

## Remuneration policy

This remuneration report for the year ended 2 September 2017 complies with the requirements of the Listing Rules of the UK Listing Authority, Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the provisions of the UK Corporate Governance Code.

The following sets out our Directors' remuneration policy (the 'policy'). This policy will be put forward for shareholder approval at the AGM on 11 January 2018 and will apply to payments made from this date.

### LINK BETWEEN REMUNERATION AND STRATEGY

Our executive remuneration Policy has been designed to support our Group strategy:

- **Reward philosophy** – Our reward philosophy is that remuneration arrangements should be set at a level that is considered by the Remuneration Committee (the "Committee") to be sufficient to recruit and retain individuals of the calibre required to run the business without paying more than is necessary to do so
- **Alignment with our business strategy** – Remuneration structures are designed to support the business strategy with the majority of the remuneration package being linked to the delivery of performance, paid in a combination of cash and shares. Short-term and long-term performance measures have been selected

to be aligned with the delivery of our business strategy. Market conditions are also taken into consideration when setting pay

- **Alignment with shareholders** – Variable remuneration opportunity is delivered through the Company's long-term share incentive plans and the cash annual bonus. The Committee operates a shareholding guideline policy for executive directors which aligns the interests of executives with our shareholders and demonstrates executives' ongoing commitment to the business

### REMUNERATION POLICY TABLE FOR EXECUTIVE DIRECTORS

The table below sets out a summary of our remuneration Policy for executive directors. Further information regarding the implementation of the policy can be found in the annual report on remuneration commencing on page 64.

No substantive amendments have been made to the Policy from the directors' remuneration policy approved by shareholders at the 2014 AGM. Minor changes have been made to the Policy to reflect the terms of the Performance Share Plan 2016 (approved by shareholders on 14 January 2016), to remove share plans which are no longer in operation, to reduce the maximum pension opportunity for new recruits, to increase in shareholding guidelines, to reflect the revised performance measures for the Performance Share Plan (as outlined in the Chairman's letter) and to clarify the practical operation of the policy.

Element	Base salary
<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"> <li>• Supports the recruitment and retention of executive directors of the required calibre to fulfil the role without paying more than is considered necessary to do so</li> <li>• Rewards executives for the performance of their role</li> </ul>
<b>Key features/operation</b>	<ul style="list-style-type: none"> <li>• Paid in cash</li> <li>• Normally reviewed annually with effect from 1 November but may be reviewed more or less frequently at the Committee's discretion</li> <li>• In determining base salaries, the Committee considers:               <ul style="list-style-type: none"> <li>– Pay levels at companies of a similar size and complexity and other retail companies</li> <li>– External market conditions</li> <li>– Pay and conditions elsewhere in the Group</li> <li>– The individual's skills, knowledge, experience and performance</li> </ul> </li> </ul>
<b>What is the maximum potential value?</b>	<ul style="list-style-type: none"> <li>• Whilst there is no defined maximum salary, any base salary increases will normally be in line with the increases awarded to other employees of the Group</li> <li>• However, increases may be made outside of this policy in exceptional circumstances, such as:               <ul style="list-style-type: none"> <li>– Where a director is appointed on a salary that is at the lower end of the market practice range, larger increases may be awarded as the executive gains experience to move the salary closer to a more typical market level</li> <li>– Where there has been a change in the responsibility and accountability of the role</li> <li>– Where there has been a significant change in market practice</li> </ul> </li> </ul> <p>Details of current salary levels are set out in the annual report on remuneration</p>
<b>Performance metrics</b>	None

Element	Pension
<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"> <li>Provides funds to allow executives to save for retirement</li> <li>Provides a market competitive retirement benefit thereby recruiting and retaining executives of the required calibre</li> </ul>
<b>Key features/ operation</b>	<ul style="list-style-type: none"> <li>In determining pension arrangements, the Committee takes into account relevant market practice and practice throughout the Group</li> <li>Executive directors are generally provided with a cash allowance in lieu of a pension provision or a contribution to a defined contribution pension scheme or similar arrangement</li> <li>However, the Committee may determine that alternative pension provisions will operate for new appointments to the board if considered appropriate. If an alternative pension arrangement is provided, this will generally be of a similar level to current arrangements</li> </ul>
<b>What is the maximum potential value?</b>	<ul style="list-style-type: none"> <li>The CEO's annual cash pension allowance is 20% of base salary</li> <li>The annual pension contribution for the CFO is 15% of base salary</li> <li>New appointments would be entitled to a maximum pension contribution of 15% of salary</li> </ul>
<b>Performance metrics</b>	None

Element	Benefits
<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"> <li>Provides a market competitive level of benefits for executive directors, thereby recruiting and retaining executives of the required calibre</li> </ul>
<b>Key features/ operation</b>	<ul style="list-style-type: none"> <li>Executive directors receive a benefits allowance which can be used to fund a range of benefits (in line with the allowance provided to the wider management population)</li> <li>Executive directors also benefit from the Company's Directors' and officers' liability and indemnity insurance</li> <li>Executive directors may participate in any all-employee share plans which may be operated by the Company on the same terms as other employees</li> <li>Executive directors receive life assurance and an annual health assessment</li> <li>In accordance with the terms of his appointment, the CEO receives a housing allowance for the first two years of his employment and reasonable re-location expenses were met by the Company</li> <li>Executive directors may buy or sell a week's holiday with the approval of the Committee</li> <li>Executive directors are eligible to receive a staff discount in line with other senior executives</li> <li>The Committee may determine that executive directors should receive additional reasonable benefits if appropriate, taking into account typical market practice</li> <li>Executive directors may be reimbursed for all reasonable expenses and the Company may settle any tax incurred in relation to these</li> <li>Where an executive director is required to relocate to perform their role, they may be provided with reasonable benefits as determined by the Committee in connection with this relocation (on either a one-off or ongoing basis), including any expatriate benefits such as housing, travel or education allowances</li> </ul>
<b>What is the maximum potential value?</b>	<ul style="list-style-type: none"> <li>It is the Committee's policy to provide benefits at a market competitive level taking into account local market practice in the location in which the executive director operates</li> <li>The overall value of benefits will depend on the individual's circumstances and the cost of providing such benefits by the Company and therefore there is no maximum</li> <li>The current level of benefit allowance for executive directors is £18,375 (this may be changed during the life of the policy)</li> <li>The executive directors' participation in any all-employee share plans will be in line with relevant statutory limits</li> </ul>
<b>Performance metrics</b>	None

## Corporate governance

### Remuneration policy continued

Element	Annual bonus
<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"> <li>Rewards and incentivises the achievement of annual objectives which are aligned with key financial and strategic goals and supports the enhancement of shareholder value</li> </ul>
<b>Key features/operation</b>	<ul style="list-style-type: none"> <li>Unless otherwise determined by the Committee, bonuses are paid in cash following the year end</li> <li>Bonuses are not pensionable</li> <li>Malus and clawback provisions apply (see page 59 for further information)</li> <li>Bonuses are based on annual performance targets</li> <li>The Committee retains the discretion to adjust the bonus award if it does not consider that it reflects underlying Company performance but may not exceed the maximum policy limit</li> </ul>
<b>What is the maximum potential value?</b>	<ul style="list-style-type: none"> <li>Maximum opportunity of 100% of base salary</li> <li>The bonus starts accruing from threshold levels of performance</li> </ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"> <li>The Committee determines appropriate performance metrics to support the annual business strategy, external expectations and the enhancement of shareholder value on an annual basis</li> <li>The bonus may be based on a mix of profitability, strategic financial, strategic non-financial and individual performance targets</li> <li>At least 80% of the bonus will be based on financial performance targets</li> <li>Further information in relation to the performance measures is set out in the annual report on remuneration</li> </ul>
Element	Performance Share Plan ("PSP")
<b>Purpose and link to strategy</b>	<ul style="list-style-type: none"> <li>Incentivises executives to achieve Debenhams' long-term strategy and create sustainable shareholder value</li> <li>Aligns with shareholder interests through the delivery of shares</li> <li>Acts as a retention tool</li> </ul>
<b>Key features/operation</b>	<ul style="list-style-type: none"> <li>Awards normally vest based on performance assessed over a period not shorter than three years</li> <li>Awards may only vest to the extent the Committee is satisfied that the underlying financial performance of the Company over the relevant performance period justifies vesting. The Committee may also adjust the final vesting level if it does not consider that it reflects the underlying performance of the Company</li> <li>Malus and clawback provisions apply (see page 59 for further information)</li> <li>Awards may incorporate the right to receive (in cash or shares) the value of the dividends that would have been paid on the shares that vest (which may assume the dividends had been reinvested in the Company's shares). However, it is not the current intention of the Committee that dividend equivalents will be paid on shares that vest</li> </ul>
<b>What is the maximum potential value?</b>	<ul style="list-style-type: none"> <li>The maximum value of shares over which an individual can be granted an award in respect of any one financial year of the Company is normally 200% of base salary, although this limit may be increased to 250% of base salary in exceptional circumstances</li> <li>Typically 25% of an award vests for threshold levels of performance</li> </ul>
<b>Performance metrics</b>	<ul style="list-style-type: none"> <li>Awards granted in FY2018 will vest subject to a combination of relative TSR, underlying EPS and ROCE</li> <li>The Committee retains the discretion to alter the performance measures for future awards if it deems appropriate. However, the Committee will endeavour to consult with the Company's largest shareholders prior to doing so, other than for minor changes</li> <li>The Committee sets performance targets each year, taking into account the business plan, external expectations and market practice</li> <li>For further information in relation to the performance measures, weightings and targets for awards, see the annual report on remuneration</li> </ul>

## SHAREHOLDING GUIDELINES

In order to align the interests of executive directors with those of shareholders and to demonstrate the executive directors' ongoing personal financial commitment to the business, executive directors are expected to build and maintain a holding of Debenhams shares. The shareholding guideline is 200% of base salary for the CEO and 150% of base salary for the CFO. Executives are generally expected to retain 50% of any post-tax shares that vest under any share incentive plans until this shareholding is reached.

## NOTES TO THE POLICY TABLE

### Malus and clawback

Malus and clawback provisions apply to the annual bonus and PSP. Annual bonus payments may be subject to clawback for a period of three years following the payment of the cash bonus. PSP awards may be subject to clawback for a period of three years following vesting.

The Committee has the discretion to reduce or withhold an award ("malus") or clawback awards in the following circumstances:

- Material misstatement of financial or other data
- Gross misconduct (includes inappropriate conduct by a participant and behaviour which fails to reflect the Company's governance and business values)
- Fraud effected by or with the knowledge of the Participant

Malus may also apply in other circumstances at the discretion of the Committee.

### Annual bonus performance measures

- The Committee sets annual bonus performance targets each year based on the measures that it considers are most appropriate for the business. Annual bonus targets are set with reference to internal forecasts and market expectations. Information in relation to the performance measures used has been set out in the annual report on remuneration
- The Committee considers that the annual bonus targets are market sensitive and therefore these will not be disclosed in advance. Details of performance against targets and any resulting annual bonus payout will normally be included in the annual report on remuneration for the year on which the bonus performance is based

### Performance Share Plan performance measures

- For awards to be granted in FY2018, the Committee has chosen to use relative TSR (50%), underlying EPS (25%) and ROCE (25%). The Committee may use different measures or a different balance of measures in future years if it considers that it is appropriate to do so
- EPS and ROCE targets are set with reference to internal forecasts and market expectations. The parameters of the TSR performance measure have been structured based on market typical practice
- The Committee considers that these measures are aligned with our Debenhams Redesigned strategy announced in April 2017
- Details of the specific measures, weightings and targets applying to the PSP awards are disclosed in the annual report on remuneration

### Difference in the remuneration policy for all employees

Debenhams employs a large number of people in a variety of roles across a range of geographies. Our reward framework for the business is altered as necessary to suit the needs of the business for different employee groups. Reward packages therefore differ, taking into account a number of appropriate factors including seniority, the individuals' impact on the business and local practice, custom and legislation.

### Other information supporting the policy table

- The Committee may amend the terms of awards or the rules of share plans within the scope defined in the rules of the plans
- For share awards, in the event of a variation of the Company's share capital or a demerger, delisting, special dividend, rights issue or other event which may, in the Committee's opinion, materially affect the current or future value of awards, the number of awards and the exercise price applicable to those awards may be adjusted
- The Committee may amend the performance conditions applicable to share awards if it considers that the amended conditions are a fairer measure of performance and at least as challenging as the original conditions
- Share awards may be granted in the form of conditional share awards, forfeitable shares, nil or nominal cost options or in such other form that the Committee determines has the same economic effect. Awards may be settled in cash
- The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed (i) before 9 December 2014 (the date the Company's first shareholder-approved directors' remuneration policy came into effect); (ii) before the policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved directors' remuneration policy in force at the time they were agreed; or (iii) 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 for the individual becoming a director of the Company. For these purposes, "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

## Corporate governance

### Remuneration policy continued

#### REMUNERATION OUTCOMES IN DIFFERENT PERFORMANCE SCENARIOS

The charts below set out an illustration of the policy for FY2018. The charts provide an illustration of the proportion of total remuneration made up of each component of the policy and the value of each component.

##### Three scenarios have been illustrated for each executive director:

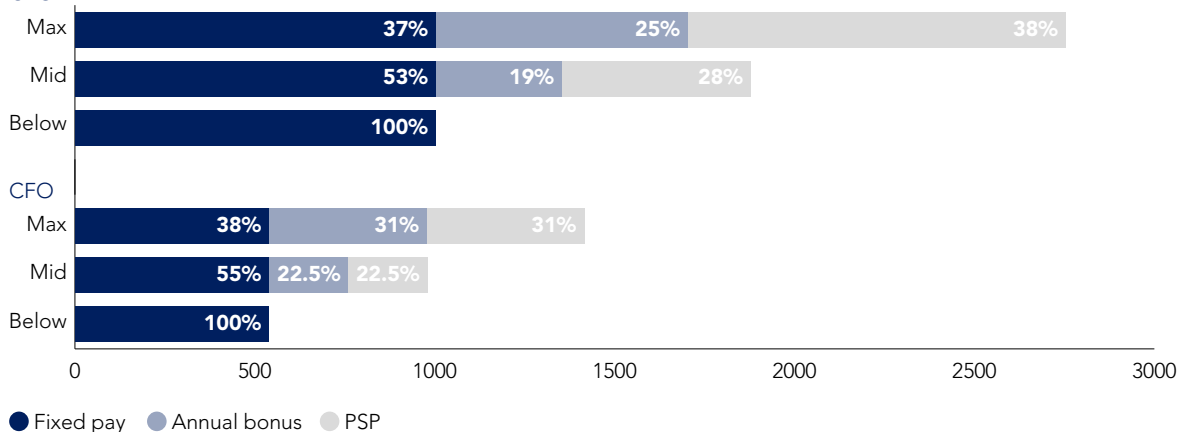
Below threshold performance	<ul style="list-style-type: none"> <li>Fixed remuneration</li> <li>No annual bonus payout</li> <li>No vesting under the PSP</li> </ul>
Mid-range performance	<ul style="list-style-type: none"> <li>Fixed remuneration</li> <li>50% annual bonus payout</li> <li>50% vesting under the PSP</li> </ul>
Maximum performance	<ul style="list-style-type: none"> <li>Fixed remuneration</li> <li>100% annual bonus payout</li> <li>100% vesting under the PSP</li> </ul>

Fixed pay currently comprises the following elements:

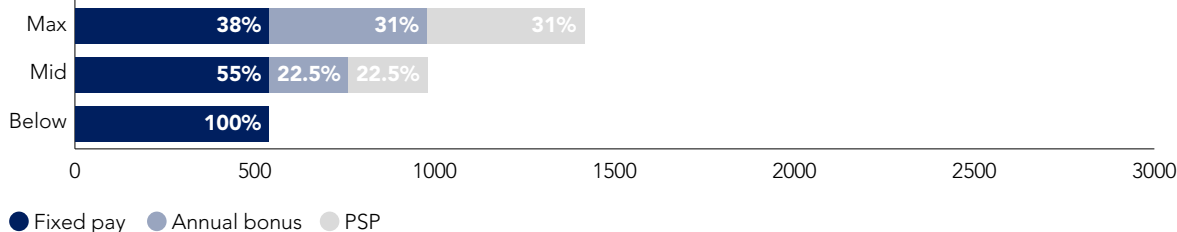
Director	Base salary	Benefits	Pension	Total
<b>CEO – Sergio Bucher</b>	£700,000	£163,409	£140,000	£1,003,409
<b>CFO – Matt Smith</b>	£439,200	£33,948	£65,880	£539,028

- Base salary is the base salary in place on appointment for Sergio Bucher and from 1 November 2017 for Matt Smith
- The benefits figure is based on the amount received during 2017 as per the single figure. This reflects the annual benefits allowance and the taxable value of other benefits provided during the year. Pension is based on the cash contribution of 20% of base salary for the CEO and 15% of base salary for the CFO
- The annual bonus is based on the annual policy maximum of 100% of base salary for both executive directors. The PSP is based on 150% of base salary for the CEO and 100% of base salary for the CFO

##### CEO



##### CFO



## RECRUITMENT REMUNERATION ARRANGEMENTS

When determining the remuneration package for a newly appointed executive director, the Committee would seek to apply the following principles:

- The package should be market competitive to facilitate the recruitment of individuals of sufficient calibre to lead the business. At the same time, the Committee would intend to pay no more than it believes is necessary to secure the required talent
- The structure of the ongoing remuneration package would normally include some or all of the components set out in the policy table for executive directors
- In addition, the Committee has discretion to include any other remuneration component or award which it feels is appropriate taking into account the specific circumstances of the recruitment, subject to the limit on variable remuneration set out below. The key terms and rationale for any such component would be disclosed as appropriate in that year's annual report on remuneration
- Where an individual forfeits outstanding variable pay opportunities or contractual rights at a previous employer as a result of appointment, the Committee may offer compensatory payments or awards, in such form as the Committee considers appropriate taking into account all relevant factors including the form of awards, expected value and vesting timeframe of

forfeited opportunities. When determining any such "buyout", the principle would be that awards would be on a "like-for-like" basis unless this is considered by the Committee not to be practical or appropriate

- The maximum level of variable remuneration which may be awarded (excluding any "buyout" awards referred to above) in respect of recruitment is 350% of salary, which is in line with the current maximum limit under the annual bonus and PSP
- Where an executive director is required to relocate from their home location to take up their role, the Committee may provide assistance with relocation (either via one-off or ongoing payments or benefits)

In the event that an internal candidate is promoted to the board, legacy terms and conditions would normally be honoured, including pension entitlements and any outstanding incentive awards.

In the event of recruitment the Committee may grant awards to a new executive director relying on the exemption in the Listing Rules which allows for the grant of awards, to facilitate, in unusual circumstances, the recruitment of an executive director, without seeking prior shareholder approval or under any other appropriate Company incentive plan.

The remuneration package for a newly appointed non-executive director would normally be in line with the structure set out in the policy table for non-executive directors.

### Executive director service contracts

Notice period	<ul style="list-style-type: none"> <li>• 12 months' notice by the Company or by the executive director</li> <li>• The notice period for any newly appointed executive director would be up to 12 months' on either side</li> </ul>
Expiry date	<ul style="list-style-type: none"> <li>• Sergio Bucher entered into his service contract on 25 May 2016</li> <li>• Matt Smith entered into his service contract on 25 July 2014</li> <li>• These are rolling contracts with no expiry date</li> </ul>
Termination payments	<ul style="list-style-type: none"> <li>• Payments in lieu of notice will be based on base salary, contractual benefits and any accrued but untaken holiday</li> <li>• Payments in lieu of notice for Sergio Bucher and Matt Smith may, at the Committee's discretion, be paid in equal monthly instalments which would, at the Committee's discretion, be subject to mitigation or as a lump sum. The Company's policy for new executive directors is that contracts would reflect these principles</li> <li>• 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, paying any fees for outplacement assistance and/or the director's legal and/or professional advice fees in connection with the cessation of office or employment</li> </ul>

The service agreements are available to shareholders to view on request from the Company Secretary at the Company's registered office.

## ARRANGEMENTS FOR DIRECTORS LEAVING DEBENHAMS

Details of the arrangements in relation to fixed remuneration are set out in the section on page 61.

### Annual bonus

There is no automatic entitlement to an annual bonus in the year in which the executive director leaves the Group. The Committee may determine that an executive director is eligible to receive a bonus in respect of the year of cessation dependent upon the circumstances of the executive director's departure and individual performance. Any such payment would normally continue to be subject to performance and be pro-rated to take account of the time served during the year.

### Performance share plan

If an individual ceases to be employed by a member of the Group or gives or is given notice terminating their employment before the end of the performance period, a participant's award will usually lapse, unless the Committee determines that it will vest, having regard to the performance of the Company and the length of time which has elapsed since the date of grant. The Committee may determine that the award will vest at the time of cessation of employment or at the "normal" vesting date. The number of shares over which an award may vest will be time pro-rated to reflect the proportion of the vesting period that has elapsed on cessation of employment. In the case of nil cost options, the Committee will determine the period during which the participant may exercise his or her options.

## TAKEOVER OR MERGER OF THE COMPANY

In the event of a takeover or merger of the Company, outstanding PSP awards will vest to the extent that performance conditions are satisfied. Where awards vest in these circumstances, they may be pro-rated (on a monthly basis) to reflect the proportion of the vesting period that has elapsed, unless the Committee determines that a different proportion of the award should vest, taking into account Company performance and such other factors as it considers relevant.

Upon agreement with the acquiring company, the participant may choose to roll over their awards into awards in the acquiring company.

## OTHER CORPORATE EVENTS

If the Company is voluntarily wound up, the Committee may allow awards to vest on the same basis as set out above for a takeover. If the Company is, or is expected to be, affected by a demerger, special dividend or other transaction which would materially affect the value of awards, the Committee may allow some or all of the outstanding awards to vest to the extent that, in the Committee's opinion, the performance conditions applicable to these awards have, or are likely to have, been met.

## EXTERNAL APPOINTMENTS FOR EXECUTIVE DIRECTORS

Executive directors may undertake external directorships with the consent of the board. Any proposed external directorships are considered by the Nomination Committee to ensure that they do not cause a conflict of interest.

## REMUNERATION POLICY TABLE FOR NON-EXECUTIVE DIRECTORS

Element	Fees
<b>Purpose and link to remuneration strategy</b>	<ul style="list-style-type: none"> <li>Fees for non-executive directors are set at an appropriate level to recruit and retain directors of a sufficient calibre without paying more than is necessary to do so</li> </ul>
<b>Key features/operation</b>	<ul style="list-style-type: none"> <li>Paid in cash</li> <li>Fees for non-executive directors are set taking into account the time commitment required to fulfil the role and typical practice at other companies of a similar size and complexity to Debenhams</li> <li>The fees for the Chairman's role are set taking into account the time commitment of the role, the skills and experience of the individual and typical market practice for other companies of a similar size and complexity</li> <li>Our non-executive director fees policy is to pay a basic fee for membership of the board and additional fees for the Senior Independent Director, chairmanship of a committee and membership of a committee to take into account the additional responsibilities and time commitment of these roles</li> <li>Additional fees may be paid to reflect additional board or committee responsibilities or an increased time commitment as appropriate</li> <li>Fees are reviewed at appropriate intervals by the board</li> </ul>
<b>What is the maximum potential value?</b>	<ul style="list-style-type: none"> <li>Fees paid to non-executive directors and the non-executive Chairman will not exceed the aggregate limit set out in the Company's articles of association. Fee levels are set out in the annual report on remuneration</li> </ul>

Element	Benefits and expenses
<b>Purpose and link to remuneration strategy</b>	<ul style="list-style-type: none"> <li>To provide suitable arrangements to allow non-executive directors to discharge their duties effectively</li> </ul>
<b>Key features/operation</b>	<ul style="list-style-type: none"> <li>Reasonable costs in relation to travel and accommodation for business purposes are reimbursed to the Chairman and non-executive directors. The Company may meet any tax liabilities that may arise on such expenses</li> <li>The Chairman and non-executive directors are eligible for a staff discount and an annual health assessment</li> <li>The Chairman and non-executive directors are not entitled to participate in any of the Group's incentive plans or pension plans</li> <li>The Chairman and non-executive directors have the benefit of directors' and officers' liability insurance and provision of indemnity on the same basis as other directors and officers of other Group companies</li> <li>The board may introduce additional benefits for the Chairman or non-executive directors if it is considered appropriate to do so</li> </ul>
<b>What is the maximum potential value?</b>	None

## TERMS AND CONDITIONS FOR THE CHAIRMAN AND NON-EXECUTIVE DIRECTORS

The Chairman has a letter of appointment from the Company covering matters such as duties, time commitment, fees and other business interests. The Chairman is appointed for an initial three years which may be extended for further terms of three years by mutual agreement.

The Chairman's appointment may be terminated by the Company in accordance with the Company's Articles of Association and the Companies Act 2006 or upon the Chairman's resignation. In the event that the Chairman's appointment is terminated early, there will be no payment for loss of office or for the unexpired term. The Chairman is permitted to hold other directorships provided that any such appointment does not interfere with his position at the Company.

The non-executive directors have letters of appointment from the Company covering matters such as duties, time commitment, fees and other business interests. The non-executive directors are appointed for an initial three years which may be extended for further terms of three years by mutual agreement. Non-executive director appointments may be terminated by the Company in accordance with the Company's Articles of Association and the Companies Act 2006 or upon the director's resignation. In the event that a non-executive director's appointment is terminated early, there will be no payment for loss of office or for the unexpired term.

## CONSIDERING ALL-EMPLOYEE REMUNERATION ARRANGEMENTS

When determining the remuneration policy and arrangements for the executive directors, the Committee considers pay and employment conditions elsewhere in the Group to ensure that pay structures throughout the Group are appropriately aligned and that levels of remuneration remain appropriate in this context.

When considering salary increases for the executive directors, the Committee considers the general level of salary increase across the Group. Whilst the Committee does not consult directly with employees about executive director pay, it does receive informal feedback on employees' views via the HR Director and the Head of Pay & Reward.

The remuneration arrangements for the members of the Executive Committee who are not executive directors and the Company Secretary fall within the Committee's remit engendering a common approach to the design of reward and determining reward outcomes for the most senior people within the organisation.

## CONSIDERING SHAREHOLDER VIEWS

The Committee is committed to an ongoing dialogue with shareholders and seeks shareholder views when any significant changes are being made to remuneration arrangements. Over the last few years, the Committee has consulted with shareholders regarding the performance measures for the annual bonus scheme and PSP together with shareholding guidelines. The Committee takes into account the views of shareholders when formulating and implementing the policy.