reinvestment of dividends in the Company's shares on a cumulative basis. Recovery provisions apply, as referred to below.
Opportunity	The usual maximum annual bonus opportunity is 100% of base salary.
Performance metrics	Performance measures are determined each year reflecting the business priorities that underpin Group strategy. At least 50% of the award will be based on financial performance measures aligned to the Group's financial key performance indicators, which may include Group profit, return on capital and cash measures. The balance of the bonus opportunity will be based on financial measures and/or the delivery of strategic/individual objectives. **Financial measures** Subject to the Committee's discretion to override formulaic outturns, payment at threshold is up to 20% of the maximum, up to 50% of the maximum will be payable for on-target performance and all the bonus will be payable for maximum performance. There is usually straight-line vesting between the threshold and target performance levels and between target and maximum performance levels. The Committee has the discretion to vary the vesting schedules by reducing the percentage that vests at each performance level but not by increasing the percentage that vests. **Non-financial strategic or individual measures** Subject to the Committee's discretion to override formulaic outturns, a non-financial strategic or individual measure will vest between 0% and 100% based on the Committee's assessment of the extent to which the relevant measure has been achieved.

Long Term Incentive Plan ('LTIP')

Purpose and link to strategy	Incentivises Executive Directors to deliver against the Group's strategy over the longer term. Long-term performance targets and share-based remuneration support the creation of sustainable shareholder value.
Operation	The Committee makes long-term incentive awards under the 2014 LTIP which was approved by shareholders at the 2014 AGM. Under the 2014 LTIP, awards of conditional shares, restricted stock or nil cost options can be made with vesting dependent on the achievement of performance conditions, normally over a three-year performance period. Vested awards are normally subject to an additional holding period of two years before being released to participants. The Committee has discretion to vary the formulaic vesting output applying to any LTIP award where it believes the outcome does not reflect the Committee's assessment of overall business performance or is not appropriate in the context of circumstances that were unexpected or unforeseen at the date of grant. This discretion does not apply to any tax-qualifying option granted as part of an Approved Performance Share Plan (APSP) award as described below where such discretion would not be permitted in accordance with the applicable tax legislation. The Committee may at its discretion structure awards as APSP awards. APSP awards enable the participant and Company to benefit from HMRC approved option tax treatment in respect of part of the award, without increasing the pre-tax value delivered to participants. APSP awards may be structured either as a tax-qualifying option for the part of the award up to the HMRC limit (currently £30,000) with an unapproved option for the balance and a 'linked award' to fund the exercise price of the tax-qualifying option, or as a tax-qualifying option and an LTIP award, with the vesting of the LTIP award scaled back to take account of any gain made on exercise of the tax-qualifying option. At its discretion, the Committee may award dividend equivalents to reflect dividends that would have been paid on vested awards under the LTIP from the end of the performance period until the date of release (i.e. the date on which the awards become exercisable). These dividend equivalents may assume the reinvestment of dividends. Recovery provisions apply as referred to below.
Opportunity	The normal maximum award size will be up to 150% of base salary in respect of any financial year. Awards for 2019/20 will be granted at the level of 125% of salary and it is currently intended that awards will continue to be made at this level. In exceptional circumstances the Committee reserves the right to award up to 200% of base salary in respect of any financial year. These limits do not include the value of shares subject to any tax-qualifying option granted as part of an APSP award.
Performance metrics	The vesting of LTIP awards is subject to the satisfaction of performance targets set by the Committee. The performance measures are reviewed regularly to ensure they remain relevant but will be based on financial measures and/or share price growth related measures, aligned to the Group's long-term strategy, which may include but not be limited to: • net cash flow; • underlying earnings per share; and • relative total shareholder return. The relevant metrics and the respective weightings may vary each year based upon Group strategic priorities. Subject to the Committee's discretion to override formulaic outturns, for the achievement of threshold performance no more than 25% of each respective element of the award will vest, rising to 100% vesting for the achievement of maximum performance. The Committee will regularly review the performance conditions and targets to ensure they are aligned to Marston's strategy and remain challenging and reflective of commercial expectations.

Remuneration Policy continued

Retirement benefits

Purpose and link to strategy	Provide a competitive means of saving to deliver appropriate income in retirement.
Operation	Executive Directors are eligible to participate in the defined contribution pension scheme (or such other pension plan as may be deemed appropriate) and, if a member before closure of the scheme, the defined benefit scheme. The defined benefit scheme was closed to new entrants from 29 September 1997. Executive Directors who are members of the closed scheme can continue to receive benefits in accordance with the terms of this scheme. In appropriate circumstances, Executive Directors may take a salary supplement instead of contributions into a pension plan.
Opportunity	All current Executive Directors may receive contributions of up to 20% of base salary under the defined contribution pension scheme, an equivalent cash allowance or a combination of the two (up to 20% of base salary). Pension contributions (or cash allowance) for any Executive Director appointed after the date on which this policy takes effect will not exceed the pension contributions available to the majority of those employees who participate in the Company's Group Personal Pension Plan (which is currently 7% of salary). Active members of the defined benefit pension scheme continued to accrue benefits under this scheme until 30 September 2014.
Performance metrics	Not applicable.

Recovery provisions (malus and clawback)

Annual bonus awards and LTIP awards granted on or after 1 October 2019 are subject to recovery provisions which may be applied for up to two years following the payment in the case of a cash bonus, until the vesting date in the case of a Deferred Bonus award, and for up to two years following vesting in the case of an LTIP award. These provisions may be applied in the following circumstances:

- a material misstatement of any Group company's financial results;
- a material failure of risk management;
- serious reputational damage;
- serious misconduct or material error on the part of the participant;
- an error in assessing a performance condition applicable to the bonus or LTIP award;
- corporate failure; and
- in the case of recovery before vesting, other relevant circumstances at the discretion of the Committee.

Malus and clawback may be applied to any tax-qualifying option granted under the LTIP to the extent permitted by the applicable tax legislation.

Non-executive Director fees

Purpose and link to strategy	Non-executive Director fees are set at a level that reflects market conditions and is sufficient to attract individuals with appropriate knowledge and experience.
Operation	Fees are usually reviewed every two years and amended to reflect market positioning and any change in responsibilities. The Committee recommends the remuneration of the Chairman to the Board. Fees paid to Non-executive Directors are determined and approved by the Board as a whole. The Non-executive Directors do not participate in the annual bonus plan or any of the Group's share incentive plans. Non-executive Directors may be eligible to receive benefits such as the use of secretarial support, travel costs or other benefits that may be appropriate.
Opportunity	Fees are based on the level of fees paid to Non-executive Directors serving on Boards of similar-sized UK-listed companies and the time commitment and contribution expected for the role. Non-executive Directors receive a basic fee and an additional fee for further duties (for example chairmanship of a Committee or Senior Independent Director responsibilities or holding the position of Non-executive Director responsible for employee engagement).
Performance metrics	Not applicable.

The Committee reserves the right to make any remuneration payments and payments for loss of office notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed:

(i) before the policy came into effect (and, in the case of the terms of a payment agreed on or after 5 October 2014, were in line with the policy applying at the date of agreement); or

(ii) at a time when the relevant individual was not a Director of the Company (or other person to whom this policy applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company (or other such person).

For these purposes the term payments includes the Committee satisfying 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.

Explanation of performance metrics chosen

Performance measures are selected to reflect the Group's strategy. Stretching performance targets are set each year for the annual bonus and long-term incentive awards. In setting these performance targets the Committee will take into account a number of different reference points which may include the Group's business plans and strategy and the market environment. Where relative total shareholder return is used there will be no payment for performance below median (compared to the comparator group).

The annual bonus performance targets reflect key financial objectives of the Group and reward for delivery against these. For 2019/20, the bonus opportunity will be based on underlying profit before tax (60% of the award) and free cash flow (40% of the award).

The LTIP performance targets reflect the Group's strategic objectives and therefore the financial and strategic decisions which ultimately determine the success of the Group. The LTIP performance measures are based on financial measures and/or share price growth related measures to provide alignment with the Group's strategy. For 2019/20, the LTIP opportunity will be based on underlying earnings per share (40% of the award), net cash flow (40% of the award) and total shareholder return (20% of the award).

The Committee retains the discretion to adjust or set different performance measures or targets if events occur (such as a change in strategy, a material acquisition and/or a divestment of a Group business or a change in prevailing market conditions) which cause the Committee to determine that the measures are no longer appropriate and that amendment is required so that they achieve their original purpose.

Operation of share plans

The Committee may amend the terms of awards and options under its share plans in accordance with the plan rules in the event of a variation of the Company's share capital or a demerger, special dividend or other similar event or otherwise in accordance with the rules of those plans. Shares awards granted under any such plan may be settled (in whole or in part) in cash although the Committee would only do so where the particular circumstances made it appropriate to do so – for example, where there is a regulatory restriction on the delivery of shares.

Illustration of application of Remuneration Policy

The charts on the following page show the relative split of remuneration between fixed pay (base salary, benefits and pension) and variable pay (annual bonus, DBP and LTIP) for each Executive Director on the basis of minimum remuneration, remuneration receivable for performance in line with the Company's expectations and maximum remuneration (including and excluding share price appreciation of 50% on the LTIP award).

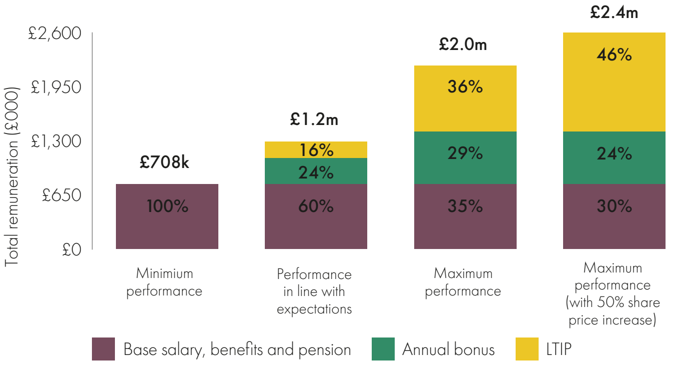
In illustrating the potential reward the following assumptions have been made:

	Fixed pay	Annual bonus and DBP	LTIP
Minimum performance	Fixed elements of remuneration are base salary, benefits and pension Base salary is the latest known salary (i.e. the salary effective from 1 October 2019) and the value for benefits has been assumed to be equivalent to that included in the single figure calculation on page 66 Employer pension contributions at an assumed rate of 20% based on latest known salary	No bonus	No LTIP vesting
Performance in line with expectations		50% of salary delivered for achieving target performance	25% of maximum award vesting (i.e. 31.25% of salary) for achieving threshold performance across all performance measures
Maximum performance		100% of salary awarded for delivering at or above the highest performance in respect of the annual bonus measures	100% of award vesting (125% of salary) for achieving the most stretching level of performance measures attached to the LTIP awards
Maximum performance with share price appreciation of 50%		100% of salary awarded for delivering at or above the highest performance in respect of the annual bonus measures	100% of award vesting (125% of salary) for achieving the most stretching level of performance measures attached to the LTIP awards, plus share price appreciation of 50%.

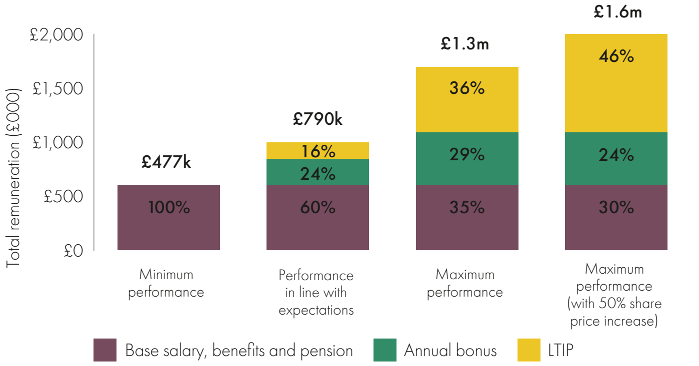
Awards under the LTIP and deferred shares vesting under the DBP ignore any dividend equivalents that may be awarded.

Remuneration Policy continued

Ralph Findlay



Andrew Andrea



Differences in policy from the wider employee population

The Company aims to provide a remuneration package that is market competitive, complies with any statutory requirements and is applied fairly and equitably across the wider employee population. Where remuneration is not determined by statutory regulation, the Company operates the same core principles as it does for Executive Directors namely:

- we remunerate people in a manner that allows for stability of the business and the opportunity for sustainable long-term growth.
- we seek to remunerate fairly and consistently for each role with due regard to the marketplace, internal consistency and the Group's ability to pay.

With the exception of a small number of specific operational teams and below Board members of the PLC Executive Committee, all bonus arrangements within the Group normally have the same structure and payout mechanism as those for Executive Directors.

Participation in the DBP and LTIP is extended to the senior management team at the discretion of the Board and, in line with the policy for Executive Directors, share ownership is encouraged and LTIP participants are expected to build and maintain a minimum level of shareholding. We also encourage long-term employee engagement through the offer of SAYE to all employees of the Group who meet a minimum service requirement.

Recruitment remuneration policy

Executive Directors

When hiring a new Executive Director, the Committee will typically seek to use the policy detailed in the table above to determine the Executive Director's ongoing remuneration package. In determining appropriate remuneration, the Committee will take into consideration all relevant factors (including the quantum and nature of remuneration) to ensure the arrangements are in the best interests of Marston's and its shareholders. To facilitate the hiring of candidates of the appropriate calibre required to implement the Group's strategy, the Committee also retains the discretion to include any other remuneration component or award which is outside the policy, however, this discretion is subject to the limits and principles referred to below.

- Base salary will be set at a level appropriate to the role and experience of the Executive Director being appointed. This may include agreement on future increases up to a market rate, in line with experience and/or responsibilities and subject to good performance, where it is considered appropriate.
- Pension and benefits will be provided in line with the policy.
- The Committee will not offer non-performance related incentives (for example a 'guaranteed sign-on bonus').
- The circumstances in which other elements may be offered include:
  - 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.
  - 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, 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.
- The Committee may also alter the performance measures, performance period and vesting period and holding period of the annual bonus, DBP or LTIP, if the Committee determines that the circumstances of the recruitment merit such alteration. The rationale will be clearly explained in the following year's Directors' Remuneration Report.

The Committee may make an award to 'buy-out' remuneration arrangements forfeited on leaving a previous employer. In doing so the Committee will take account of relevant factors including the form of award, any performance conditions attached to these awards and the time over which they would have vested. The Committee would seek to incorporate buy-out awards in line with the Company's remuneration framework as far as is practical. The Committee may consider other components for structuring the buy-out, including cash or share awards, restricted stock awards and share options where there is a commercial rationale for doing so.

Appropriate costs and support will be covered if the recruitment requires relocation of the individual.

All recruitment awards will normally be liable to forfeiture or 'clawback' on early departure. For Executive Directors, early departure is defined as being within the first two years of employment.

The maximum level of variable remuneration which may be granted (excluding buy-out arrangements) is 300% of salary. The Committee will ensure that such awards are linked to the achievement of appropriate and challenging performance measures and will be forfeited if performance or continued employment conditions are not met.

Non-executive Directors

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

Service contracts and policy on payment for loss of office

Executive Directors' contracts are on a rolling 12 month basis and are subject to 12 months' notice when terminated by the Company and six months' notice when terminated by the Director.

The current Non-executive Directors, including the Chairman, do not have a service contract and their appointments, whilst for a term of three years, may be terminated without compensation at any time. All Non-executive Directors have letters of appointment and their appointment and subsequent re-appointment is subject to annual approval by shareholders.

Name	Commencement date	Unexpired term remaining as at 28 September 2019
Andrew Andrea	31 March 2009	Terminable on 12 months' notice.
Ralph Findlay	15 August 2001	Terminable on 12 months' notice.
Carolyn Bradley	1 October 2014	Fixed term expiring on 30 September 2020 (subject to renewal) and terminable on one month's notice.
Catherine Glickman	1 December 2014	Fixed term expiring on 30 November 2020 (subject to renewal) and terminable on one month's notice.
Bridget Lea	1 September 2019	Fixed term expiring on 31 August 2022 (subject to renewal) and terminable on one month's notice.
Mathew Roberts	1 March 2017	Fixed term expiring on 24 January 2020 (subject to renewal) and terminable on one month's notice.
William Rucker	1 October 2018	Fixed term expiring on 30 September 2021 (subject to renewal) and terminable on one month's notice.

Further details on current serving Directors' service contracts and letters of appointment are available at **www.marstons.co.uk** in the Investors section.

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

Provision	Treatment upon loss of office
Payment in lieu of notice	Payments to Executive Directors upon termination of their contracts will be equal to base salary plus the value of core benefits for the duration of the notional notice period. They will also be entitled to pension contributions for the duration of the notional notice period or the requisite cash allowance equivalent.
Annual bonus	This will be at the discretion of the Committee on an individual basis and the decision whether or not to award a bonus in full or in part will be dependent upon a number of factors including the circumstances of their departure and their contribution to the business during the bonus period in question. Any bonus amounts paid (as estimated by the Committee) will typically be pro-rated for time in service to termination and will, subject to performance, be paid at the usual time, although the Committee retains discretion to pay the bonus award earlier in appropriate circumstances. Any bonus earned for the year of departure and the preceding year may be paid wholly in cash, with no deferral.
Deferred bonus	The treatment of any award under the DBP will be determined based on the leaver provisions contained within the DBP rules. For participants leaving before the first anniversary of the date of grant, deferred awards will lapse unless the participant is a 'good leaver'. For a good leaver the deferred award will vest in full. 'Good leavers' are participants who leave as a result of redundancy, death, ill-health, injury or disability, the sale of his employer out of the Group or any other reason at the discretion of the Committee. For a participant leaving after the first anniversary of the date of grant, the award will vest in full unless employment is terminated for reasons of misconduct (in which case the award will lapse). Where an award vests, it will ordinarily vest at the originally anticipated vesting date, although the Committee has discretion to accelerate vesting to the date of cessation in appropriate circumstances.
2014 LTIP	The treatment of any award under the 2014 LTIP would be determined based on the leaver provisions contained within the 2014 LTIP plan rules. For 'good leavers' unvested LTIP awards will usually be released at the ordinary release date (i.e. following the end of the holding period), although the Committee retains discretion to release awards earlier (for example following the end of the performance period or at the date of cessation) in appropriate circumstances. The vesting of awards is subject to the performance conditions and, unless the Committee determines otherwise, pro-rating for time to reflect the proportion of the performance period that has elapsed. 'Good leavers' are participants who leave as a result of death, ill-health, injury or disability, the sale of their employer out of the Group or any other reason at the discretion of the Committee. In other circumstances, unvested LTIP awards will lapse upon the cessation of employment. If a participant leaves for any reason (other than summary dismissal) after an award has vested but before it has been released (for example, during a holding period), the award will ordinarily continue to the normal release date when it will be released to the extent it vested. The Committee retains discretion to release awards at the date of cessation in appropriate circumstances.

Remuneration Policy continued

Provision	Treatment upon loss of office
Change of control	Upon a change of control incentive awards will usually vest and be subject to performance conditions. Pro-rating for time, to reflect the proportion of the performance period that has elapsed will ordinarily apply to LTIP awards. The Committee retains the discretion to waive pro-rating for time. Awards may vest on a similar basis on the occurrence of any other relevant event.
Mitigation	Ralph Findlay's service contract is formed under a model which was approved by the Committee in 2001 and there is no reduction in payments for mitigation or for early payment as the Committee has taken the view that as a long-standing employee of the Group, full compensation would be merited in the event of unilateral termination of his employment by the Group. Andrew Andrea's service contract was formed under a new model approved in 2009 and provides that, subject to formal notice being given by either party, any payment during the notice period will be reduced by any amount earned in that period from alternative employment as a result of being released to work for another employer prior to the conclusion of their notice period.
Other payments	Payments may be made in the event of loss of office under the SAYE scheme (which is governed by its rules and the applicable tax legislation and does not provide for discretionary treatment). The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the 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 of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include but are not limited to payments in respect of accrued holiday pay, outplacement and legal fees and other relevant benefits.

Further details on current serving Directors' service contracts and letters of appointment are available at **www.marstons.co.uk** in the Investors section.

Statement of consideration of employment conditions elsewhere in the Group

Salary, benefits and performance-related rewards provided to employees are taken into account when setting policy for Executive Directors' remuneration. Although employees are not actively consulted on Directors' remuneration the Group has regular contact with union bodies on matters of pay and remuneration for employees covered by collective bargaining or consultation arrangements.

In October of each year a paper is submitted to the Committee by the Group HR Director summarising the outcome of any annual reviews made to the wider workforce (which includes all employees except for the majority of pub-based employees who have their remuneration rate set by statute rather than the market). This paper is taken into account when setting Executive Directors' remuneration effective from the start of October for the following 12 months. In addition, and where relevant, a similar paper is submitted in October covering the decisions taken by the PLC Executive Committee relating to bonus payments for employees within the wider workforce. This is taken into consideration by the Committee when approving bonus awards for Executive Directors.

Our annual engagement survey reaches all of our employees and our first workforce engagement sessions, each of which will be attended by a Non-executive Director, are currently planned to take place during 2020.

Statement of consideration of shareholder views

The Committee is committed to open and transparent dialogue with shareholders and welcomes feedback on Executive and Non-executive Directors' remuneration.

Shareholding guidelines

In order to further align the interests of Executive Directors with those of shareholders, the Committee applies shareholding guidelines. These guidelines provide that each Executive Director is required to hold shares with a value equal to two times salary. To achieve these holdings Directors are required to retain any vested shares from the LTIP, net of tax, until the guidelines are satisfied. Shares subject to vested LTIP awards which are in a holding period count towards this guideline (on a net of assumed tax basis).

Following employment, Executive Directors are required to retain in their first year post-employment such number of their 'relevant shares' as they held at the date of cessation of employment, up to a maximum of the number of shares they were required to hold during employment. In their second year post-employment they are required to retain such number of their 'relevant shares' up to a maximum of 50% of the shares they were required to hold during employment. For these purposes, 'relevant shares' do not include any shares purchased by the Executive Director, or acquired by the Executive Director as a result of a share plan award granted in respect of a financial year before 2019/20.