

## 5. Remuneration *continued*

### Remuneration at a glance 2019

#### How we performed

Remuneration key performance indicator	2019 actual	2019 threshold	2019 target	2019 maximum	Remuneration measure
Group operating profit (£m)	277.3	256.7	270.3	283.8	Annual Incentive Plan
Group cash generation (£m)	296.4	270.7	285.0	299.2	Annual Incentive Plan
Group ROCE (%)	54.5	50.1	52.7	55.3	Annual Incentive Plan
2017-2019 EPS (%)	57.5	27.6	N/A	52.3	Performance Share Plan
2017-2019 relative TSR (percentile TSR)	94th	50th	N/A	75th	Performance Share Plan

The above figures exclude the acquisition of Thermocoax.

#### Executive Directors' remuneration and shareholdings

The Executive team has consistently delivered upper quartile performance for shareholders and this is reflected in the results of both the annual bonus and LTIP. The Committee is pleased with the work of the Executive team and is confident that this vesting outcome is reflective of the value delivered to the business.

Executive Director	Single total remuneration figure (£/\$000)				Shareholding policy vs actual shareholding (% of salary)			
N.J. Anderson Group Chief Executive	2019	757	725	1,304	£2,788	2019	300	545
	2018	704	628	990	£2,324	2018	200	321
K.J. Boyd Chief Financial Officer	2019	492	322	708	£1,524	2019	200	204
	2018	458	335	643	£1,438	2018	63	125
N.H. Daws Managing Director, Steam Specialties	2019	481	348	642	£1,473	2019	200	926
	2018	434	262	582	£1,280	2018	125	554
J.L. Whalen <sup>1</sup> President, Watson-Marlow	2019	\$643	\$455	\$822	\$1,920	2019	200	423
	2018	\$696	\$445	\$722	\$1,863	2018	125	242

■ Fixed

■ Annual Bonus

■ LTIP

■ Shareholding policy

■ Actual shareholding

<sup>1</sup> Retired from the Board on 31st December 2019.

#### Overview of the Executive Directors' Remuneration Policy

Base salary	Benefits	Pension	Annual bonus award	Performance Share Plan (PSP)
To enable the Group to attract, retain and motivate high-performing Executive Directors of the calibre required to meet the Group's strategic objectives.	To provide market competitive benefits, and to enable the Executive Directors to undertake their roles through ensuring their well-being and security.	To offer appropriate levels of pension, and to attract and retain individuals with the personal attributes, skills and experience required to deliver Group strategy.	To incentivise and reward performance against selected KPIs which are directly linked to business strategy, while ensuring a significant proportion of Executive Director remuneration is directly linked to business performance.	To incentivise and reward Executive Directors for delivering against long-term Group performance, to align Executive Directors' interests to those of shareholders, and to retain key Executive talent.

#### Changes at a glance 2019

Executive Directors	2019 Base salary	% Change from 2018	Non-Executive Directors	2019 Fee	% Change from 2018
Nicholas Anderson	£585,000	7.7	Jamie Pike	£216,090	2.9%
Kevin Boyd	£380,500	7.7	Peter France	£51,760	2.9%
Neil Daws	£369,600	5.0	Caroline Johnstone	£61,760	N/A
Jay Whalen	\$498,623	3.0	Jane Kingston <sup>1</sup>	£61,760	2.9%
			Trudy Schoolenberg <sup>1,2</sup>	£61,760	2.9%
			Kevin Thompson	£61,760	N/A

<sup>1</sup> From 15th May 2019.

<sup>2</sup> The 2.9% increase applies to base fee. Chair and Senior Independent Director fees were unchanged.