GATTACA - DIRECTORS' REMUNERATION POLICY

Remuneration Strategy

The Group's remuneration strategy is to provide a remuneration framework based on the following five principles:

1. Attract, motivate and retain Executives in order to deliver the Group's strategic goals and business outputs.
2. Encourage and support a high performance sales and service culture.
3. Recognise and reward delivery of the Group's business plan and key strategic goals.
4. Adhere to the principles of good corporate governance and appropriate risk management.
5. Align Executives with the interests of shareholders and other key stakeholders.

The Remuneration Committee (RemCo) believes that the remuneration structure in place will support and motivate our Executive Directors, in furthering the Group's long-term strategic objectives including the creation of sustainable shareholder returns. Further- more, RemCo are satisfied that the composition and structure of the remuneration package is appropriate and does not incentivise undue risk-taking or reward underperformance.

The table below sets out the key elements of the policy for Executive Directors.

Executive Directors' remuneration policy table

Element, purpose & link to strategy	Operation	Maximum opportunity	Performance measures and assessment
Base Salary			
To provide competitive fixed remuneration that will attract and retain key employees and reflect their experience and position in the Group.	Salaries are reviewed annually, and any changes normally take effect from 1 August. When determining the salary of the Executives the Committee takes into consideration: • the levels of base salary for similar positions with comparable status, responsibility and skills, in organisations of broadly similar size and complexity; • the performance of the Group in the financial year just ended; • the performance of the individual Executive Director; • the individual Executive Director's experience and responsibilities; • any pay conditions (such as pay hold) made at the start of the financial year just ended; • pay and conditions throughout the Group,	Annual percentage increases are generally consistent with the range awarded across the Group. Percentage increases in salary above this level may be made in certain circumstances, such as (but not limited to) a change in responsibility or a significant increase in the role's scale or the Group's size and complexity. Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set be-low the targeted policy level until they become established in their role. In such cases subsequent in-creases in salary may be higher than the average until the target positioning is achieved.	A broad assessment of individual and business performance is used as part of the salary review. No recovery provisions apply.
Benefits			
To provide competitive benefits and to attract and retain high calibre employees.	Reviewed periodically to ensure benefits remain market competitive. Benefits currently include: • Proactive Health Plan; • Car Benefit; • Insured Benefit Schemes.	Benefit values vary year on year depending on premiums and the maximum potential value is the cost of the provision of these benefits. The Group conducts regular brokering exercises to ensure premiums remain competitive.	Not performance or recovery provisions applicable.

Element, purpose & link to strategy	Operation	Maximum opportunity	Performance measures and assessment
Pension			
To provide a competitive company contribution that enables effective retirement planning.	Pension is provided by way of a contribution to a personal pension scheme or cash allowance in lieu of pension benefits.	The maximum contribution to a personal pension scheme or cash in lieu is equal to 10% of salary. Gattaca provides a Group Personal Pension scheme, which is open to the Executives to participate.	Not performance or recovery provisions applicable.
Annual Bonus			
Incentivises achievement of annual objectives which support the Group's short-term performance goals.	Bonus awards are granted annually following the signing of the Report and Accounts, usually in September. Performance period is one financial year with pay-out determined by RemCo following the year end, based on achievement against a range of performance measures.	Maximum potential under the Annual Bonus is up to 120% of salary. Any bonus payable above 100% of salary will be deferred into shares for a 2 year vesting period.	Performance targets will be set by the Committee annually based on a range of financial and operational measures. The financial targets will form the majority of the bonus target and typically include PBT and NFI. RemCo has the discretion to adjust targets or performance measures for any exceptional events that may occur during the year. The RemCo has the discretion to make downward or upward movements to the amount of bonus earned resulting from the application of the performance measures, if the RemCo believes that the bonus outcomes are not a fair and accurate reflection of business performance. As well as determining the measures and targets, RemCo will also determine the weighting of the various measures to ensure that they support the business strategy and objectives for the relevant year.

Element, purpose & link to strategy	Operation	Maximum opportunity	Performance measures and assessment
Long-Term Incentive Plan ("LTIP")			
The Long-Term Incentive Plan (LTIP) incentivises executives to achieve superior returns to shareholders over a three-year period, to retain key individuals and align their interests with shareholders.	Under the LTIP, the RemCo may award annual grants of performance share awards in the form of nil-cost options or conditional shares (LTIP Awards) on an annual basis. LTIP awards under the plan will vest after a three year performance period subject to the achievement of the performance measures. There will be a two year holding period applicable after the three year performance period. Exclusions will apply to shares sold for the purpose of paying tax. Malus and claw back provisions apply at the discretion of RemCo in exceptional circumstances.	Maximum LTIP Awards are equal to 150% of base salary.	Targets are reviewed annually ahead of the Award to ensure that they are aligned to the Group's long-term strategy and vest based on performance against challenging targets, Targets will be set on the Group's financial performance with the majority based on shareholder value-based outcomes. Targets are typically structured as a challenging sliding scale, with no more than 25% of the maximum award vesting for achieving the threshold performance level through to full vesting for substantial out-performance of the thresh-old. The RemCo has the discretion to adjust targets or performance measures for any exceptional events that may occur during the vesting period. The RemCo has the discretion to make downward or upward movements in the vesting of the LTIP resulting from the application of the performance measures if the RemCo believes that the outcomes are not a fair and accurate reflection of business performance. RemCo will review performance measures annually, in terms of the range of targets, the measures themselves and weightings applied to each element of the LTIP. Any revisions to the metrics and/or weightings will only take place if it is necessary because of developments in the Group's strategy.

Shareholding ownership guidelines			
To ensure that Executive Directors' interests are aligned with thoseof shareholders over a longer time horizon.	The Executive Directors are encouraged to build or maintain (as relevant) a minimum shareholding in the Company. Shares included in this calculation are those held beneficially by the Executive Director and their spouse/life partner.	The shareholding ownership guide- line is 200% of salary for Executive Directors.	Not applicable.

The Committee believes that the remuneration structure in place will support and motivate our Executive Directors to deliver the Group's long-term strategic objectives, including the creation of sustainable shareholder returns. Furthermore, the Committee is satisfied that the composition and structure of the remuneration package is appropriate and does not incentivise undue risk-taking or reward underperformance.

Discretion within the Directors' remuneration policy

The Committee has discretion in several areas of policy as set out in this report. The Committee may also exercise operational and administrative discretions under relevant plan rules approved by shareholders as set out in those rules.

Legacy awards

The Committee reserves the right to honour any remuneration payments or awards, notwithstanding that they are not in line with the policy set out above, where the terms of the payment or award were agreed before the new policy came into effect. Such payments or awards will be set out in the Annual Report on Remuneration for the relevant year.

Approach to recruitment and promotions

The Company will pay levels of remuneration to new Executive Directors such that it can attract appropriately skilled and experienced individuals, whilst not, in the opinion of the Committee, being excessive. Where an existing employee is promoted to the Board, the policy set out above will apply from the date of promotion but there would be no retrospective application of the policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing employee would be honoured and form part of the ongoing remuneration of the employee. These would be disclosed to shareholders in the following year's Annual Report on Remuneration.

Base salary levels will take into account the individual's experience, market data for the relevant role, internal relativities, and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time, subject to performance in the role. Benefits and pension will be in accordance with the policy.

New appointments may also participate in the annual bonus plan and LTIP in line with the limits set out under the policy for Executive Directors. The maximum variable pay that may be provided by the Committee under policy in the year of recruitment is 270% of salary (i.e. annual bonus and LTIP maximums).

The Committee does not have an automatic policy to buy out subsisting incentives granted by an Executive's previous employer and which would be forfeited on cessation. However, should the Committee determine that it is appropriate to do so; the Committee may consider buying out incentive awards, which an individual would forfeit upon leaving their employer. Although any compensation would, where possible, be consistent with respect to currency (i.e. cash for cash, equity for equity), vesting periods (i.e. there would be no acceleration of payments), expected values and the use of performance targets. The Committee may grant up to the same expected values where possible under the Company's incentive plans, subject to the annual limits under these plans. However, it does retain the discretion to provide the expected value under specific arrangements in relation to the recruitment of the particular individual.

Where the new Executive is relocated from one work location to another, the Company will provide compensation to reflect the cost of relocation in cases where they are expected to spend significant time away from their home location in accordance with the Company's normal relocation package for employees. The level of the relocation package will be assessed on a case-by-case basis but may take into consideration any cost of living differences; housing allowance; and schooling in accordance with the Company's normal relocation package for employees.

Executive Director service contracts and payment for loss of office

Service contracts

When setting notice periods, the Committee has regard to market practice and corporate governance best practice. Executive Directors' service agreements can be terminated by not less than six months' prior written notice given by the Executive or by not less than six months' prior written notice given by the employer.

All service contracts are available for viewing at the Company's registered office and at the AGM.

Payments for loss of office

When determining any loss of office payment for a departing Director, the Committee will always seek to minimise cost to the Company whilst complying with the contractual terms and seeking to reflect the circumstances in place at the time. The Committee reserves the right to make additional payments where such 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 or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

On loss of office, salary, benefits and pension contributions would normally be paid over the notice period, although the company has discretion to make a lump sum payment on termination equal to the value of these elements of remuneration.

Payments for loss of office under the company's incentive plans may be made in line with the respective plan rules as summarised in the table below.

Cessation of employment	Change of control
Annual bonus	
››Where a participant's employment is terminated after the end of a performance year but before the payment is made, the participant will remain eligible for a bonus award for that performance year subject to an assessment of the performance targets over the period. Where an award is made, the payment may be delivered fully in cash. No award will be made in these circumstances in the event of gross misconduct. ››If the participant is a good leaver during the performance year, a bonus will normally be paid in cash at the end of the year pro-rated for length of service and the achievement of performance targets measured over the full year. Any unvested deferred share bonus awards will vest on the normal vesting date. ››The Committee has the discretion to determine that a bonus award may be paid in cash at the date of cessation and/or that the deferred share bonus awards will vest early, and/or in exceptional circumstances whether to pro-rate the award for time served as an employee. ››A 'good leaver' is defined as a participant ceasing to be in employment by reason of death, ill-health, injury, disability, redundancy, retirement, the company employing the participant ceasing to a member of the Group, the participant's employing business being sold out of the Group or at the Committee's discretion. ›› Anyone who is not a good leaver will be a bad leaver. For a bad leaver, there will be no cash bonus pay-out for the year in which they leave and any unvested deferred share bonus awards will lapse.	››The participant will receive the annual bonus in cash immediately prior to the date of the change of control. ››The level of cash payment will be determined by the Committee at its discretion by reference to the time elapsed from the start of the performance year to the change of control date and the performance levels achieved as at the date of the change of control (where applicable). ››The Committee has the discretion to determine, in exceptional circumstances, whether to pro-rate the award for time served as an employee. ››Any unvested deferred bonus shares will also vest immediately prior to a change of control. ››In the event of an internal corporate reorganisation, the Committee may decide (with the consent of the acquiring company) to replace unvested deferred awards with equivalent new awards over shares in the acquiring company.
LTIP	
›› For good leavers, unvested awards will vest on the normal vesting date subject to (i) the extent any applicable performance targets have been satisfied at the end of the normal performance period and (ii) pro-rating to reflect the period of time between grant and cessation of employment as a proportion of the vesting period that has elapsed. ››In exceptional circumstances, the Committee has the discretion to determine that the end of the performance period is the date of cessation and whether to pro-rate the number of vested awards to reflect the vesting period completed. ››A 'good leaver' is defined as a participant ceasing to be in employment by reason of death, ill-health, injury, disability, redundancy, retirement, the company employing the participant ceasing to a member of the Group, the participant's employing business being sold out of the Group or at the Committee's discretion. ››Anyone who is not a good leaver will be a bad leaver. Bad leavers will forfeit all unvested awards.	››Unvested awards will vest early subject to (i) the extent that any applicable performance targets have been satisfied at that time and (ii) pro-rating to reflect the reduced period of time between grant and early vesting as a proportion of the vesting period that has elapsed. ››At the Committee's discretion, the Committee may consider whether to dis-apply pro-rating for time and performance. ››In the event of an internal corporate reorganisation, the Committee may decide to replace unvested awards with equivalent new awards over shares in the acquiring company.

Non-Executive Director remuneration policy and letters of appointment

The Board as a whole is responsible for setting the remuneration of the Non-Executive Directors, other than the Chairman whose remuneration is determined by the Committee and recommended to the Board.

The table below sets out the key elements of the policy for Non-Executive Directors.

Purpose	Operation	Maximum opportunity	Performance measures and assessment
To provide compensation that attracts high calibre individuals and reflects their experience and knowledge.	Fee levels are reviewed periodically taking into account independent advice and the time commitment required of Non-Executive Directors. The fees paid to the Chairman and the fees of the other Non-Executive Directors aim to be competitive with other listed companies, which the Committee (in the case of the Chairman) and the Board (in respect of the Non- Executive Directors) consider to be of equivalent size and complexity. Non-Executive Directors may receive a base fee and additional fees for the role of Senior Independent Director or membership and/or Chairmanship of certain committees. Non-Executive Directors also receive reimbursement of reasonable expenses (and any tax thereon) incurred undertaking their duties and/or Company business.	Any increase in Non-Executive Director fees may be above the level awarded to other employees, given that they may only be reviewed periodically and may need to reflect any changes to time commitments or responsibilities. The Company will pay reasonable expenses incurred by the Chairman and Non-Executive Directors.	Non-Executive Director fees are not performance related. Non-Executive Directors do not receive any variable remuneration element.

Letters of appointment

The Non-Executive Directors do not have service contracts but are appointed under letters of appointment renewed annually. Early termination of the appointment is possible with three months' notice. Each Non-Executive Director is subject to annual re-election at the Company's AGM.

No compensation is payable in the event of early termination apart from the notice period. All letters of appointment are available for viewing at the Company's registered office and at the AGM.

Consideration of employee remuneration and shareholders

Consideration of shareholder views

The Committee has an open relationship with shareholders. It welcomes dialogue and engages with significant shareholders on material changes to its remuneration policy or structure. The Committee is committed to consulting with the company's largest shareholders and should the Committee decide to seek future changes to the policy will ensure that it allows time to discuss and consult with these shareholders.

All-employee remuneration

In setting the remuneration policy for Directors, the pay and conditions of other employees of Gattaca are taken into account, including any base salary increases awarded. The Committee is provided with data on the remuneration structure for management level tiers below the Executive Directors, and uses this information to ensure consistency of approach throughout the Company.

The Group operates a range of bonus plans appropriate to its various businesses. The main drivers of these plans, similar to the Executive Directors' arrangements, are profit and sales. The Company also provides long-term incentive awards to certain employees. For all employees, the Company operates a tax efficient share incentive plan (SIP) in the UK. The SIP gives employees the opportunity to purchase shares up to an annual limit with the Company providing additional matching shares for every employee share purchased.

The Committee has not expressly sought the views of employees and no remuneration comparison measurements were used when drawing up the Directors' remuneration policy. Through the Board, however, the Committee is updated as to employee views on remuneration generally.