

Directors’ Remuneration Policy

Adopted 17th September 2019

# 2019 Directors’ Remuneration Policy

The 2019 Directors’ Remuneration Policy (the “**Remuneration Policy**”) was approved at a general meeting of the shareholders of the Company held in September 2019 (the “**General Meeting**”) and took effect immediately upon receipt of such approval.

The Remuneration Policy is available on the Company’s website at: [www.johnmenziesplc.com](http://www.johnmenziesplc.com/)

# Directors’ Remuneration: Principles

The Remuneration Policy has been developed to ensure that the Company is well-placed to attract, retain and motivate its Executive Directors with the ability and experience necessary to run the John Menzies plc Group (the “**Group**”) successfully, whilst also aligning executive remuneration with the financial returns of its shareholders.

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| **Purpose and link to strategy** | **Operation** | **Maximum opportunity** | **Performance metrics** |
| **Basic Salary**  Attract and retain high performing individuals, reflecting market value of role and Executive Directors’ skills and experience | Normally reviewed annually.  The Remuneration Committee takes into consideration a number of factors when setting salaries including (but not limited to):   * the size and scope of an individual’s responsibilities; * an individual’s skills, experience and performance; * typical salary levels for comparable roles at appropriate comparator companies; * pay and conditions elsewhere in the Group; and * inflation in the relevant market. | There is no maximum opportunity. Salary increases will normally be in line with the average increase awarded in the wider employee population. Higher increases may be made in certain circumstances and at the Remuneration Committee’s discretion. For example, this may include (but is not limited to):   * increase in the scope and/or responsibility of an individual’s role; * development of an individual within the role; * corporate events such as a significant acquisition or Group restructuring which impacts the scope of a role; and * where it is   considered necessary for the retention of an Executive Director or to reflect significant changes in market practice. | None, although individual and Group performance are factors taken into account when setting salaries. |

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| **Purpose and link to strategy** | **Operation** | **Maximum opportunity** | **Performance metrics** |
| **Annual Bonus** Incentivise Executive Directors (excluding the Company’s Executive  Chairman) to deliver Group and individual objectives and enhance performance | The annual bonus is paid in cash and ordinary shares, based on the Remuneration Committee’s assessment of performance during the financial year in question. | Maximum annual award is 100% of salary for Executive Directors (excluding the Executive Chairman). | All measures and targets are reviewed annually and set at the start of each financial year.  The measures will include relevant financial measures and may include performance against key results areas (“**KRAs**”) or other strategic measures as appropriate.  At least 70% of the bonus will be based on financial measures. |
| **Bonus in Deferred Ordinary Shares (“Deferred Bonus Shares”)**  Encourage a longer-term focus which is aligned to ordinary shareholders and discourages inappropriate risk-taking | 20% of any bonus award is paid in Deferred Bonus Shares with such ordinary shares having dividend entitlements/dividend equivalents.  The Remuneration Committee may increase the level of deferral at any time. | 20% of any bonus award. | None. |
| **2019 Long Term**  **Incentive Plan (“2019 LTIP”)**  To reward the execution of the Group’s strategy and align the interests of ordinary shareholders and Executive Directors (excluding the Executive Chairman) | Conditional right to acquire ordinary shares or an option to acquire ordinary shares.  Vesting of awards is subject to continued service and performance targets, which are measured over a three year period.  Dividend equivalents may be payable to the extent that awards vest.  A two year holding period will apply to all 2019 LTIP awards granted to Executive Directors. | 100% of salary for Executive Directors (excluding the Executive Chairman). | Total shareholder return (“**TSR**”), earnings per share (“**EPS**”), return on capital employed or any other Group financial and/or strategic performance measures.  All measures and targets are reviewed annually and set prior to each grant.  No more than 25% of an award will vest on the attainment of threshold performance. |
| **2019 Transformation**  **Incentive Plan (“2019 TIP”)**  To incentivise and reward the Executive Chairman for delivering absolute TSR and align the interests of ordinary shareholders and the Executive Chairman | Conditional right to acquire ordinary shares or an option to acquire ordinary shares.  Vesting of awards is subject to personal investment in ordinary shares, continued service and performance targets which are measured over a minimum of a three year period.  Dividend equivalents may be payable to the extent that awards vest.  A two year holding period will apply. | 850,000 ordinary shares in respect of the Executive Chairman only, subject to an equivalent personal investment in ordinary shares. | Absolute TSR. |

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| **Purpose and link to strategy** | **Operation** | **Maximum opportunity** | **Performance metrics** |
| **Pension**  Provide market levels of pension provision to Executive Directors (excluding the Executive Chairman) | Existing Executive Directors can participate in the John Menzies Money Purchase Pension Scheme and/or cash equivalent. | New Executive Directors: workforce aligned pension provision.  Existing Executive Directors (excluding the Executive Chairman): pension contribution and/or cash supplement of up to 20% of salary. | None. |
| **Benefits**  Provide market levels of benefits provision | Executive Directors receive benefits which typically may include, but are not limited to, private health insurance, life assurance, ill-health insurance protection and a company car allowance.  Other benefits may be operated through salary sacrifice. The Remuneration Committee may introduce or remove benefits offered to individuals where it considers it appropriate to do so.  Where Executive Directors are required to relocate, the Remuneration Committee may, if considered appropriate, offer additional relocation or expatriate benefits. | As the cost of providing other benefits, including health insurance and life assurance, may vary from year to year, it is not considered practical to define a maximum level for these or any other benefits.  The level of any relocation benefits, allowances and expenses will depend on the specific circumstances.  There is no overall maximum level of benefits. | None. |
| **Company’s Sharesave Scheme**  Provide the Company’s UK employees with an interest in the performance of its ordinary shares. | Accumulated savings may be used to exercise an option to acquire ordinary shares. The option price of such ordinary shares may be discounted by up to the HMRC-approved level (currently 20%). | Monthly contributions of up to the HMRC-approved limit over a three or five year period. | None. |
| **Shareholding Guidelines** Align the Executive Directors with the long-term interests of ordinary shareholders. | Shareholding guidelines for Executive Directors are 200% of salary (built up over time). | None. | None. |

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| **Purpose and link to strategy** | **Operation** | **Maximum opportunity** | **Performance metrics** |
| **Non-Executive Directors’ Fees**  Attract non-executive directors of sufficient skills and experience to fulfil the role. | The fees for Non-Executive Directors comprise a basic payment plus additional payments for being Chairman of a Board Committee, a Committee member or for being the Senior Independent Director.  Differential fee levels may be paid for Non-Executive Directors depending on the skills, experience, nationality and responsibilities of an individual or additional time commitments for the role.  Any Non-Executive Chairman would receive a fee for his services to the Company.  A portion of any Non- Executive Chairman’s fee and the Non-Executive Directors’ fees may be delivered as ordinary shares.  Non-Executive Directors’ fees are reviewed periodically by the Board with reference to external benchmarking.  The Company repays any reasonable expenses that a Non-Executive Director incurs in carrying out their duties as a director, including travel, hospitality- related and other benefits (e.g. office costs), and any tax liabilities thereon, where appropriate. | None. | None. |

**Notes:**

1. **Annual bonus**

Annual bonus performance measures have been chosen to provide an appropriate balance between incentivising Executive Directors (excluding the Executive Chairman) to meet financial targets for the year and to deliver the Group’s KRAs. This balance allows the Remuneration Committee to effectively reward performance against the key elements of the Group’s strategy. Threshold and stretch targets are derived from a review of the historical and projected performance of the Group and its peers, together with an analysis of analysts’ expectations.

1. **2019 LTIP**

The ultimate goal of the Company is to provide long term sustainable returns to ordinary shareholders. The performance measures are intended to align Executive Director (excluding the Executive Chairman) remuneration with this goal. Targets are set with reference to the strategic goals of the Group and wider market practice and are positioned at a level which the Remuneration Committee considers to represent stretching performance.

**3. 2019 TIP**

The ultimate goal of the Company is to provide long term sustainable returns to ordinary shareholders. The absolute TSR targets are intended to align the Executive Chairman’s remuneration with this goal.

**4. Differences in remuneration policy for Directors and other employees**

Remuneration arrangements throughout the Group are based on the principle that reward should be set at competitive levels to support the delivery of the Group’s strategy and also attract, retain and motivate individuals who have the necessary skills for each role. Pay differs for employees of different seniority and for those operating in different parts of the world. For example, in accordance with market practice and shareholder expectations, the remuneration arrangements for the Executive Directors and senior executives place a more significant emphasis on long term performance related pay compared to employees. The Company also operates a HMRC-approved Sharesave Scheme, in which all employees (including Executive Directors) are eligible to participate and which aims to promote a sense of ownership amongst staff.

The Remuneration 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 Remuneration Policy set out above, where the terms of the payment were agreed: (i) before 16 May 2014 (the date on which the Company’s first shareholder-approved Directors’ remuneration policy came into effect); (ii) before the Remuneration 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 and, in the opinion of the Remuneration Committee, the payment was not in consideration for the individual becoming a Director. For these purposes ‘payments’ includes the Remuneration Committee satisfying awards of variable remuneration and, in relation to an award over ordinary shares, the terms of the payment are ‘agreed’ at the time the award is granted.

Payments may be made in respect of existing awards under the Company’s Bonus Share Plan and the previous Long Term Incentive Plan (“**LTIP**”) and the Remuneration Committee may exercise any discretions available to it in connection with such awards in accordance with the shareholder- approved Directors’ remuneration policy in force at the time awards were made.

The Remuneration Committee may make minor amendments to the Remuneration Policy (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

# Malus and Clawback

Malus and clawback provisions operate in respect of annual bonus and past LTIP awards. Subject to ordinary shareholder approval, for the 2020 annual bonus and any awards under the 2019 LTIP and 2019 TIP granted after the General Meeting, malus and clawback provisions may be applied during the performance period or within three years from payment/vesting in the event of:

* a material misstatement of financial results for any period;
* an error or inaccurate or misleading information or assumptions;
* circumstances which would warrant or would have warranted summary dismissal;
* a material failure of risk management by the Company or a relevant business unit;
* the Company or a relevant business unit having suffered a material downturn in its financial performance; or
* there are circumstances which, in the Remuneration Committee’s opinion, have or could have a sufficiently significant impact on the reputation of the Company or of any company in the Group.

# Recruitment Policy

In determining appropriate remuneration arrangements upon hiring a new Executive Director, the Remuneration Committee will take into consideration all relevant factors including, but not limited to, the role, the remuneration being forfeited and the jurisdiction the candidate was recruited from. The Remuneration Committee is mindful of the need to avoid paying more than is necessary upon recruitment. Salary would be set to take into account role and responsibilities. For interim positions a cash supplement may be paid rather than salary (e.g. a Non-Executive Director taking on an Executive function on a short term basis).

The Remuneration Committee may make awards on hiring an external candidate to ‘buy out’ remuneration arrangements forfeited upon leaving a previous employer. In doing so the Remuneration Committee will take account of relevant factors including any performance conditions attached to these awards, the form in which they were granted (i.e. cash or ordinary shares) and the time over which they would have vested. The key principle should be that buyout awards should not be more valuable than those forfeited.

Normally the maximum variable remuneration (excluding buyouts) would be in line with the 2019 Remuneration Policy table above. The Remuneration Committee retains the flexibility to determine that for the first year of appointment any annual bonus award will be subject to such conditions as it may determine. Against that background, where the potential exists that a new Executive Director could have different roles and responsibilities to those currently appointed, such responsibilities may require to be reflected in that Executive Director’s remuneration arrangements. Taking this into account the Remuneration Committee may, for the first year, make an additional performance-related incentive award of up to 50 per cent. of salary. The form of any award would be determined at the relevant time.

Where an Executive Director is appointed from within the Group, the normal policy of the Company is that any legacy arrangements should be honoured in line with the original terms and conditions. Similarly, if an Executive Director is appointed following the Company’s acquisition of, or merger with, another company, legacy terms and conditions should be honoured.

In the event of the appointment of a new Non-Executive Director, remuneration arrangements will be in line with those detailed in the Remuneration Policy table above.

# Service Contracts and Letters of Appointment

The Executive Chairman, Chief Executive Officer and Corporate Affairs Director & Group Company Secretary have service contracts with the Company as detailed below. The Company’s practice is that the service contracts of Executive Directors should contain a 12 month notice period for both the Executive Director and the Company, except in relation to the Executive Chairman whose notice period is three months.

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| **Executive Director** | **Date of Service Contract** | **Notice Period** |
| Philipp Joeinig | 16 August 2019 | 3 months |
| Giles Wilson | 2 June 2017 | 12 months |
| John Geddes | 2 June 2017 | 12 months |

Each of the Non-Executive Directors have letters of appointment. The letters of appointment do not contain any contractual entitlement to a termination payment and the Non-Executive Directors can be removed in accordance with the Company’s articles of association.

All Executive Directors’ service contracts and Non-Executive Directors’ letters of appointment are available for inspection at the Company’s registered office.

All Directors are subject to annual re-election.

# Payments to Outgoing Executive Directors

Executive Directors will be entitled to receive their basic salary and any contractual benefits for any notice period. The Company may, in its absolute discretion, elect to terminate an Executive Director’s contract by making a payment in lieu of notice of the individual’s salary for that period. The Remuneration Committee may structure any such payments in such a way as it deems appropriate, taking into account the circumstances of departure.

Any payments of compensation will be subject to negotiation and the Remuneration Policy includes consideration of appropriate mitigation, including phasing of payments.

In the event of an Executive Director’s departure, any outstanding share awards will be treated in accordance with the rules of the relevant share plan.

The following principles apply for the treatment of remuneration elements following loss of office of an Executive Director:

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| **Annual Bonus** | There is no automatic entitlement to annual bonus. Taking into account the circumstances of leaving, the Remuneration Committee may award a bonus in respect of performance in the relevant financial year with appropriate consideration of time pro-rating, where relevant. |
| **Deferred Bonus Shares** | Deferred Bonus Shares are required to be transferred back to the Company (or the Executive Director to pay the market value of such ordinary shares to the Company) in circumstances of resignation or dismissal. In other circumstances the Deferred Bonus  Shares would normally be retained by the Executive Director. |
| **2019 LTIP** | If an Executive Director ceases office or employment with the Company before the end of the performance period any unvested 2019 LTIP awards will lapse unless the individual is a good leaver.  Good leavers are those participants who leave by reason of injury, disability, retirement (with the agreement of the employing company), redundancy, the transfer of the individual’s employing company or business out of the Group or such other circumstances as the Remuneration Committee may determine. This discretion will not be exercised where the individual is dismissed for misconduct.  If an Executive Director ceases office or employment with the Company during the holding period, 2019 LTIP awards would normally be retained unless the individual leaves due to misconduct.  Awards will normally vest on the normal vesting date subject to performance to the end of the relevant performance period and time pro-rating (unless the Remuneration Committee decides that awards should vest early and/or that time pro-rating should be disapplied in  part or in full). Any post vesting holding period will normally continue to apply post cessation. |

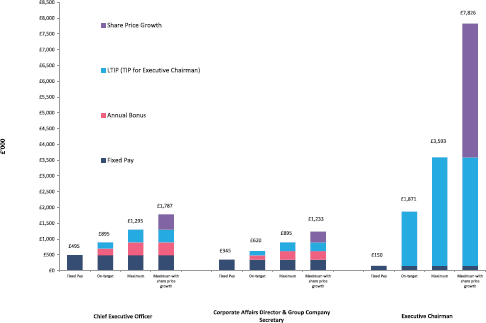
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|  | If the participant dies, awards will normally vest as soon as practical on a time-apportioned  basis and subject to the Remuneration Committee’s assessment of the likelihood that the performance conditions will be met in the ordinary course of events. |
| **2019 TIP** | If the Executive Chairman ceases office with the Company before the end of the performance period any unvested TIP Awards will lapse unless the individual is a good leaver. Good leavers are those participants who leave by reason of death, ill-health, injury or disability, or the exercise of the Remuneration Committee’s discretion. This discretion will not be exercised where the individual is dismissed for misconduct.  Should the Executive Chairman revert to Non-Executive Chairman during the three-year vesting period, the Matching Award will continue on the agreed terms (i.e. there would be no acceleration of vesting and no time pro-rating to reflect the change in role).  If the Executive Chairman ceases employment or office with the Company during the holding period, awards made under the 2019 TIP would normally be retained unless the individual leaves due to misconduct.  Awards for good leavers will normally vest on the normal vesting date subject to performance to the end of the relevant performance period and time pro-rating (unless the Remuneration Committee decides that awards should vest early and/or that time pro-rating should be disapplied in part or in full). Any post vesting holding period will normally continue to apply post cessation.  If the participant dies, awards will normally vest as soon as practical on a time-apportioned basis and subject to the Remuneration Committee’s assessment of the performance  conditions. |
| **Pension** | An Executive Director will be eligible to receive the standard contribution to the defined  contribution pension plan, or cash equivalent, during the notice period, where relevant. |
| **Sharesave Scheme** | Leavers will be treated in accordance with the rules of the approved Sharesave Scheme. |
| **Benefits** | The Company may make a contribution towards reasonable legal fees incurred in relation  to any agreement to cease employment. |
| **Buyout awards and additional recruitment awards** | The Remuneration Committee should determine the leaving terms for any such award at the time of grant. |

The Remuneration Committee reserves the right to make any other payments in connection with an Executive 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 a compromise or settlement of any claim arising in connection with the cessation of an Executive Director’s office or employment. Any such payments may include, but are not limited to, amounts in respect of accrued leave, paying any fees for outplacement assistance and/or the Executive Director’s legal or professional advice fees in connection with his cessation of office or employment.

In the event of a change of control, the Remuneration Committee may determine the extent to which any annual bonus should be payable and awards made under the 2019 LTIP and 2019 TIP may vest, taking into account performance conditions and time pro-rating (unless the Remuneration Committee decides to disapply time pro- rating).

# Illustrations of Remuneration Policy

The charts below illustrate how the composition of the remuneration packages for the Executive Directors vary at four performance levels, namely: fixed pay, target, maximum and maximum plus share price growth.



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|  | **Chief Executive and Corporate Affairs Director & Group Company Secretary** | | | | | | **Executive Chairman** |
| Fixed Pay | Consists pension | of | base | salary, | benefits | and | Consists of base salary only |
| Target | Fixed Pay plus 50% of the maximum bonus plus 50% of the maximum 2019 LTIP  award | | | | | | Fixed Pay plus 50% of the maximum 2019 TIP award |
| Maximum | Fixed Pay plus 100% of maximum bonus (100% of salary) and the face value of the  maximum 2019 LTIP award (100% of salary)1 | | | | | | Fixed Pay plus the face value of 100% of maximum 2019 TIP award (i.e. 850,000 matching shares) |
| Maximum with share price | As per the maximum scenario albeit with a maximum share price of 903 pence2 | | | | | | As per the maximum scenario albeit with a maximum share price of 903 pence2 |

**Notes:**

1. An ongoing annual 2019 LTIP award level of 100 per cent. of salary, rather than the initial award level of approximately 75 per cent. of salary, has been assumed.
2. The maximum share price target of 903 pence, based on the closing middle-market price of an ordinary share of 405 pence as at 20 August 2019, suggests a 123 per cent. growth rate. Had a 50 per cent. growth rate been used, total remuneration for the Chief Executive Officer and Corporate Affairs Director & Group Company Secretary would be between Fixed Pay and Target levels (since no 2019 LTIP awards would vest under the absolute TSR targets) and total remuneration for the Executive Chairman would equal Fixed Pay levels (since the 2019 TIP award would not vest).

# Consideration of Employee Conditions Elsewhere in the Group

The average base salary increase awarded across the workforce provides a key reference point when determining levels of increase for the Executive Directors to ensure that all arrangements remain reasonable. Given the number of employees and diverse locations, the Remuneration Committee did not believe it practical or reasonable to consult employees on the new Remuneration Policy. That said, the Remuneration Committee did take into account employee conditions across the Group when determining the Remuneration Policy.

# Consideration of Shareholder Views

The Remuneration Committee reviews shareholder feedback on remuneration matters as well as developments in investor body guidelines and has taken these into account in formulating Executive Director remuneration policies. The Remuneration Committee consulted with a number of the Company’s major shareholders in relation to the replacement of the Company’s Value Creation Plan with the 2019 LTIP and the introduction of the 2019 TIP.