Policy report

Looking forward

The following section sets out our Directors' Remuneration Policy (the 'Policy'). This Policy will be submitted as an advisory vote to shareholders at the 2020 AGM and will apply to payments made on or after 15 May 2020.

As a Jersey-incorporated company, Petrofac does not have the benefit of the statutory protections afforded by the UK Companies Act 2006 in relation to the remuneration reporting regime. Accordingly, if there is any inconsistency between the Company's Policy (as approved by shareholders) and any contractual entitlement or other right of a Director, the Company may be obliged to honour that contractual entitlement or right. Formal legal advice affirms that it would be impractical for us to submit our new Policy for a binding shareholder vote in the manner of a UK-incorporated company. Hence our decision to again submit the Policy as an advisory vote at the 2020 AGM. In designing the new Policy, the Committee followed a robust process, which included discussions on the content of the Policy with the consideration and input from management and our independent advisors. The Committee also sought the views of the Company's major shareholders.

Changes to the Policy

The key changes between this Policy and the previous policy approved at the 2017 AGM are as follows:

- **Cash allowance in lieu of pension** – Newly appointed UK-resident Executive Directors will receive a cash allowance in lieu of pension at a value aligned to the employer's pension contribution for our wider UK workforce. For non-UK resident Executive Directors, the cash allowance will align with the wider population in their home location.
- **Annual bonus deferral** – Previously, where Executive Directors had not achieved their shareholding guideline, they were required to invest one-third of their post-tax bonus into Petrofac shares until the guideline was reached. The new Policy formalises deferral for all newly appointed Executive Directors, requiring them to defer half of their net annual bonus into the Deferred Bonus Share Plan, which will align new Executive Directors with prevailing annual bonus deferral arrangements that apply to the broader senior leadership of the Company.
- **Annual bonus measures** – We are adjusting the combination of measures in our annual bonus plan to provide greater focus on defined financial and non-financial metrics. Accordingly, the new Policy specifies that in addition to our normal intention to base at least 60% of the annual bonus on key financial metrics, at least 15% will be based on HSE and compliance metrics, as well as more social elements such as CSR and employee-related items. The remaining 25% will ordinarily comprise annually defined measures aligned to meet, or exceed, Group strategic objectives.
- **Post-cessation shareholding guidelines** – We led the market in introducing post-cessation shareholding guidelines in 2019 following the release of the updated UK Corporate Governance Code. As a result, Executive Directors will normally be required to maintain their within-employment shareholding guideline (or their actual holding if lower) for a period following cessation. At the current time, the Committee expects Executive Directors to maintain 100% of the guideline for the first year following departure, and 50% of the guideline for the second year. For newly appointed Executive Directors, the holding will be 100% for both years.
- **Discretion** – The Committee retains full discretion to adjust formulaic outcomes under the annual bonus and PSP up or down where (i) they do not reflect the underlying financial or non-financial performance of the participant or the Group over the relevant period, (ii) are not appropriate in the context of circumstances that were unexpected or unforeseen at the award date, and/or (iii) there exists any other reason why an adjustment is appropriate.
- **Recruitment policy** – We have removed the additional headroom within the recruitment policy, which previously provided the ability to offer a variable incentive opportunity of up to 600% of salary in the year of joining. The new policy provides that individuals will be eligible for a variable incentive opportunity of up to 500% of salary, in line with our regular limits, i.e. a maximum annual bonus opportunity of 200% of salary and a maximum PSP opportunity of 300% of salary (in exceptional circumstances). This excludes any buy-out awards in the usual manner.

Executive Directors – Fixed remuneration

Element/Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Salary Core element of remuneration, paid for doing the expected day-to-day job	The Committee takes into account a number of factors when setting salaries, including (but not limited to): — size and scope of the individual's responsibilities — the individual's skills, experience and performance — typical salary levels for comparable roles within appropriate pay comparators — pay and conditions elsewhere in the Group Basic salaries are normally reviewed at the beginning of each year, with any change usually being effective from 1 January	Whilst there is no maximum salary level, any increases will normally be broadly in line with the wider employee population within the relevant geographic area. Higher increases may be made under certain circumstances, at the Committee's discretion. For example, this may include: — increase in the scope and/or responsibility of the individual's role — development of the individual within the role In addition, where an Executive Director has been appointed to the Board at a lower than typical salary, larger increases may be awarded to move them closer to market standard as their experience develops.	None
Cash allowance in lieu of pension and certain other benefits Provide employees with an allowance for benefits and retirement planning	Current UK-resident Executive Directors receive a cash allowance in lieu of certain benefits including, but not limited to, car allowances and pension contributions. Newly appointed Executive Directors may receive a cash allowance in lieu of pension contributions and will normally receive an additional cash allowance in respect of car allowance and other benefits.	While there is no maximum level of cash allowance, any increase will normally be broadly in line with the wider employee population within the relevant geographical area. The levels of cash allowance provided are kept under regular review by the Committee for both UK-resident and non UK-resident Executive Directors. The allowance level has remained unchanged for seven years. In determining whether the level of cash allowance remains appropriate, the Committee will typically have regard to the rate of increase in the cost of living in the local market and other appropriate indicators. The cash allowance in lieu of pension for newly appointed Executive Directors would be at a value aligned with the employer's pension contribution for the wider workforce in their home jurisdiction.	None
Benefits Provide employees with market-competitive benefits	UK-based Executive Directors receive benefits that may include (but are not limited to) private health insurance for the Executive Director and their family and other appropriate life and income protection insurance arrangements. Non UK-based Executive Directors receive similar benefits to UK-resident Executive Directors. In addition they may receive other benefits aligned with local market practice in the applicable location, which may include (but are not limited to) children's education, return flights to their permanent home, tax equalisation, and appropriate insurance arrangements. Where Executive Directors are required to relocate, the Committee may offer additional expatriate benefits, if considered appropriate. Expenses incurred in the performance of duties for the Company may be reimbursed or paid for directly by the Company, as appropriate, including any tax due on such payments. Executive Directors are eligible to participate in any all-employee share plans operated by the Company on the same basis as other eligible employees. Petrofac currently operates a Share Incentive Plan in the UK[1].	While no maximum level of benefits is prescribed, they are set at an appropriate market competitive level, taking into account a number of factors, which may include: — the jurisdiction in which the individual is based — the level of benefits provided for other employees within the Group — market practice for comparable roles within appropriate pay comparators The Committee keeps the benefit policy and benefit levels under regular review. Where Executive Directors participate in all-employee share plans, their maximum opportunity will be as prescribed in the plan at that time.	None
Pension Provide appropriate retirement benefits (were Executive Directors to participate)	The Company operates defined contribution pension arrangements across the Group. In line with legal requirements, the Company offers participation in the UK pension plan to its UK-based Executive Directors. Both current UK-based Executive Directors have chosen to opt out of these arrangements and, as such, continue to receive a cash allowance in lieu of pension provision (see section above).	While both current UK-based Executive Directors have opted to receive a cash allowance in lieu of pension provision, this position is kept under review. If the current Executive Directors were to join the Group pension arrangements, the level of Company contribution would be aligned with that of the wider UK workforce. Any newly appointed Executive Director joining the Group pension arrangements would receive a Company contribution rate in line with that for the wider employee population within their local market.	None

Variable remuneration

Element/Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Annual bonus Incentivise delivery of the business plan on an annual basis Reward performance against key performance indicators which are critical to the delivery of our business strategy	Awards are based on performance in the relevant financial year. Performance measures are set annually and pay-out levels are determined by the Committee based on performance against those targets. Delivery in cash for current Executive Directors. Where current Executive Directors have not reached their shareholding guideline (see below), they will be required to invest 33% of their post-tax annual bonus into market purchased Petrofac shares until the guideline is reached. For newly appointed Executive Directors bonus will be delivered through the Deferred Bonus Share Plan with an equal split between cash and deferred shares, which will vest in equal tranches over one, two and three years from award. The Committee has full discretion to adjust bonus outcomes under the annual bonus plan up or down where: — they do not reflect the underlying financial or non-financial performance of the participant or the Group over the relevant period — they are not appropriate in the context of circumstances that were unexpected or unforeseen at the award date, and/or — there exists any other reason why an adjustment is appropriate Malus and clawback provisions apply (see notes to the table).	Maximum bonus opportunity of 200% of basic salary.	Targets are set by the Committee each year, taking into account a number of internal and external reference points, including the Company's key strategic objectives for the year and reaching milestones on the Group's strategic journey. The Committee ensures that targets are appropriately stretching in the context of the business plan and that there is an appropriate balance between incentivising Executive Directors to meet financial targets for the year and to deliver specific non-financial, strategic, operational and personal goals. This balance allows the Committee to effectively reward performance against the key elements of our strategy. Measures used typically include (but are not limited to): — financial measures — HSE, compliance, CSR and employee-related measures — Strategic objectives and reaching milestones towards longer term strategic Group, function and business goals The weighting of the above measures will be determined by the Committee each year to reflect the strategic objectives for the relevant year. However, normally, at least 60% of the bonus will be based on financial measures, and at least 15% on the HSE, compliance, CSR and employee-related measures. Typically, 30% of the maximum opportunity is paid for 'threshold' performance, i.e. the minimum level of performance which results in a payment.
Performance Share Plan[1] Incentivise Executive Directors' performance over the longer term Reward the delivery of targets linked to the long-term strategy of the business, and the creation of shareholder value over the longer term	Awards are normally made in the form of conditional share awards, but may be awarded in other forms if appropriate, including as nil cost options. Awards may also be satisfied in cash, but only in those jurisdictions where there are restrictions on providing shares. Vesting of awards is dependent on achievement of stretching performance targets measured over a period of at least three years. The Committee has full discretion to adjust outcomes under the PSP up or down where: — they do not reflect the underlying financial or non-financial performance of the participant or the Group over the relevant period — they are not appropriate in the context of circumstances that were unexpected or unforeseen at the award date, and/or — there exists any other reason why an adjustment is appropriate Additional shares are accrued in lieu of dividends and paid on any shares which vest. Any vested post-tax shares will be subject to an additional two-year holding period. Malus and clawback provisions apply (see notes to the table). The Committee may adjust or amend the terms of the awards in accordance with the PSP rules.	The maximum award that can be granted in respect of a financial year of the Company under the PSP is 200% of basic salary (or in circumstances which the Committee deems to be exceptional, awards up to 300% of base salary can be granted).	Awards vest based on performance against stretching performance targets. The ultimate goal of the Company's strategy is to provide long-term sustainable returns to shareholders. The Committee strives to do this by aligning the performance measures under the PSP with the long-term strategy of the Company and considers that strong performance under the chosen measures should result in sustainable value creation. Measures which may be used include (but are not limited to): — shareholder return measures – a measure of the ultimate delivery of shareholder returns. This promotes alignment between Executive Director reward and the shareholder experience — strategic measures – aligned with the Company's long-term strategy — financial measures – to reflect the financial performance of our business and a direct and focused measure of Company success The weighting of each measure will be determined by the Committee each year to reflect the strategic objectives over the relevant performance period. For 'threshold' levels of performance, 25% of the award vests, increasing to 100% of the award for maximum performance. The Committee may amend the performance conditions applicable to an award if events occur which cause the Committee to consider that it fails to fulfil its original purpose and would not be materially less difficult to secure.
Shareholding guidelines Align Executive Directors with shareholders	The CEO is expected to build up a shareholding of 300% of base salary, with other Executive Directors expected to build up a shareholding of 200% of base salary. Until the relevant shareholding guidelines have been met, Executive Directors are required to hold any vested post-tax PSP/DBSP shares.	None	None

Element/Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Post-cessation shareholding guidelines Provide continued alignment with shareholders post-departure from the Company	Executive Directors will normally be required to maintain their within-employment shareholding guideline (or their actual holding if lower) for a period following cessation. At the current time, Executive Directors are required to maintain 100% of the guideline for the first year following departure, and 50% of the guideline for the second year. Newly appointed Executive Directors will be required to maintain 100% of the guideline for two years post-cessation.	None	None

1 The Committee may, in the event of any variation of the Company's share capital, demerger, delisting, or other event which may affect the value of awards, adjust or amend the terms of awards in accordance with the rules of the relevant share plan.

Notes to the policy table

Malus and clawback provisions

In specific circumstances, the Committee may:

- Require repayment of amounts received under the annual bonus at any time up to the second anniversary of the payment date, and/or
- Reduce or cancel unvested PSP awards or require repayment of amounts already paid out at any time up to the second anniversary of the vesting date

Circumstances in which malus and/or clawback may be considered include:

- Material misstatement of financial results
- Material failure of risk management
- Material breach of any relevant health and safety or environment regulations
- Serious reputational damage to the Company (or any Group member)
- Corporate failure of any Group member
- Code of Conduct breach

Legacy matters

The Committee can make remuneration payments and payments for loss of office outside of the Policy set out above where the terms of the payment were agreed (i) before the Policy set out in this report came into effect, provided the terms of the payment were consistent with any applicable policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a Director of the Company (or other person to whom the Policy set out above applies) and that, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company (or such other person). This includes the exercise of any discretion available to the Committee in connection with such payments. For these purposes, payments include 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 that the award is granted.

The Policy set out above applies equally to any individual who would be required to be treated as a director under the applicable regulations. The Committee can make remuneration payments and payments for loss of office outside of the Policy set out above if such payments are required by law in a relevant country.

Remuneration arrangements throughout the Group

The remuneration policy for our Executive Directors is designed in line with the remuneration philosophy and principles that underpin remuneration for the wider Group.

The objective of the remuneration policy is to provide a compensation package that reflects the size, complexity and scope of the Company's business, promotes long-term success and supports our strategic imperatives. It does this through a balance of fixed and variable pay, with the intent of creating a competitive total remuneration package that attracts and retains executives while creating an appropriate alignment between incentivising executive performance and the interests of shareholders.

To this end, base salaries are generally referenced against the median of a relevant benchmarking group. Variable elements, both short- and long-term, are structured so that individuals can achieve upper-quartile total remuneration, subject to achievement of challenging performance targets that are transparent, stretching and rigorously applied.

All our reward arrangements are built around the common objectives and principles outlined below:

- **Performance driven** – the Company intentionally places significant focus on variable remuneration, ensuring that a meaningful proportion of remuneration is based on performance. Performance targets are typically aligned with those of the Executive Directors. As a result, individuals are incentivised towards consistent financial and non-financial business goals and objectives, in addition to appropriate individual goals.
- **Employees as shareholders** – a substantial number of employees participate in our various share incentive plans. As a result of this participation, as well as those shares owned and purchased by employees prior to and since IPO, Petrofac is proud of the significant levels of employee share ownership within the Company. We consider that this is one of the key drivers of performance throughout the business.

Non-executive Directors

Element/Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Non-executive Director fees Core element of remuneration, paid for fulfilling the relevant role	Non-executive Directors receive a basic annual fee and receive additional fees in respect of other Board duties such as chairmanship of Board Committees and acting as the Senior Independent Director. The Board as a whole is responsible for determining Non-executive Directors fees. These fees are the sole element of Non-executive Directors remuneration. Non-executive Directors are not eligible for annual bonus, share incentives, pensions or other benefits. The Non-executive Chairman receives an all-inclusive fee for the role, which is set by the Remuneration Committee. Fees are typically reviewed annually. However, after a formal review, resulting in an increase in 2018, it was agreed that there would be no further increase for three years. Expenses incurred in the performance of duties for the Company may be reimbursed or paid for directly by the Company, as appropriate, including any tax due on the payments.	Fees are set at a level which is considered appropriate to attract and retain the calibre of individual required by the Company.	None

Recruitment policy

In determining remuneration arrangements for new Executive Directors, the overall structure of the package would normally be aligned with that set out in the policy table above:

— Salary positioning would reflect the skills and experience of the individual, and may be set at a level to allow future progression to reflect performance in the role
— The Committee may provide additional benefits to expatriate appointments, as and where appropriate
— Maximum variable pay (excluding buy-outs) will be in line with the usual aggregate maximum set out in the policy table of 500% of salary
— Subject to the 500% limit, the Committee retains the discretion in the first year following appointment to flex the balance between annual and long-term incentive and the measures used to assess performance for these elements

The Committee may award compensation for the forfeiture of remuneration arrangements from a previous employer. In doing so, the Committee would aim to structure any replacement awards in a like-for-like manner to the extent possible, taking into account relevant factors, including:

— The form of the forfeited awards (e.g. cash or shares)
— Any performance conditions attached to them and the likelihood of these conditions being satisfied
— The proportion of the vesting and/or performance period remaining

The Committee will continue to have regard to the best interests of both Petrofac and its shareholders and is conscious of the need to pay no more than is necessary, particularly when determining buy-out arrangements.

In making buy-out awards to new appointments, the Committee may grant awards under the relevant provision in the FCA Listing Rules, which allows for the granting of awards specifically to facilitate, in unusual circumstances, the recruitment of an Executive Director, without seeking prior shareholder approval. In doing so, it will comply with the provisions in force at the date of this report.

The overall approach outlined above would also apply to internal appointments, with the proviso that any commitments entered into before promotion that are inconsistent with the Policy will continue to be honoured.

In the event of the appointment of a new Non-executive Director, remuneration arrangements will normally be in line with those detailed in the relevant table above.

Executive Director service contracts

The key employment terms and other conditions of the current Executive Directors, as stipulated in their service contracts, are set out below:

Provision	Policy
Notice period	12 months' notice by either the Company or the Executive Director (no fixed expiry date).
Termination payment	The Company may terminate employment by making a payment in lieu of notice equivalent to the value of base salary and benefits in respect of the notice period. The Company would normally expect Executive Directors to mitigate any loss upon their departure.

Non-executive Director letters of appointment

The Non-executive Directors, including the Chairman of the Company, have letters of appointment which set out their duties and responsibilities. They do not have service contracts.

The key terms of the appointments are set out in the table below:

Provision	Policy
Period	Three months' notice by either the Company or the Non-executive Director.
Termination	Non-executive Directors and the Chairman are not entitled to compensation on leaving the Board. If a Non-executive Director or the Chairman is requested to resign, they are entitled to prior notice or fees in lieu of three months' notice.

In line with the UK Code, all Directors will seek annual re-appointment by shareholders at the AGM.

Service contracts and letters of appointment for all Directors are available for inspection by any person at our registered office in Jersey and at our corporate services office in London. They will also be available for inspection during the 30 minutes prior to the start of our AGM to be held in London on 15 May 2020.

Policy on payment for loss of office

The Committee takes a number of factors into account when determining leaving arrangements for an Executive Director:

- The Committee must satisfy any contractual obligations agreed with the Executive Director. As a non-UK incorporated company, without the benefit of the statutory protections afforded by the UK Companies Act, the Company would be obliged to honour any contractual entitlement or other right of an Executive Director, even if it were inconsistent with the Policy
- Individuals may be eligible to receive an annual bonus on a time prorated basis, subject to business and individual performance in the same manner as for continuing Executive Directors, and paid at the usual time
- Other payments such as legal fees and outplacement fees may be paid if it is considered appropriate

The treatment of outstanding share awards is governed by the relevant share plan rules. The following table provides a summary of the leaver provisions of each of our existing share plans.

Plan	Performance Share Plan	Restricted Share Plan	Deferred Bonus Share Plan	Share Incentive Plan
Summary of plan	Long-term incentive plan for Executive Directors and senior management	Below Board only[1]	Deferred bonus plan for senior management	HMRC-approved, tax efficient plan available for participation to all UK-based employees

Good leaver categories

Death	✓	✓	✓	✓
Injury, ill-health or disability	✓	✓	✓	✓
Transfer of employing company or business outside Group	✓	✓	✓	✓
Retirement by agreement with employer	✓	✓	✓	✓
Redundancy	✓	✓	✓	✓
Any other scenario in which the Committee determines good leaver treatment is justified	✓	✓	✓	✓

Treatment for good leavers under normal circumstances

As governed by the share plan rules and in accordance with the Company's share dealing code[2]:

Vesting of award(s)	Subject to the achievement of performance conditions tested at the relevant vesting date, unless the Committee determines it fair and reasonable that a greater proportion should vest, on a time apportioned basis.	On a time apportioned basis[3]	On a time apportioned basis[3]	Leaver provisions under the SIP are in accordance with the standard HMRC leaver provisions
Vesting date	The original vesting date[4]	The date of cessation[5]	The date of cessation[5]	
Death	All unvested awards shall vest in full on the date of death	All unvested awards shall vest in full on the date of death	All unvested awards shall vest in full on the date of death	All shares will be released on the date of death

Treatment for bad leavers (i.e. any other leaving reasons than those provided above)[6]

Bad leaver	Unvested awards lapse in full[3]	Unvested awards lapse in full[3]	Unvested awards lapse in full[3]	All shares are released in accordance with the standard HMRC leaver provisions

1 Executive Directors may hold awards which were granted prior to their appointment to the Board.
2 Other than the SIP, individuals leaving as 'good leavers' will be deemed to cease employment when the relevant notice period ends unless the Committee determines that cessation be on an earlier date on or following the date notice was given.
3 Unless determined otherwise by the Committee.
4 The Committee has the flexibility to determine that awards can vest upon cessation of employment.
5 Awards are generally not subject to performance conditions and will vest on cessation of employment, subject to the terms of the relevant share plan rules.
6 Other than the SIP, individuals leaving as 'bad leavers' will be deemed to cease employment when notice is given, unless the Committee determines to deem cessation to be on a later date, no later than the end of the relevant notice period.

Holding periods and other events

If an Executive Director leaves holding vested PSP awards which are still subject to a mandatory holding period, the holding period will continue to apply, unless determined otherwise by the Committee.

On a change of control or winding up of the Company, PSP awards will vest on a time pro-rated basis, and where applicable be subject to the achievement of the relevant performance conditions, unless the Committee determines that the circumstances are sufficiently exceptional to justify a higher level of vesting.

Illustration of the Remuneration Policy

Petrofac's remuneration arrangements have been designed to ensure that a significant proportion of pay is dependent on the delivery of stretching short and long-term performance targets, that are aligned with the creation of sustainable shareholder value. The Committee considers the level of remuneration that may be received under different performance outcomes to ensure that this is appropriate in the context of the performance delivered and the value added for shareholders.

The charts below provide illustrative values of the remuneration package in 2020 for Executive Directors under four assumed performance scenarios:

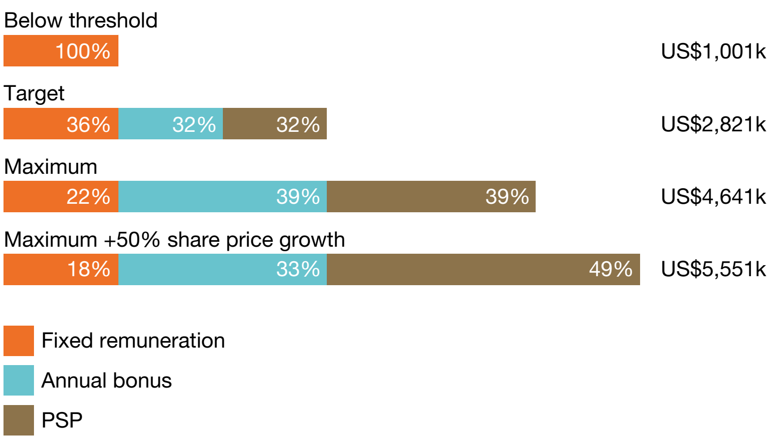
	Assumed performance	Assumptions used
Fixed pay	All performance scenarios	— Consists of total fixed pay, including base salary and cash allowance (as at 1 January 2020) and benefits (as received during 2019)
Variable pay	Minimum performance	— No pay-out under the annual cash bonus — No vesting under the PSP
	Performance in line with expectations	— 50% of the maximum pay-out under the annual cash bonus (i.e. 100% of salary) — 50% vesting under the PSP (i.e. 100% of salary)
	Maximum performance[1] (including 50% share price growth scenario)	— 100% of the maximum pay-out under the annual cash bonus (i.e. 200% of salary) — 100% vesting under the PSP (i.e. 200% of salary)

1 Showing maximum PSP award opportunity of 200% of base salary, in line with the usual maximum award under the plan rules. Please note that in circumstances which the Committee deems to be exceptional, awards up to 300% of base salary may be made.

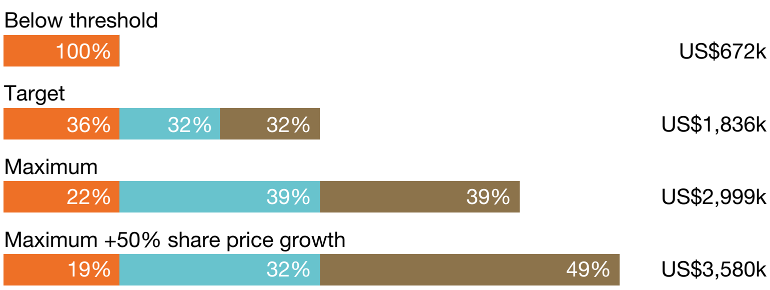
PSP awards have been shown at face value with no discount rate assumptions. For UK-based Executive Directors who are paid in sterling, amounts have been translated to US dollars based on the average exchange rate for 2019 of £1:US$1.280546.

These charts provide illustrative values of the remuneration package in 2020. Actual outcomes may differ from those shown:

Group CEO – Ayman Asfari



CFO – Alastair Cochran



DIRECTORS' REMUNERATION REPORT CONTINUED

Consideration of conditions elsewhere in the Company

When determining remuneration arrangements for Executive Directors, the Committee considers, as a matter of course, the pay and conditions of employees throughout the Group. In particular, the Committee pays specific attention to the general level of salary increases and the size of the annual bonus pool within the wider population, with particular reference to the year-on-year change in these figures.

While the Committee does not directly consult with our employees as part of the process of determining executive pay, the Committee does receive feedback from employee surveys and takes this into account when reviewing executive pay. In addition, a significant number of our employees are shareholders and so are able to express their views in the same way as other shareholders.

Members of the Committee are invited to meet with the Workforce Forum at least twice per year. This is an elected forum constituted of 12 representatives from the global workforce which represent wider employee interests and raise issues to the Board for discussion and resolution. Questions raised can involve remuneration issues, some of which are then taken forward for debate at scheduled Committee meetings.

Consideration of shareholder views

The Company places significant emphasis on our strong relationship with shareholders, and recognises the importance of clear and full consultation on all aspects of remuneration and governance.

In reviewing our approach to Directors' remuneration reporting this year and our forward-looking remuneration policy, we maintained a dialogue with our major shareholders and took their views into account.

The Committee continues to monitor shareholder views when evaluating and setting ongoing remuneration strategy, and we commit to consulting with major shareholders prior to any significant changes to our remuneration policy.

Minor amendments

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