The backdrop of this year's results has framed the Committee's decisions and the reward outcomes for Executive Directors.

Imelda Walsh
Chair, Remuneration Committee

Dear Shareholder

I am pleased to present the Directors' remuneration report for the financial year ended 31 March 2019.

Overview 2018/19

The overall trading performance for the Group was ahead of our expectations this year. Group revenue increased by 5.7% in constant currency and adjusting for the 53 weeks of trading in the Road divisions and the start of the South Western Railway (SWR) franchise. On the same basis adjusted operating profit increased by 10.5% with adjusted EPS increasing by 15.2% in constant currency. However, the Group's statutory results were adversely impacted by a number of events, recorded as adjusting items in the accounts. These arose principally as a result of the decision to provide for future losses on SWR while negotiations continue with the Department for Transport in relation to this franchise; the charge required to enlarge the Group's North American self-insurance reserve, and costs associated with Greyhound's withdrawal from Western Canada. As a result of these adjusting items, the Group recorded a statutory operating profit of £9.8m this year (2018: loss of £196.2m) and statutory EPS was (5.5)p (2018: (24.6)p).

This backdrop has framed the decisions of the Remuneration Committee and the reward outcomes for the Executive Directors.

As noted in my Statement last year, Tim O'Toole stepped down from his position on the Board and as Chief Executive on 31 May 2018. Ahead of the appointment of a replacement Chief Executive, Matthew Gregory, our Chief Financial Officer was appointed as Interim Chief Operating Officer in addition to his existing role, and our Chairman, Wolfhart Hauser, was appointed as Executive Chairman. Following a formal search process which included internal and external candidates, the Board was pleased to appoint Matthew as Chief Executive on 13 November 2018 and at this time Wolfhart reverted to his role as Chairman. Full details of Tim's termination arrangements, Matthew's new package and the remuneration arrangements which applied to him and Wolfhart in the period from 31 May to 13 November 2018 are detailed in this report. On 2 May 2019 the appointment of Ryan Mangold as Chief Financial Officer was announced, with effect from 31 May 2019.

Our approach to remuneration

The key principles underpinning the Committee's approach to executive remuneration are:

- Alignment with strategy and business objectives
- Rewarding performance
- Performance-biased framework
- Competitive remuneration
- Simplicity and transparency

Alignment with strategic objectives

The Executive Directors and senior management are specifically incentivised to achieve the Group's strategic objectives:

1. Focused and disciplined bidding in our contract businesses
2. Driving growth through attractive commercial propositions in our passenger revenue businesses
3. Continuous improvement in operating and financial performance
4. Prudent investment in our fleets, systems and people
5. Maintaining responsible partnerships with our customers and communities

2018/19 performance and reward decisions

EABP

The Committee carefully considered the outcome of the Executive Annual Bonus Plan (EABP) by firstly reviewing performance achieved against each of the financial and non-financial targets and then a broader consideration of overall performance.

The financial targets for our Executive Directors under the EABP are based on revenue, adjusted operating profit and cash flow outcome. The overall performance against each measure was positive with target performance being exceeded.

The EABP also includes non-financial measures relating to safety and customer satisfaction which are measured at divisional level and combined to provide a Group outturn. Performance against the non-financial measures was mixed across the divisions. Safety performance improved in First Bus, First Student and Greyhound but this was offset by below-target performance in First Rail and First Transit. Similarly our customer satisfaction measures saw improvements in First Student and First Transit with weaker performance in First Rail, First Bus and Greyhound.

In respect of individual performance, out of a potential 10%, the Committee awarded Matthew 7%. Full details on each objective and the performance achieved are set out on pages 84 and 85 of the Annual report on remuneration.

Taking into account the above outcomes, the formulaic EABP award for Matthew Gregory resulted in a potential award of 69.7% of the maximum.

In this section

However, whilst underlying performance improvement in the year was strong, and the Committee commends management's delivery of good progress, Matthew and the Committee agreed that the overall performance should be considered in the context of the decision to provide for the Group's share of the potential future losses on the SWR franchise and the increase to the level of North American self-insurance reserves described on page 08.

Therefore the Committee exercised its discretion in this regard, and awarded a bonus of 33.4% of the maximum potential, which equates to 50.1% of his average salary during the year.

Under the approved Remuneration Policy, 50% of the award is normally paid in cash with 50% deferred into shares (which do not vest for 3 years, and which are not subject to any further performance conditions). In view of the provision of £145.9m made this year in respect of the SWR franchise (described on pages 07-08), the Committee decided that the deferred share element of the Chief Executive's bonus should be awarded on a conditional basis. In 2022 when the normal deferment period for the award ends, the Committee will assess the extent to which the SWR provision has been required or is likely to be required over future years. Based on that assessment, it will determine at its discretion (and after taking into account any other factors relating to First Rail that it considers relevant) the extent (if any) to which the conditional award will vest. Any shares vesting under this element will be reported in the relevant Remuneration Report, including the Committee's decision and any further supporting information.

Matthew will therefore receive a cash bonus of 25.05% (£135,708) of his average salary during the year. A further 25.05% (£135,708) of his average salary during the year will be awarded in shares which may vest at the end of three years, subject to the performance condition relating to the SWR provision.

LTIP

The vesting of the 2016 LTIP award was subject to two performance measures: 50% ROCE and 50% relative TSR. The Company's performance was just below median under the TSR measure, therefore this element of the award lapsed.

When assessing performance under the ROCE condition, the Committee determined that a number of adjustments should be made, regarding the write off of Greyhound goodwill, the TPE onerous contract accounting (both reflected in the 2017/18 results), the exceptional charge in respect of the North American self-insurance reserves, and the phasing of approximately £90m in working capital grant and other funding inflows in First Rail which we expect to reverse in the 2019/20 financial year. These adjustments result in a fairer assessment of performance, with the ROCE outcome reduced to 7.6%, which triggers the threshold level of vesting of 12.5% of the total LTIP award. The Committee considers this level of vesting is appropriate, noting the near-miss vesting in respect of the TSR element and the Company's progress in growing earnings and a more disciplined approach to capital allocation. The award will therefore partially vest on 28 June 2019, equating to 95,528 shares for Matthew Gregory (with a value of £87,140[1]), and will be subject to a two-year holding period.

Directorate changes

Tim O'Toole stepped down as Chief Executive, and from the Board on 31 May 2018. In order to assist with a period of transition, he was placed on garden leave until his employment ended on 30 September 2018 and during this period his salary, pension and benefits continued to be paid as usual. Payment in lieu of Tim's salary and benefits for the unexpired period of his notice were then paid in monthly instalments, subject to mitigation. As at 31 March 2019, a maximum of two further monthly instalments were payable. In addition, the Company paid for Tim's legal advice in relation to his departure.

Full details are set out in the section Payments to past Directors on page 90. As reported last year, Tim did not receive an annual bonus for 2018 and he was not eligible to participate in the annual bonus plan for 2019.

On leaving employment, Tim's outstanding awards under the LTIP lapsed and no further awards were made in 2018. Tim had 599,482 unvested deferred bonus shares awarded in 2016 and 2017. The Remuneration Committee gave careful consideration to the treatment of these shares and determined that, as they related to past performance, they should vest on their normal vesting dates. The 516,356 shares awarded in 2017, due to vest in 2020, remain conditional on a determination by the Committee following the conclusion of appropriate investigations into the 2016 Croydon tram incident. If the Committee determine that any of these shares will vest, a full explanation will be provided in the 2020 Directors' remuneration report.

Matthew Gregory, then Chief Financial Officer, took on the additional role of Interim Chief Operating Officer for the period 31 May 2018 to 13 November 2018. During this period, his annual salary was increased from £437,000 to £500,000.

On his appointment as Chief Executive on 13 November 2018, the following changes were made to Matthew's remuneration package:

- salary increased to £635,000
- pension allowance reduced from 20% of salary to 15% of salary, in line with the average company contribution to employee pensions in the UK
- maximum LTIP opportunity increased from 175% to 200% of salary
- shareholding requirement increased from 150% to 200% of salary

These arrangements are in accordance with our approved Remuneration Policy and provide a heavier weighting towards variable pay than the package for the previous Chief Executive. It delivers on the commitment made to shareholders, set out in my Statement in 2015, that we would reduce the fixed pay of a newly appointed Chief Executive, compared to that of his predecessor. On an annualised basis, fixed pay (defined as salary and pension allowance) has reduced by circa 30%. Matthew's salary will not be reviewed before 1 April 2020.

Matthew's maximum opportunity under the EABP remains at 150% of salary. His bonus for 2018/19 has been based on his average salary during the year. His LTIP award made in June 2018 was based on 175% of his salary as CFO (£437,000). On his appointment as Chief Executive, a further LTIP award was made in November 2018 to reflect the time during the year when Matthew was eligible for a maximum LTIP award of 200% of salary and his new salary of £635,000. Full details of both awards can be found in the table on page 89.

In recognition of **Wolfhart Hauser** taking on the role as Executive Chairman for the period 31 May 2018 to 13 November 2018, his annual fee was increased from £295,000 to £595,000. This was based on a careful assessment of the increased time requirements and the Board's desire for immediate action to review each business

1 In line with the UK Companies (Miscellaneous Reporting) Regulations 2018, the estimated value of the 2016 LTIP at vesting has been calculated based on the average share price over the last three months of 2018/19 (91.22p). The actual value of the 2016 LTIP, based on the share price on the date the awards vests, will be shown in the 2020 report. In line with the early adoption of requirements under the Regulations, none of the total value of £87,140 at vesting can be attributed to share price growth as the share price at award was 92.60p in 2016.

unit and improve operational performance. A significant portion of the increase in fee (after tax) was used by Wolfhart to purchase FirstGroup plc shares. Over this period, 56,016 shares were purchased and by the end of the year Wolfhart owned 340,574 shares, an increase of 20% over the prior year.

On Matthew Gregory's appointment as Chief Executive, Wolfhart's fee reverted to £295,000 per annum.

Full details of the terms of departure and changes to roles and resulting remuneration changes were set out at the time each announcement was made.

Finally, on 2 May 2019 we announced the appointment of **Ryan Mangold**, as CFO, on a salary of £450,000 (disclosed in the announcement), which in the view of the Committee is commensurate with the substantial experience he brings of successful business transformation. Further details of his appointment terms, in accordance with our approved Remuneration Policy, are set out on page 89.

Governance

The Committee actively monitors developments in corporate governance and the guidelines produced by shareholders and their representative bodies to ensure that we remain aligned with best practice. In particular, the Committee is mindful of the 2018 Code and legislative changes which come into force for FirstGroup for our 2019/20 financial year. Our aim for this year's reports has been to begin to comply with these new requirements as far as practicable, for example with a new section 'Our remuneration in context' so that we are well placed to be fully compliant next year. In view of the fact that three individuals served in the role of Chief Executive or Executive Chairman during 2018/19, the Committee decided against early disclosure of a CEO pay ratio. The required methodology for the Chief Executive pay figure would involve reporting a composite figure for these individuals, which would not provide shareholders with a meaningful comparison of the remuneration of the Chief Executive versus typical employee pay. We intend to fully comply with the requirement in the 2020 Directors' remuneration report.

Pay across the Group

To ensure we are able to attract and retain the skills and talent we need, the Group is committed to offering an attractive reward package for employees at all levels. In addition to competitive base salaries, we offer a wide range of benefits to employees and their families, tailored to local markets. Further information is included in this report on page 80.

Our second Gender Pay Gap Report was published in March 2019. Our median gender pay gap across the UK businesses is -5.1%. This means that women's median hourly pay is 5.1% higher than men's. More detail is given in our 2018 Gender Pay Gap Report, which can be found on the FirstGroup plc website, and the 'Our People' section of this report on page 33.

Non-Executive Directors' ('NED') fees

No changes were made to NED fees in 2018. These remained at £58,000 per annum with additional fees of £12,000 payable to the Senior Independent Director and the Chairs of the Audit, Board Safety and Remuneration Committees.

2019/20 Performance and Reward

Matthew Gregory's salary will remain at £635,000 for 2019/20 and will next be reviewed in April 2020.

The Committee considers that the existing EABP framework continues to be an appropriate short-term incentive. Targets in respect of the 2019 EABP will reflect the business context and challenges as well as the overall business plan for addressing these at both divisional and Group level and will be disclosed next year. These measures will continue to be weighted such that 75% will be based on financial metrics and 25% on non-financial metrics.

It is the Committee's intention to make awards under the LTIP this year and it is anticipated that the approach regarding metrics will be similar to that adopted in the 2018 LTIP, that is, 20% Road ROCE, 40% EPS and 40% relative TSR. The targets for these awards will be published in the 2019/20 Directors' remuneration report.

Accounting standard IFRS 16

The introduction of the new accounting standard IFRS 16 will have significant implications in respect of the reporting of our financial results, the exact impact of which was not fully known at the time this report was published. This will affect the evaluation of the EPS and ROCE performance conditions of the outstanding 2017 and 2018 LTIP awards. In view of this, and after considering emerging market practice in this regard, the Committee has taken the decision that it will convert the IFRS 16 performance outturns back to an IAS 17 basis when assessing the degree of performance achieved. This will make the performance conditions no more or less stretching than would have originally been the case. A reconciliation between the performance outcomes on an IFRS 16 and an IAS 17 basis will be included in the relevant year's Directors remuneration report in the section(s) on LTIP vesting.

Similarly, for 2019/20 incentive targets for both the EABP and the 2019 LTIP awards, the Committee has decided to set these on a pre-IFRS 16 basis in order to give clarity to participants at the outset, rather than seeking to subsequently restate the targets.

Looking ahead

For the coming year, it is anticipated that the Committee will focus on the following areas:

- supporting the Group's business objectives and strategy to rationalise the portfolio and refocus the business on our market leading contract-based businesses in North America
- ensuring compliance with new regulatory requirements, including the new UK Corporate Governance Code and the widening of the remit of the Committee
- ensuring that remuneration arrangements are designed to promote the long-term success of the Company and appropriately incentivise management to deliver the strategy

Shareholder engagement

The Committee maintains an open and transparent dialogue with shareholders on the issue of executive remuneration and considers ongoing engagement in this regard as vital to ensuring that remuneration strategy continues to be aligned with the long term interests of the Group's shareholders. We believe that in relation to incentive outcomes, both annual and long term incentives have, in recent years, reflected overall business performance and the Committee has exercised downward discretion, on a number of occasions where warranted.

The Committee were pleased that the Company's Directors' Remuneration Policy was approved by shareholders at the AGM in 2018 (84.52% voted in favour). The Committee has reviewed the remuneration outcomes for the year and confirm that the Policy has operated as intended. This Statement and the Annual report on remuneration will be subject to an advisory vote at the 2019 AGM, and we look forward to your support.

Finally, I am grateful to my colleagues on the Committee and those who support our work.

Imelda Walsh
Chair, Remuneration Committee

Remuneration policy at a glance

Summary of Remuneration Policy

Purpose and link to strategy		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Key Features of the policy
Fixed Pay To attract and maintain high-calibre executives with the attributes, skills and experience required to deliver the Group's strategy	**Salary and benefits**							Salary increases (in percentage terms) will normally be within the range for those of Group employees. Pension allowances for Executive Directors are in line with the average company contribution to employee pensions in the UK.
Executive Annual Bonus Plan (EABP) To focus on the delivery of annual goals, to strive for superior performance and to achieve specific targets which support the strategy. The deferred share element of our EABP encourages retention and provides a link between the bonus and share price growth.	**EABP – Cash Element**							Maximum bonus opportunity is 150% of base salary for Executive Directors. At least half of the bonus award will be deferred into shares, normally for a period of three years. Awards are subject to malus and clawback provisions to take account of exceptional and adverse circumstances.
	EABP – Deferred Share Element							
Long-Term Incentive Plan (LTIP) Incentivises the execution of strategy and drives long-term value creation and alignment with longer term returns to shareholders.	**LTIP**							Normal award policy is for a maximum award opportunity of 200% of base salary for the Chief Executive and 175% for other Executive Directors. Measured over three financial years from the year of award. Shares which vest under the LTIP are subject to an additional holding period of two years. Awards are subject to malus and clawback provisions to take account of exceptional and adverse circumstances.
Shareholding Guidelines To ensure that Executive Directors' interests are aligned with those of shareholders over a longer term time period	**Shareholding Guidelines**							The Chief Executive is expected to hold shares equivalent to 200% of base salary and other Executive Directors 150% of base salary, within a five year period from their date of appointment.

The Company's Remuneration Policy was approved by Shareholders at the AGM on 17 July 2018 and will apply at the latest until the 2021 AGM.

The Remuneration Policy can be found on our website at www.firstgroupplc.com/investors

Remuneration for 2019

Single figure of remuneration for 2019

	Year	Salary £000s	Benefits £000s	Pension £000s	Annual bonus: Cash £000s	Annual bonus: Value of deferred shares £000s	Long-Term Incentive Plan £000s	Total £000s
Matthew Gregory	2019	542	14	97	136	–	87	876

More detail can be found on page 82.

Incentive outcomes: Matthew Gregory

Annual bonus

Metrics	Maximum potential award	% of award which vested
Adjusted operating profit	45%	36.3%
Revenue	20%	12.8%
Cash flow	10%	10.0%
Safety	7.5%	1.9%
Customer satisfaction	7.5%	1.7%
Personal performance	10%	7.0%
Total	100%	69.7%
Total after Committee discretion[1]	–	33.4%

More detail can be found on pages 84-85.

LTIP

Metrics	Maximum potential award	% of award which vested
ROCE	50%	12.5%
Relative TSR	50%	0%
Total	100%	12.5%

More detail can be found on page 86.

1 In line with the approved Policy, the Committee carefully considered the above EABP formulaic outcome against the backdrop of wider business performance and context, and exercised its discretion as set out on page 85.

Remuneration for 2020

Salary	▪ Matthew Gregory's salary from 1 April 2019 will remain at £635,000 ▪ Ryan Mangold's salary from his appointment on 31 May 2019 will be £450,000
Benefits and Pension	▪ Matthew Gregory will continue to receive a pension allowance of 15% of salary, and additional benefits in accordance with the approved Remuneration Policy. ▪ Ryan Mangold will receive a pension allowance of 15% of salary and additional benefits in accordance with the approved Remuneration Policy, from the date of his appointment.
Incentives	▪ Maximum annual bonus potential will remain at 150% of salary and maximum long-term incentive award for the CEO will be 200% of salary. ▪ Targets in respect of the 2019 EABP will continue to be weighted such that 75% will be based on financial metrics and 25% on non-financial metrics. 50% of any annual bonus will be deferred into shares for three years ▪ It is anticipated that the approach regarding metrics for the 2019 LTIP awards will be similar to that adopted in the 2018 LTIP, that is, 20% Road ROCE, 40% EPS and 40% relative TSR. The targets for these awards will be published in the 2019/20 Directors' remuneration report. ▪ Malus and clawback apply to all incentive awards. More detail can be found on pages 92 and 93.

Our remuneration in context

In setting the remuneration policy for Executive Directors, the Committee takes into account the overall approach to rewarding other employees in the Group. FirstGroup operates in a number of markets and its employees carry out a diverse range of roles across the UK and North America. Due to the varied nature of the operations of our divisions and the respective employment markets, we have a range of remuneration practices across the organisation. These are designed to be relevant to each individual market. Approximately 90% of our UK employees and 55% of our US employees are covered by collective bargaining arrangements.

At its meeting in November 2018, the Committee reviewed a report which summarised these practices and updates will be provided on a regular basis. This process allows the Committee to consider the remuneration outcomes for the Executive Directors' and members of the Executive Committee in the light of remuneration of the rest of the workforce. The Committee also fully reviews the Gender Pay Gap report and looks at the statistics for each of our UK reporting entities, as well as discussing the actions that management are taking to improve the representation of women in our workforce and to close gender pay gaps, where these exist.

The main difference between the remuneration of the most senior employees (including Executive Directors) and that of the wider workforce is that remuneration for senior employees is more heavily weighted towards variable pay, which is linked to business performance. Our management population is typically eligible to participate in annual bonus plans, while long-term incentives are provided only to the most senior executives as these individuals are considered to have the greatest potential to influence Group performance over the longer term.

The impact of performance on the remuneration of our Chief Executive is illustrated in the chart below. This shows his potential earnings at minimum, on-target and maximum levels of performance along with the impact of a 50% increase in share price.

Base salaries for all employees, including Executive Directors, are reviewed annually. When considering salary increases for Executive Directors and Executive Committee members, the Committee pays close attention to increases available to the wider workforce.

FirstGroup offers a wide range of employee benefits to all employees regardless of role.

We are committed to helping our colleagues save for retirement through a variety of company pension arrangements, which are designed in line with local market practice. In the US the company contributes towards a number of defined contribution plans including 401(k) arrangements and various union multi-employer plans. We operate a number of different pension plans in the UK which reflect the history and requirements of those businesses. Approximately half of our UK employees who are in a pension plan participate in a defined benefit section of the Railways Pension Scheme. Other employees are members of defined contribution schemes. Therefore, we have a variety of pension arrangements, but when taken together across our UK businesses these have an average company contribution of circa 15% of salary. Matthew Gregory receives a pension allowance of 15% of salary (£10,000 p.a. of which is paid into a defined contribution pension plan) and Ryan Mangold, our new CFO, will also receive a pension allowance of 15% of salary, which is in line with the average company contribution to employee pensions in the UK. This is an issue we will continue to keep under review but the pensions arrangements for our executive directors are a reduction on our previous policy.

Another key element of our employee engagement strategy is the opportunity to share in the growth and success of the business through our UK employee share plans. UK employees (including Executive Directors) with six months' service are eligible to participate in the Company's Save As You Earn (SAYE) and Share Incentive Plan, known as Buy As You Earn (BAYE). In accordance with HMRC limits, the maximum participation level in the SAYE plan is £500 per calendar month. Participants are granted linked share options, by reference to projected savings, with a 20% discount to the share price at the time of grant. On the maturity of the savings contracts, participants can elect to use the accumulated savings to exercise their options or may request the return of their savings. The maximum participation level in the BAYE is £150 per month, in line with HMRC limits. The Company provides two Matching Shares for every three shares purchased (Partnership Shares), subject to a maximum Company contribution of shares to the value of £30 a month. The shares are held in trust and become available for release with no tax or National Insurance liability once held for five years.

Other benefits in the UK include discounted travel on our rail and bus services, and discounts on shopping, entertainment and eating out. We also operate childcare voucher schemes across our UK businesses and our Employee Assistance programme offers all employees access to free, 24/7 confidential telephone, online and face to face advice for problems they may be experiencing at home or work.

Greyhound Canada and some of our larger UK businesses have their own dedicated in-house Occupational Health teams; our other businesses use external specialist advisers to support employees with health problems which may be affecting their performance at work.

In the US we offer a broad spectrum of health and welfare benefits to our employees and their families, including life insurance, health, dental and vision benefits for employees and their dependents. We also provide disability plans for short and long term illness. Employee and family wellbeing is a focus through our 'Route to Rewards' wellness program, and throughout the year we encourage participation in wellness activities. In Canada, our employee benefits include life insurance, health and dental benefits, and disability coverage for employees and their dependents.

All our divisions run workplace health and wellbeing programmes to support employees to stay fit and healthy.

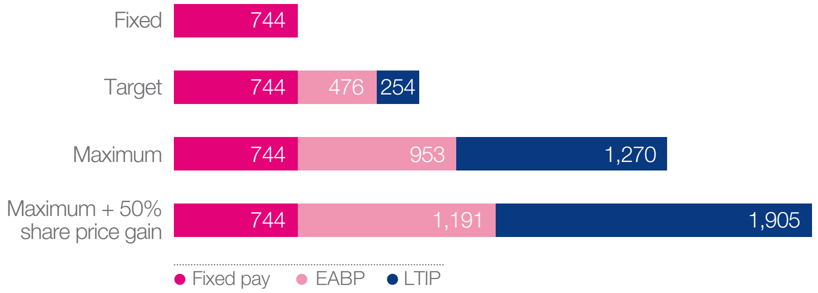
Employee engagement

While the Committee does not formally consult with employees on Executive Director remuneration, a number of different mechanisms are in place to gather feedback from employees across a range of issues. More information on our 'Your Voice' survey is set out on page 33.

The Group engages with its UK workforce through our Employee Directors and Jimmy Groombridge, our Group Employee Director is invited to attend all the Committee's meetings. Our Committee Chair, Imelda Walsh, will also periodically attend meetings of the Employee Directors' Forum. More information on the role of our Employee Directors is set out on page 57.

The Committee believes that it is important for our employees to understand how the remuneration of our Executive Directors is determined and will utilise the different communication channels operating across the Group to ensure our employees are aware of the information available in the Directors' remuneration report.

Chief Executive
Total Remuneration (£000s)



Annual report on remuneration

This part of the Directors' remuneration report has been prepared in accordance with Part 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and Rule 9.8.6 of the Listing Rules. The Annual report on remuneration and the Statement by the Chair will be put to an advisory shareholder vote at the 2019 AGM.

Executive Directors' total remuneration (audited)

						Annual bonus			
	Role	Year	Salary £000s	Benefits £000s	Pension £000s	Cash £000s	Value of deferred shares £000s	Long-Term Incentive Plan £000s	Total £000s
Matthew Gregory[1]	CEO	2019	542	14	97	136	–[3]	87[4]	876
	CFO	2018	437	14	87	73	73	–	684
Tim O'Toole[2]	CEO	2019	141	6	28	–	–	–	175
		2018	846	43	211	–	–	–	1,110

1 As noted in last year's Annual report on remuneration, Matthew Gregory advised the Committee that he did not wish to be considered for a salary increase at 1 April 2018. On his appointment as Interim COO on 31 May 2018, Matthew received an increase in his annual salary to £500,000. When Matthew was appointed as Chief Executive on 13 November 2018, his salary was increased to £635,000. Taking into account these changes, total salary payable to Matthew for the year ended 31 March 2019 was £542,000.

2 Tim O'Toole stepped down from the Board on 31 May 2018. The table above reflects his remuneration during the period 1 April 2018 to 31 May 2018.

3 As explained on page 85, the Committee decided that the deferred share element of the Chief Executive's bonus should be awarded on a conditional basis. In 2022 when the normal deferment period for the award ends, the Committee will determine at its discretion the extent (if any) to which the conditional award will vest. Any shares vesting under this element will be reported in the relevant Remuneration Report, including the Committee's decision and supporting rationale.

4 In line with the regulations, the estimated value of the 2016 LTIP at vesting has been calculated based on the average share price over the last three months of 2018/19 (91.22p). The actual value of the 2016 LTIP, based on the share price on the date the award vests, will be shown in the 2020 report. In line with the early adoption of requirements under the UK Companies (Miscellaneous Reporting) Regulations 2018, none of the total value of £87,140 at vesting can be attributed to share price growth as the share price at award was 92.60p in 2016.

Benefits (audited)

Benefits for Executive Directors include the provision of a company car allowance, private medical cover, life assurance and advisory fees. Matthew Gregory's benefits for the year comprised: £12,000 car allowance and £2,000 for UK private medical insurance. In the period 1 April 2018 – 31 May 2018, Tim O'Toole received benefits of: £2,000 car allowance and £4,000 for US medical insurance.

Pension (audited)

Matthew Gregory received a pension allowance of £97,000 including a defined contribution pension input amount of £10,000. This comprised 20% of his base salary up until his appointment as Chief Executive on 13 November 2018, when his allowance was reduced to 15% of salary.

In the period 1 April 2018 – 31 May 2018, Tim O'Toole received a pension allowance of £28,000 including a defined contribution pension input amount of £2,000. This was 20% of his base salary.

Tim O'Toole's defined benefit pension accrual ceased on 5 April 2018, as the FirstGroup Pension Scheme closed to future accrual. As such, he accrued no new defined benefit pension in the year to 31 March 2019.

Following his resignation as a Director in May 2018, any increase in his benefits over the year related to evaluation or late retirement increases designed to preserve the value of previously accrued benefits, rather than accrual of new benefits.

Information in the table below includes the total accrued benefit at 31 March 2019 which represents the annual pension that is expected to be payable on eventual retirement given the length of service and salary of Tim O'Toole.

	Age at 31 Mar 2019	Pension age	Total accrued benefit at 31 Mar 2019[1]	Increase in accrued annual pension at 31 Mar 2019 £000s
Tim O'Toole	63	65	26	1

1 Tim O'Toole's defined benefit pension accrual ceased on 5 April 2018, as the FirstGroup Pension Scheme closed to future accrual. No additional benefits are available on early retirement.

Performance-related pay

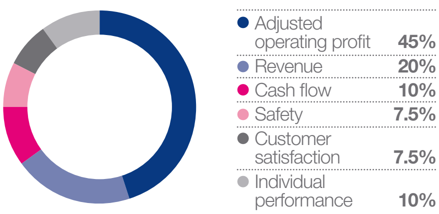
The Committee believes it is important for Executive Directors that a significant proportion of the remuneration package is performance-related and the performance conditions applying to incentive arrangements support the delivery of the Company's strategy. The Committee considers performance against a range of metrics, including safety, to ensure that the assessment is rounded, taking into account both qualitative and quantitative factors.

The table below outlines each of the performance measures used in the Company's performance-related incentives and how they support the Company's strategy and business objectives as outlined in the Strategic report:

	KPIs	Business objectives	Our Values
LTIP			
Road ROCE	●	●	
TSR		●	
EPS	●		
Bonus			
Adjusted operating profit	●	●	
Revenue	●	●	
Cash flow	●	●	
Safety	●	●	●
Customer satisfaction	●	●	●
Individual performance	●	●	●

Executive Annual Bonus Plan

2018/19 Executive Directors' annual bonus (audited)



For 2018/19 the EABP aimed to incentivise improved performance against a range of financial and non-financial metrics. The structure of the bonus did not change from 2017/18 and was weighted so that 75% was based on financial metrics and 25% on non-financial metrics.

For 2018/19, the EABP comprised the following six elements:

Adjusted operating profit – a KPI used in managing the business.

Revenue – encourages management to deliver sustainable growth through volume and pricing.

Cash flow – encourages management to devise operational plans focused on cash generation to create options for the Board in relation to, among other uses, investment in key assets of fleet, systems, people and debt reduction.

Safety – to ensure that risk controls, safety procedures and behaviours are constantly enhanced. Performance was assessed against a balanced scorecard using a broad range of indicators, including long term injuries, passenger injuries and collisions.

Customer satisfaction – a key focus at all levels of the Group. Performance was assessed against a balanced scorecard of measures such as customer satisfaction surveys, punctuality and cancellations across all five divisions.

Individual performance – recognises achievement in other significant areas. Performance was assessed against individual objectives for the year, which were aligned with the Group's strategy.

Stretching, relevant and measurable targets were set by the Committee against each of these elements and the Committee also reviewed targets at individual divisional level. The financial targets were based on the Group's plan and took into consideration the latest available consensus and expectations for 2018/19.

When determining the outcome for the year, the Committee assessed each element of the annual bonus separately as part of an overall balanced scorecard of measures. Within each element the Committee considered a number of sub-elements, including the performance of each division and the Company's performance on a rail and non-rail basis, and formed a rounded assessment of Matthew Gregory's performance at the end of the year.

In keeping with the practice applied in previous years, the original target ranges for the revenue and operating profit elements have been adjusted to reflect the actual reported foreign exchange rate changes experienced in the year under review.

For 2018/19, the financial and non-financial performance outcomes on a formulaic basis are summarised below and before the Committee made its assessment as to whether, in light of the underlying performance of the Company, it was appropriate to exercise its discretion and make further adjustments

Metrics	Actual performance	Threshold (0%)	Target (50%)	Maximum (100%)	Maximum potential award	% of award which vested	Outcomes
Adjusted operating profit[1]	£332.9m	£314.0m	£325.6m	£340.7m	45%	36.3%	Group EBIT performance achieved at 81% of maximum
Revenue	£7,126.9m	£6,933.2m	£7,087.1m	£7,230.2m	20%	12.8%	Group Revenue performance achieved at 64% of maximum
Cash flow[2]	£75.9m	Less than £75.7m	n/a	£75.7m or greater	10%	10%	Group cash generation for the year exceeded the EABP target level (even after adjusting for the higher than usual level of Rail ring-fenced cash) and delivered full payout
Safety	Between threshold and target	Balanced scorecard of indicators			7.5%	1.9%	Group safety performance is a composite score of performance across each division. Improved safety performance from First Bus and Greyhound, offset by weaker performance in First Student, First Rail and First Transit.
Customer satisfaction	Between threshold and target	Balanced scorecard of measures			7.5%	1.7%	Group customer satisfaction is a composite score of performance across each division. Good performance from our contract based businesses First Student and First Transit, offset by weaker performance in First Rail, First Bus and Greyhound.

1 Adjusted operating profit figures throughout this document are before other intangible asset amortisation charges and certain other items as set out in note 4 to the financial statements.

2 Group cashflow for the year was adjusted to remove the exceptional impact of ring-fenced cash from First Rail.

As previously reported, Tim O' Toole was not eligible for an annual bonus for 2018/19.

The Committee carefully reviewed Matthew Gregory's performance against his personal objectives. Matthew's objectives had evolved during the year to reflect his roles as CFO, Interim COO and now Chief Executive. Reflecting on the key deliverables required during the year, and taking into account Matthew's growing role and associated levels of responsibility, the Committee considered his performance against the following key objectives and their achievement:

Objective	Assessment
Led the strategic review which has determined, with Board support, that a portfolio rationalisation is central to delivering enhanced shareholder value.	Fully achieved
Instigated a comprehensive, externally-facilitated structural change and efficiency programme, including a 'bottom up' review of the Group's cost base.	Fully achieved
Demonstrated good progress in the key areas relating to our safety culture.	Partially achieved
Developed a new vision aimed at placing the customer at the centre of our business.	Partially achieved
Driven the appropriate culture and Values including the diversity agenda and actions to improve employee engagement across the Group.	Fully achieved

The Committee determined that Matthew had delivered these objectives to a high standard and had also made a good transition to the role of Chief Executive. Considering his achievement against his specific personal objectives, as well as his performance across three roles over the financial year, the Committee awarded him 7% out of a possible 10%.

Taking into account the above outcomes, the formulaic EABP award for Matthew Gregory resulted in a potential award of 69.7% of the maximum.

Whilst underlying performance improvement in the year was strong, and the Committee commended management's delivery of good progress, Matthew and the Committee agreed that the overall performance should be considered in the context of the decision to provide for the Group's share of the potential future losses on the SWR franchise and the increase to the level of North American self-insurance reserves described on pages 7 and 8.

Therefore, the Committee exercised its discretion in this regard and awarded a bonus of 33.4% of the maximum potential, which equates to 50.1% of his average salary during the year.

Under the approved Policy, 50% of the award is normally paid in cash with 50% deferred into shares (which do not vest for 3 years, and are not subject to any further performance conditions). In view of the provision of £145.9m made this year in respect of the SWR franchise (described on pages 7 and 8, the Committee decided that the deferred share element of the Chief Executive's bonus should be awarded on a conditional basis. In 2022 when the normal deferment period for the award ends, the Committee will assess the extent to which the SWR provision has been required or is likely to be required over future years. Based on that assessment, it will determine at its discretion (and after taking into account any other factors relating to First Rail that it considers relevant) the extent (if any) to which the conditional award will vest. Any shares vesting under this element will be reported in the relevant Remuneration Report, including the Committee's decision and any further supporting information.

Matthew will therefore receive a cash bonus of 25.05% (£135,708) of his average salary during the year. A further 25.05% (£135,708) of his average salary during the year will be awarded in shares which may vest at the end of three years, subject to the condition relating to the SWR provision.

The overall bonus payout for 2018/19 is as follows:

	Matthew Gregory
Maximum bonus opportunity (% of salary)	150%
Annual bonus (% of salary)	25.1%
Actual bonus (£000s)	136

Long-Term Incentive Plan

2016 Long-Term Incentive Awards (audited)

The vesting of the 2016 LTIP awards was subject to the achievement of ROCE and TSR performance conditions (each representing 50% of the award) over a three-year performance period.

TSR performance was measured against a comparator group of 32 companies in the travel, business services and industrial sectors, which are of comparable scale, complexity and activity to FirstGroup.

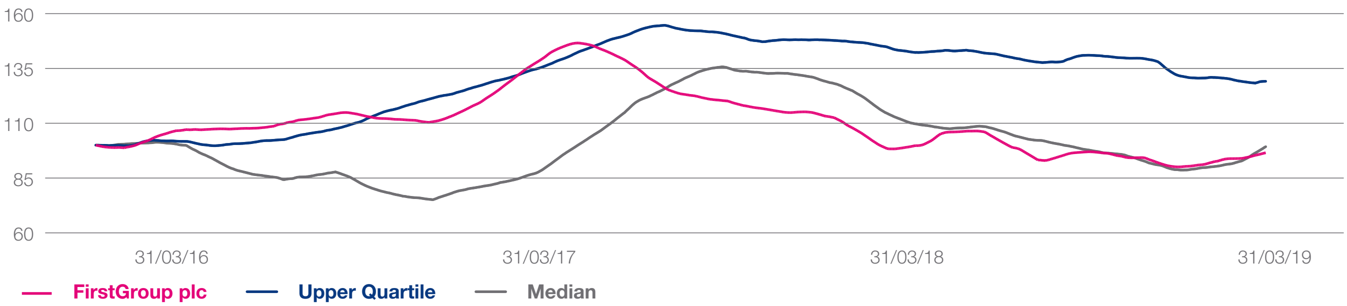
As disclosed in the 2016 Directors' Remuneration report, ROCE for LTIP purposes has been calculated by dividing adjusted operating profit after tax by net assets (excluding cash and debit items). To reflect those items outside management's control, the definition of ROCE is adjusted for:

- use of constant currency – the use of constant currency is established practice at FirstGroup and ensures that management are rewarded for improving the underlying performance of the business. LTIP targets are based on estimated foreign exchange rates in line with those rates included in the Group's Three-Year Plan, which is updated annually.
- exclusion of pension deficit – the exclusion of the pension deficit is considered appropriate as the Committee believes management should not be rewarded for movements in this element; and
- exclusion of non-continuing rail franchises – First Rail franchises that are not contracted to be operated for the full duration of the LTIP performance period are excluded from the ROCE calculation. Winning a franchise or being awarded an extension to an existing franchise (a Direct Award) within the performance period will lead to that franchise being included in subsequent LTIP awards, but not being included in the calculation of existing awards. This ensures a like-for-like comparison across the performance period. For the avoidance of doubt and in accordance with this methodology, the SWR franchise is not included in the ROCE calculation for the 2016 award.

The performance in respect of each of the metrics was as follows:

Metrics	Actual performance	Entry level (0%)	Threshold (12.5%)	Maximum (50%)	% of award which vested
ROCE	7.6%	<7.6%	7.6%	8.7%	12.5%
Relative TSR	47th percentile	Below median	Median	Upper quartile	0%

2016 LTIP – TSR Performance Versus Peer Group (31 March 2016 – 31 March 2019)



The Company's performance was just below median under the TSR measure, therefore this element of the award lapsed.

When assessing performance under the ROCE condition, the Committee determined that a number of adjustments should be made, regarding the write off of Greyhound goodwill, the TPE onerous contract accounting (reflected in the 2017/18 results), the exceptional charge in respect of the self-insurance reserve, and the phasing of approximately £90m in working capital grant and other funding inflows in First Rail which we expect to reverse in the 2019/20 financial year. These adjustments result in a fairer assessment of performance, with the ROCE outcome reduced to 7.6%, which means the threshold level of vesting of 12.5% of the total LTIP award was achieved. The Committee considers this level of vesting is appropriate, noting the near-miss vesting in respect of the TSR element and given the Company's progress in growing earnings and a more disciplined approach to capital allocation. The award will therefore partially vest on 28 June 2019, equating to 95,528 shares for Matthew Gregory (with a value of £87,140[1]), and will be subject to a two-year holding period.

1 In line with the regulations, the estimated value of the 2016 LTIP at vesting has been calculated based on the average share price over the last three months of 2018/19 (91.22p). The actual value of the 2016 LTIP, based on the share price on the date the awards vests, will be shown in the 2020 report. In line with the early adoption of requirements under the UK Companies (Miscellaneous Reporting) Regulations 2018, none of the total value of £87,140 at vesting can be attributed to share price growth as the share price at award was 92.60p in 2016.

Long-Term Incentive Awards made during the year (audited)

The Committee carried out a review of the LTIP performance metrics in 2017, which included consultation with major shareholders. As reported last year, in view of the overall results for 2018, the Committee took some further time to review the calibration of the targets for the 2018 award.

The subsequent awards were made in July 2018. There was no change to the three measures and weighting attached to each. All metrics will be assessed over a three-year performance period (which commenced on 1 April 2018).

The awards are subject to a two-year holding period following the three-year performance period as well as malus and clawback. In addition, as with all LTIP awards, before an award vests the Committee must be satisfied that the underlying performance of the Group is satisfactory and has the ability to amend the formulaic vesting outcome if they believe this is appropriate. The Committee believes that having a performance override is an important feature of the plan as it mitigates the risk of unwarranted vesting outcomes.

Details of the performance metrics and targets for the 2018 LTIP awards are set out below.

Earnings per Share ('EPS')

EPS growth will be determined using Adjusted EPS. The Committee considers Adjusted EPS to be an appropriate reflection of trading performance as it eliminates factors which distort year-on-year comparisons and so should be used to incentivise the achievement of underlying growth. The Committee noted that differences between adjusted and statutory EPS will need to be carefully considered and this is consistent with the overall review process carried out by the Committee when confirming any vesting decision.

EPS growth will be assessed at constant currency. The use of constant currency is established practice at the Company to eliminate foreign exchange translation effects only and ensures that management are rewarded for improving the underlying performance of the business.

When assessing performance, the reported Adjusted EPS for 2020/21 will be compared against the reported Adjusted EPS for 2017/18, restated into constant currency based on the effective foreign exchange rates in 2020/21.

Details of the EPS targets for the 2018 LTIP are set out below:

EPS CAGR[1]	% of award which vests
< 4%	0%
= 4%	8%
≥ 11%	40%

1 Between threshold (4%) and maximum (11%), vesting will be on a straight-line basis.

EPS targets are unchanged from the awards made in 2017 and were set taking into consideration the three-year business plan agreed by the Board in May 2018 and analyst forecasts at the time. The Committee believes this range continues to be very stretching given expectations for growth in our major markets.

ROCE ('Return on Capital Employed') – 20% of the award

As the Rail divisions are not heavy users of the Company's capital and the Company will be relying on the Road divisions to drive improved ROCE performance, the Committee concluded that 'Road ROCE', in 2017 was a more appropriate measure for the LTIP than Group ROCE. All awards since 2017 have been on this basis.

The Road ROCE metric will be calculated by dividing operating profit less tax by relevant Capital Employed retranslated at constant currency where:

- Operating profit is the reported adjusted operating profit of the Group, as published in the Annual Report, excluding earnings derived from the Rail division
- Capital Employed is net assets, excluding net debt, derivatives and pension balances and also excluding items relating to the Rail division. The exclusion of the pension deficit is considered appropriate as the Committee believes management should not be rewarded for movements in this element. This approach to pensions is identical to the ROCE definition, which did include Rail, used for LTIP awards made in 2015 and 2016.

To ensure consistency with the assessment of EPS targets, when assessing ROCE performance, the base year ROCE (6.1%) will be restated on a constant currency basis. The 2017/18 adjusted operating profit will be restated at the effective foreign exchange rate for 2020/21 and the March 2018 Capital Employed will be restated at closing balance sheet rates as at March 2021.

In order to provide transparency for each LTIP award, the Committee will disclose sufficient information to reconcile performance against the ROCE target range at the beginning and the end of the performance period.

At the beginning of the performance period for awards made in 2018 (1 April 2018), LTIP Road ROCE was 6.1%. This was calculated as follows:

Reported ROCE 2017/18	**9.5%**
Remove Rail earnings and capital employed balances	(2.9)%
Remove pension balances	(0.5)%
LTIP Road ROCE	**6.1%**

The Committee believes that this method of calculation results in a ROCE definition that will ensure management are rewarded for improving the effective allocation of capital across the business and then generating a return from this investment.

Details of the ROCE targets for the 2018 LTIP are set out below:

ROCE (Growth from end of 2017/18)[1]	% of award which vests
< 30 basis points	0%
= 30 basis points	4%
≥ 150 basis points	20%

1 Between threshold (30 bps) and maximum (150 bps), vesting will be on a straight-line basis.

Growth in Road ROCE of 150 bps for maximum vesting is in line with the targets set by the Committee for the 2017 LTIP awards. The performance required to achieve threshold vesting has been increased to 30 bps growth from 10 bps growth in 2017.

Relative TSR ('Total Shareholder Return') – 40% of the award

The relative nature of the metric, with TSR measured against a comparator group of 29 companies, creates an objective measure of long-term value delivery to shareholders and rewards executives for delivering performance which is better than that of competitors.

Relative TSR will be determined over a three-year performance period commencing on 1 April 2018 using a three-month average TSR at the beginning and end of the performance period by reference to the Company's positioning amongst a comparator group of companies.

The Committee believes that relative TSR is a suitable value metric, which takes into account performance of the Company's closest peers.

Details of the TSR targets for the 2018 LTIP are set out below:

TSR Ranking[1]	% of award which vests
Below median	0%
Median	8%
Upper quartile	40%

1 Between median and the upper quartile of the peer group, vesting will be on a straight-line basis.

The comparator group for the benchmarking of remuneration and the relative TSR metric for awards granted in 2018 is set out below. This comprises companies in the travel, business services and industrial sectors, which are of comparable scale, complexity and activity to the Company. In the event of one or more of the constituents undergoing a takeover, merger, dissolution, variation in capital or any other event that will materially affect the calculation of a ranking, the Committee shall determine how this should be reflected in the ranking calculation.

Aggreko	Electrocomponents	IWG	Stagecoach Group
Babcock International Group	Ferguson	Kier Group	Thomas Cook Group
Balfour Beatty	G4S	Mitie Group	Travis Perkins
Bunzl	Galliford Try	National Express	Wizz Air Holdings
Capita	Go-Ahead Group	Rentokil Initial	Wood Group (John)
Carnival	Grafton Group	Serco Group	
DCC	Hays	SIG	
easyJet	Interserve	Smith (DS)	

The comparator group is unchanged from that used in 2017, other than the removal of Carillion and GKN, following their delisting.

Governance

An LTIP award of 175% of salary was granted to Matthew Gregory on 5 July 2018. Following his appointment as Chief Executive, a further award was made to Matthew on 14 November 2018. This award was calculated to reflect the period during the year which he was eligible, as Chief Executive, under the Remuneration Policy, to an LTIP award of 200% of salary, taking into account his salary on promotion. Details of both awards are set out below:

Executive Director	Share price at date of grant[1]	Face value (% of base salary)	Number of shares awarded	Face value of award[2]	% of award which vests at threshold	Performance period
Matthew Gregory – July 2018	84.08 pence	175%	909,550	£764,750	20%	1.4.18 – 31.3.21
Matthew Gregory – November 2018	82.58 pence	30.3%[3]	232,998	£192,410	20%	1.4.18 – 31.3.21

1 Awards granted using the average five-day closing mid-market share price at the time of grant

2 The total face value of awards made to Matthew Gregory in 2018 is £957,160. This represents an award of 175% of Matthew's salary as CFO, of £437,000 (and therefore excludes the increase in pay agreed when he was appointed Interim COO from 1st June 2018) pro rated for the period from 1 April to 12 November 2018 (circa 62% of the year) plus an award of 200% of his salary as Chief Executive (£635,000) pro rated for the period from 13 November 2018 – 31 March 2019 (circa 38% of the year). In July 2018 Matthew was made an award of 175% of his salary at the time which had a face value of £764,750. The second award made in November 2018 represented the balance between £957,160 and £764,750.

3 The face value of the award made in November 2018 represented 30.3% of Matthew's salary at the time of grant of £635,000.

The awards are structured as nil-cost options, which may be exercised for up to 12 months following vesting. The awards are subject to clawback and malus, and a two-year post-vesting holding period.

Recruitment arrangements

On his appointment as Chief Executive on 13 November 2018, the following changes were made to Matthew Gregory's remuneration package:

- salary increased to £635,000
- pension allowance reduced from 20% of salary to 15% of salary
- maximum LTIP opportunity increased from 175% to 200% of salary
- shareholding requirement increased from 150% to 200% of salary

These arrangements are in accordance with our approved Remuneration Policy and provide a heavier weighting towards variable pay than the package for the previous Chief Executive – approximately a 30% reduction in fixed pay.

When setting the revised terms for Matthew, the Committee agreed that his pension allowance should be reduced to 15%, which is in line with the average company contribution to employee pensions in the UK. Matthew's salary will not be reviewed before 1 April 2020.

Matthew's maximum opportunity under the EABP remains at 150% of salary. His bonus for 2018/19 has been calculated based on his average salary during the year. His LTIP award made in June 2018 was calculated based on 175% of his salary as CFO (£437,000). On his appointment as Chief Executive, a further LTIP award was made in November 2018 to reflect the time during the year when Matthew was eligible for a maximum LTIP award of 200% of salary and his new salary of £635,000.

Ryan Mangold was appointed as Chief Financial Officer ('CFO') on 31 May 2019. Although this does not fall into the 2018/19 financial year, in the interests of transparency, details concerning his remuneration arrangements are provided here. This information will also be included in the 2020 Director's remuneration report. The Committee considered it necessary to attract and recruit a high calibre, highly experienced Chief Financial Officer to support the delivery of the strategy, which will require the execution of a complex portfolio rationalisation with discipline and pace. Ryan's recruitment package has been structured to support this objective.

His remuneration package as CFO is as follows:

- base salary of £450,000
- benefits in line with the Remuneration policy, including a company car allowance, private medical cover and life assurance
- a pension allowance of 15% of salary
- an EABP opportunity of 150% of salary
- a normal maximum LTIP opportunity of 175% salary
- a shareholding requirement of 150% of salary

Ryan will receive a 2019 LTIP award of 200% of base salary under the recruitment provisions of the Remuneration Policy. This enhanced award level is intended to create a strong and immediate alignment to delivery of the Company's new strategy, the commencement of which ties in directly with Ryan's appointment. The Committee was also mindful of the fact that there was no need for a buy-out of foregone awards and felt that the relatively modest additional value that this arrangement represents was therefore justified.

He will be eligible for consideration for a 2019/20 EABP on a full year basis (i.e. not subject to time pro-rating). The decision to award a full year bonus takes into account that Ryan will be in post for the great majority of the year (10 months) and also reflects the significant up-front investment of time which Ryan agreed to make ahead of his formal joining date. The Committee felt this initial investment was essential to ensure that Ryan was engaged in the launch and implementation of the new strategy, and as such was very much in the best interests of shareholders.

Payments to past Directors and payments for loss of office (audited)

Tim O'Toole stepped down from the Board on 31 May 2018. To assist with transition, he remained employed by the Group until 30 September 2018 and during this period his salary, pension and benefits continued to be paid as usual. Payment in lieu of Tim's salary and benefits for the unexpired period of his notice were then paid in monthly instalments, subject to mitigation. As at 31 March 2019, a maximum of two further monthly instalments were payable. In addition, the Company paid for Tim's legal advice in relation to his departure.

Amounts paid after Tim stepped down from the Board are set out below.

	Year	Salary £000s	Benefits[1] £000s	Pension £000s	Payments in lieu of notice £000s	Total £000s
Tim O'Toole	2019	282	12	56	524	874

1 Benefits include car allowance and medical insurance.

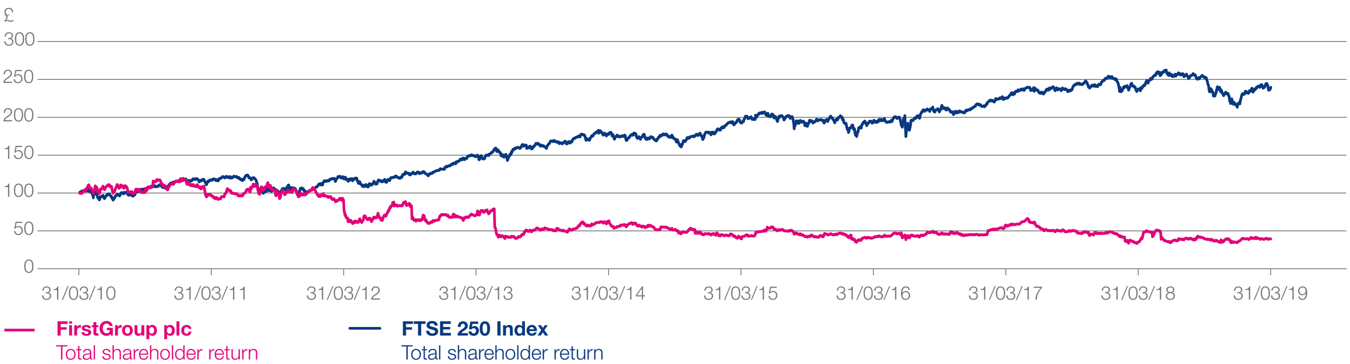
As reported last year, Tim did not receive an annual bonus for 2018 and he was not eligible to participate in the annual bonus plan for 2019.

On leaving employment, Tim's outstanding awards under the LTIP lapsed and no further awards were made in 2018. Tim had 599,482 unvested deferred bonus shares awarded in 2016 and 2017. The Remuneration Committee gave careful consideration to the treatment of these shares and determined that, as they related to past performance, they should vest on their normal vesting dates. The 516,356 shares awarded in 2017, due to vest in 2020, remain conditional on a determination by the Committee following the conclusion of appropriate investigations into the 2016 Croydon tram incident. If the Committee determine that any of these shares will vest, a full explanation will be provided in the 2020 Directors' Remuneration Report

Performance graphs

The graph below shows the TSR performance of £100 invested in FirstGroup plc shares over the past ten years compared to an equivalent investment in the FTSE 250. The FTSE 250 Index has been selected as it provides an established and broad-based index, of which the Company is a constituent.

Total shareholder return



Source: Thomson Reuters Datastream

TSR is measured according to a return index calculated by Datastream on the basis that all the Company's dividends are reinvested in the Company's shares. The return is the percentage increase in the Company's index over the ten-year period.

Remuneration of the Chief Executive

The table below shows the total remuneration figure for the highest paid Executive Director, the Chief Executive, during each of the past ten years. The total remuneration figure includes the annual bonus and LTIP awards which vested based on performance in those years. The annual bonus percentages show the payout for each year as a percentage of the maximum.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	**2019 (Tim O'Toole)**	**2019 (Wolfhart Hauser)**	**2019 (Matthew Gregory)**
Total remuneration (£000s)	802	857[1]	1,055	1,068	1,986	1,647	1,243	1,267	1,100	**175[5]**	**266[6]**	**422[7]**
Annual bonus (% of maximum potential)	–	43.6	–[2]	–[2]	59.1	57	15.9	–[3]	–[4]	**–**	**n/a**	**33.4**
LTIP vesting (% of maximum potential)	–	–	–	–	–	–	–	16.3	–	**–**	**n/a**	**12.5**

1 £503,000 relates to the remuneration of Sir Moir Lockhead, who resigned as Chief Executive in November 2010. From 1 November 2010 to 31 March 2011, Tim O'Toole received a remuneration of £357,000.

2 Tim O'Toole waived his bonus in 2012 and 2013.

3 A bonus was not paid to Tim O'Toole in 2017 and instead he received a conditional deferred share award.

4 No bonus was paid to Tim O'Toole in 2018

5 Relates to the remuneration of Tim O'Toole to 31 May 2018. Tim O'Toole was not eligible for an annual bonus or LTIP awards.

6 Relates to the remuneration of Wolfhart Hauser for his period as Executive Chairman, 1 June to 12 November 2018. Wolfhart Hauser was not eligible for an annual bonus or LTIP awards.

7 Relates to the remuneration of Matthew Gregory as Chief Executive from 13 November 2018 to 31 March 2019.

Non-Executive Directors' (NED) and Chairman's fees (audited)

The Chairman's fee of £295,000 has been in place since 1 December 2017. This fee was set to reflect the demands of the role and the time commitment required of the Chairman.

During the period 31 May 2018 to 13 November 2018, Wolfhart Hauser took on the interim role of Executive Chairman, while a new Chief Executive was being recruited. To recognise the additional time commitment associated with this, the Committee agreed a temporary increase in fees of £300,000 p.a. to £595,000 p.a. Wolfhart used a significant portion of this increase in fees (after tax) to purchase FirstGroup plc shares and acquired 56,016 shares during his time as Executive Chairman. By the end of the year he owned 340,574 shares, an increase of 20% over the prior year.

On the appointment of Matthew Gregory as Chief Executive on 13 November 2018, Wolfhart Hauser's role returned to that of Chairman and his annual fee reverted to £295,000.

No changes were made to NED fees in 2018. These remained at £58,000 p.a. with additional fees of £12,000 payable to the Senior Independent Director and the Chairs of the Audit, Board Safety and Remuneration Committees.

The Remuneration Policy approved last year gave the flexibility for Non-Executive Directors to receive an allowance in the event that they are required to undertake intercontinental travel for the purposes of attending Board or Committee meetings or site visits. At this time, the revised policy has not been implemented, therefore no such allowances have been paid to any Directors in 2018/19.

	Fees		Benefits[1]		Totals	
Non-Executive Director	**2019 £000s**	2018 £000s	**2019 £000s**	2018 £000s	**2019 £000s**	2018 £000s
Wolfhart Hauser[2]	**429**	285	**1**	–	**430**	285
Warwick Brady	**58**	58	**–**	–	**58**	58
Jimmy Groombridge[3]	**58**	49	**–**	–	**58**	49
Steve Gunning[4]	**15**	–	**–**	–	**15**	–
Drummond Hall	**70**	70	**–**	–	**70**	70
Martha Poulter	**58**	49	**3**	2	**61**	51
David Robbie	**70**	11	**–**	–	**70**	11
Imelda Walsh	**70**	70	**–**	–	**70**	70
Jim Winestock	**70**	70	**8**	5	**78**	75

1 The Company meets all reasonable travel, subsistence, accommodation and other expenses, including any tax where such expenses are deemed taxable, incurred by the NEDs and the Chairman in the course of performing their duties.

2 During the period 31 May 2018 to 13 November 2018, Wolfhart Hauser took on the interim role of Executive Chairman, while a new Chief Executive was being recruited. To recognise the additional time commitment associated with this, the Committee agreed a temporary increase in fees of £300,000 p.a. to £595,000 p.a. On the appointment of Matthew Gregory as Chief Executive on 13 November 2018, Wolfhart Hauser's role returned to that of Chairman and his annual fee reverted to £295,000

3 In addition to his fee as Group Employee Director, Jimmy Groombridge received earnings from the Group as an employee amounting to £21,193 (2017/18: £21,251). As a participant in the BAYE he received 257 Matching Shares during the financial year. Based on the middle market closing price of a share on 29 March 2019 of 90.95 pence, the value of these were £234.

4 Steve Gunning was appointed on 1 January 2019.

Implementation of remuneration policy for 2019/20

Annual base salary

On his appointment as Chief Executive, it was agreed that Matthew Gregory's salary would not be reviewed before 1 April 2020. It therefore remains at £635,000 for 2019.

Ryan Mangold's salary on appointment as Chief Financial Officer will be £450,000 and will likewise not be reviewed before 1 April 2020.

2019/20 Executive Directors' annual bonus

For 2019/20 the EABP will aim to incentivise improved performance against a range of financial and non-financial metrics and will be weighted such that 75% will be based on financial metrics and 25% on non-financial metrics. The financial targets will be set by the Committee based on a number of factors such as the Group's business plan, individual business unit level performance, consensus and expectations for 2019/20. The Committee will set targets which are stretching to ensure payouts only occur for strong performance over the financial year. The targets will be no less demanding than those set for the year 2018/19.

Specific targets will not be disclosed in advance as they would give a clear indication of the Group's business objectives, which are commercially sensitive. Where bonus targets are no longer commercially sensitive, typically following the end of the financial year, they will be disclosed in that year's Directors' remuneration report. Awards will be subject to an underlying performance override, enabling the Committee to scale back payouts to reflect the Group's overall performance, as well as malus and clawback. Half of any bonus earned will be deferred into the Company's shares for three years, conditional upon continued employment.

The Committee has already demonstrated in assessing bonus outcomes in previous years, 2015, 2017, 2018 and again in 2019, that it is prepared to set aside the formulaic outcome and reduce awards or introduce a further condition, to ensure that business performance or the impact of a significant event is properly reflected.

The 2019/20 annual bonus maximum and threshold levels of bonus as a percentage of base salary will be as follows:

Executive Director	Maximum	Threshold
Matthew Gregory	150%	0%
Ryan Mangold	150%	0%

2019 Long-Term Incentive Awards

It is the Committee's intention to make awards under the LTIP this year and it is anticipated that the approach to be adopted regarding metrics will be similar to that of the 2018 LTIP, that is, 20% Road ROCE, 40% EPS and 40% relative TSR. The targets for these awards will be published in the 2019/20 Directors' remuneration report.

As explained in the Remuneration Committee Chair's letter, the performance measures relating to the 2019 LTIP awards will be set and evaluated on a pre-IFRS 16 basis. The introduction of the new accounting standard IFRS 16 will have major implications on the reporting of our financial results, the impact of which was not completely known at the time the targets for the 2019 LTIP were set. The Committee took the view that it was important to give clarity to participants at the outset, rather than seeking to subsequently restate the targets at a future date. A reconciliation between the performance outcomes on an IFRS 16 and an IAS 17 basis will be included in the Directors' Remuneration Report for the year to 31 March 2022, in the section on LTIP vesting

Ryan Mangold will receive a 2019 LTIP award of 200% of base salary under the recruitment provisions of the Remuneration Policy.

Directors' interests in share awards (audited)

The outstanding LTIP, deferred share bonus and SAYE awards of Directors are set out in the table below. There have been no changes to the terms of any share awards granted to Directors.

Director	Plan	Date of grant	Number of awards held as at 1.4.18	Awards granted	Face value of awards (£)[1]	Awards vested[2]	Awards lapsed during the year	Number[3] of awards held as at 31.3.19	Exercise price (p)	Date on which award vests/ becomes exercisable	Expiry date
Matthew Gregory[4]	Deferred bonus shares	28.6.16	81,399	–	75,375	–	–	81,399	nil	27.6.19	27.6.26
		16.6.17	162,187	–	227,225	–	–	162,187	nil	16.6.20	15.6.27
		19.6.18	–	86,958	73,219	–	–	86,958	nil	19.6.21	19.6.22
	LTIP	17.12.15	1,222,200	–	1,284,532	–	1,222,200	–	nil	1.4.18	1.4.19
		28.6.16	764,231	–	707,678	–	–	764,231	nil	1.4.19	1.4.20
		24.11.17	730,420	–	764,750	–	–	730,420	nil	1.4.20	1.4.21
		5.7.18	–	909,550	764,750	–	–	909,550	nil	1.4.21	1.4.22
		14.11.18	–	232,998	192,410	–	–	232,998	nil	1.4.21	1.4.22
Group Employee Director											
Jimmy Groombridge	SAYE	8.12.15	3,601	–	3,713	–	–	3,601	85	1.2.19	31.7.19
		12.12.16	5,436	–	5,566	–	–	5,436	86	1.2.20	31.7.20
		12.12.17	3,469	–	3,747	–	–	3,469	83	1.2.21	31.7.21
		6.12.18	–	4,114	2,880	–	–	4,114	70	1.2.22	31.7.22

1 The face value of LTIP and deferred bonus in the table above has been calculated by multiplying the maximum number of shares that could vest by the average closing mid-market share price for the five days preceding the grant date. For SAYE options the face value is calculated by multiplying the number of options by the closing share price on the date of grant.

2 LTIP awards vest on the date the Committee determines whether performance conditions have been met, or if on that date dealing restrictions apply, the first date after dealing restrictions cease to apply.

3 The table above shows the maximum number of shares that could be released if awards were to vest in full. In respect of LTIP and Deferred bonus awards, participants are entitled to receive dividends or dividend equivalent amounts once the share awards have vested.

4 Awards made to Matthew Gregory under the EABP and LTIP are subject to clawback and malus provisions, in line with best practice and investors' expectations.

Shareholding guidelines (audited)

Under the terms of the Remuneration Policy approved by shareholders at the 2018 AGM, Executive Directors are expected to build up a specified shareholding in the Company. This is to create greater alignment of the Executive Directors' interests with those of shareholders. The guidelines require Executive Directors to retain at least 75% of the shares, net of tax, vesting under a Group share incentive plan or otherwise acquire shares in the Company within a five-year period from their date of appointment, until a shareholding with a market value (calculated by reference to the year end share price) equal to 200% of base salary in the case of the Chief Executive and 150% of base salary in the case of other Executive Directors is achieved. The Committee reserves the right to relax or waive the application of such guidelines in certain circumstances, including the impending retirement of an Executive Director.

The table below sets out the shareholdings of the Executive Directors and their connected persons' shareholdings (including beneficial interests) and a summary of outstanding and unvested share awards as at 31 March 2019 in the case of Matthew Gregory, and as at 31 May 2018 in the case of Tim O'Toole.

The table below shows that Matthew Gregory is making progress toward meeting the increased shareholding guideline for his role as Chief Executive, with a current shareholding of 69% of base salary. If the net value of the 95,528 shares due to vest under his 2016 LTIP award in June 2019 are included, this would increase to circa 77% of base salary. The table below uses the closing price of an ordinary share of the Company of 90.95 pence per share on 29 March 2019.

Executive Director	Ordinary shares beneficially owned at 1.4.18	Ordinary shares beneficially owned at 31.3.19[2]	Unvested deferred bonus share awards subject to continued employment[3]	Unvested share awards subject to performance conditions	Vested but not exercised share awards	Shareholding requirement (% of basic salary)	Current shareholding (% of basic salary)[4,5]
Matthew Gregory[1]	308,399	308,399	330,544	2,637,199	–	200%	69%
Tim O'Toole	1,253,522	1,265,948	83,126	516,356	–	200%	n/a

1 Matthew Gregory has until 1 December 2020 to meet the shareholding guideline of 150% of base salary (set when he was CFO) and until 13 November 2023 to meet the CEO guideline of 200% of base salary.

2 The figure for Tim O' Toole is as at 31 May 2018, the date he stepped down from the Board.

3 The unvested deferred bonus share award shown for Tim O'Toole is not conditional on continued employment and will vest on 27 June 2019.

4 Based on the middle market closing price of an ordinary share of the Company of 90.95 pence per share on 29 March 2019. The range of the Company's share price for the year was 79.3 pence to 117.5 pence.

5 The percentage of basic salary shown in the table includes vested but unexercised awards and the after tax value of unvested deferred bonus share awards which are subject to continued employment.

Non-Executive Directors' interest in ordinary shares (audited)

The beneficial interests of the Non-Executive Directors who held office at 31 March 2019 and their connected persons in the shares of the Company as at that date and 1 April 2018 are shown below. Shares are held outright with no attaching performance conditions. Jimmy Groombridge holds his shares in the FirstGroup Share Incentive Plan ('SIP') trust.

	Ordinary shares beneficially owned at 1.4.18 or date of appointment, if later	Ordinary shares beneficially owned at 31.3.19
Wolfhart Hauser	284,558	340,574
Warwick Brady	108,701	108,701
Jimmy Groombridge[1]	3,888	7,926
Steve Gunning[2]	–	–
Drummond Hall	30,990	50,990
Imelda Walsh	19,429	19,429
Jim Winestock	64,743	64,743
Martha Poulter	60,000	60,000
David Robbie	30,000	60,000

1 Jimmy Groombridge participates in the Company's BAYE scheme. His shares are held in the SIP trust. As explained on page 81, if the Partnership Shares were removed from the SIP trust within three years, the corresponding Matching Shares would be forfeited. Jimmy Groombridge acquired 315 shares between 1 April 2019 and the date of approval of this report.

2 Steve Gunning was appointed to the Board on 1 January 2019.

Dilution

The Company ensures that the level of shares granted under the Company's share plans and the means of satisfying such awards remains within best practice guidelines so that dilution from employee share awards does not exceed 10% of the Company's issued share capital for all share plans and 5% in respect of executive share plans in any ten-year rolling period. The Committee monitors dilution levels at least once a year. At 31 March 2019, less than 1% of the Company's issued share capital had been issued for the purpose of its share incentive plans over a ten-year period.

Employee Benefit Trust (EBT)

The FirstGroup EBT has been established to acquire ordinary shares in the Company, by subscription or purchase, from funds provided by the Group to satisfy rights to shares arising on the exercise or vesting of awards under the Group's share-based incentive plans. The trustee of the FirstGroup EBT has informed the Company that its intention is to abstain from voting at the Company's AGM in respect of the shares held in the trust, which are unallocated. As at 31 March 2019, 5,120,884 shares were held by the EBT to hedge outstanding awards of 29,938,092. This means that the EBT holds sufficient shares to satisfy 17% of outstanding awards.

Non-Executive Directors' dates of appointment

Non-Executive Directors have an agreement for service for an initial three-year term, which can be terminated by either party giving three months' notice. In line with the Code, all Non-Executive Directors, including the Chairman, are subject to annual re-election by shareholders at each AGM. The table below sets out the appointment dates for those Non-Executive Directors who served during the year ending 31 March 2019. They will all, except for Drummond Hall, put themselves forward for election or re-election at the 2019 AGM. We have also included below the details of Julia Steyn's appointment.

Non-Executive Director	Date of appointment
Wolfhart Hauser	24 July 2018
Warwick Brady	18 August 2017
Jimmy Groombridge	26 May 2017
Steve Gunning	1 January 2019
Drummond Hall	18 August 2017
Martha Poulter	26 May 2017
David Robbie	2 February 2018
Julia Steyn	2 May 2019
Imelda Walsh	18 August 2017
Jim Winestock	24 July 2018

External board appointments

Where Board approval is given for an Executive Director to accept an outside non-executive directorship, the Director is entitled to retain any fees received, unless the appointment is in connection with the business of the Group.

During the period until he stepped down from the Board on 31 May 2018, Tim O'Toole did not receive any remuneration for serving as an Independent Non-Executive Director of Edison International and Southern California Edison, or as a board member of the US National Safety Council.

Percentage change in remuneration levels

The table below shows the movement in the salary, benefits and annual bonus for the Chief Executive between the current and previous financial year compared to that for the average UK employee (First Bus and First Rail but excluding Group). The figures for 2019 used to calculate the change in remuneration for the Chief Executive relate to the remuneration of Tim O'Toole to 31 May 2018, Wolfhart Hauser for the period 1 June to 12 November 2018 and Matthew Gregory from 13 November 2018 to 31 March 2019. The Committee has chosen UK employees as the comparator as it feels that this provides a more appropriate reflection of the earnings of the average worker than the movement in the Group's total wage bill, which is distorted by movements in the number of employees and variations in wage practices in the US. However, the Committee will re-assess the comparator in 2019/20 to ensure it remains appropriate. For the benefits and bonus per employee, the figures are based on those employees eligible to participate in such schemes

	Base salary	Benefits	Annual bonus
Chief Executive	(23%)[1]	(73%)[2]	–[3]
UK employees[4]	12.2%	24.7%	49.9%

1 The reduction in salary is due to the fee paid to Wolfhart Hauser during his time as Executive Chairman and the salary for Matthew Gregory on appointment as Chief Executive being lower than the salary received by Tim O'Toole during his time as Chief Executive.

2 Wolfhart Hauser received no taxable benefits during his time as Executive Chairman. The value of UK medical insurance provided to Matthew Gregory is lower than that of the US medical insurance provided to Tim O'Toole. As a result total benefits for 2019 were significantly lower than in 2018.

3 No annual bonus was paid to Tim O'Toole in 2018.

4 Pay increases for the majority of UK employees in First Bus and First Rail are collectively bargained with trade unions in individual operating companies in First Bus and First Rail. Some of these agreements are multi-year deals. The double digit increases in base salary, benefits and annual bonus reflect the inclusion of the SWR franchise in the figures for UK employees this year. On a like-for-like basis (i.e. excluding SWR employees) these figures would be 2.3%, 13.7% and 38.3% respectively.

Relative importance of spend on pay

The table below illustrates the Company's expenditure on pay in comparison to adjusted operating profit and distributions to shareholders by way of dividend payments.

	2019 £m	2018 £m	% change
Adjusted operating profit[1]	**333**	317	5%
Distributions to shareholders	**–**	–	–
Total employee pay[2]	**3,355**	3,162	6%

1 Group adjusted operating profit has been used as a comparison as it is a key financial metric which the Board considers when assessing Company performance.

2 Total employee pay is the total pay for all Group employees, including pension and social security costs. The average monthly number of employees in 2018/19 was 102,061 (2017/18: 100,046).

Role of the Remuneration Committee

The Committee is primarily responsible for determining the policy for executive director remuneration and setting the remuneration for the Chairman, the Executive Directors and senior management. The Committee also reviews workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration.

The Committee's full terms of reference, which were reviewed and amended this year, are available on the Company's website. These have been updated in light of the new Code. The Committee's principal responsibilities are summarised below:

- determining and agreeing with the Board the framework for executive remuneration that ensures Executive Directors and members of senior management are provided with appropriate incentives to encourage enhanced performance and are rewarded in a fair and responsible manner for their individual contribution towards the success of the Company. Senior managers are defined as the Executive Committee and other employees agreed between the Chair of the Committee, the Chairman and the Chief Executive. The members of the Executive Committee are shown on page 60.
- ensuring that the remuneration policy is appropriate and consistent with effective risk management
- within the agreed framework, setting and determining the total individual remuneration arrangements for Executive Directors and senior managers, giving due regard to individual and Company performance, and remuneration trends across the Group
- approving the design of, and determining the targets for, any performance-related plans and the total annual payments made under such plans to Executive Directors and senior managers
- determining the terms of employment and remuneration of each Executive Director and senior executive, including recruitment and termination arrangements

Membership and meeting attendance

The current members of the Committee, who are all independent Non-Executive Directors, are: Imelda Walsh, Chair; Drummond Hall, the Senior Independent Director, and David Robbie, who chairs the Audit Committee. Imelda Walsh has chaired a number of Remuneration Committees and so meets the requirements of the Code in terms of her experience. Drummond Hall will step down on 31 May 2019 and Julia Steyn will join the Committee upon Drummond's retirement.

Other attendees at the Committee meetings include the Chairman, the Chief Executive, the interim CFO, the Group Employee Director, the Group Corporate Services Director, the Group HR Director, the Group Head of Reward and PwC, the Committee's external adviser. The General Counsel & Company Secretary was secretary to the Committee until September 2018 and continues to attend Committee meetings. Since September 2018, the Deputy Company Secretary has been secretary to the Committee. Attendees are not involved in any decisions and are not present for any discussions regarding their own remuneration.

After each meeting, the Chair of the Committee presents a report on its activities to the Board.

The Committee met on eight occasions during the year with all of its members in attendance.

Committee activities

In line with its remit, amongst other matters, the Committee took the following actions during the year:

- reviewed and approved 2018/19 salaries for the Executive Directors, Executive Committee and other individuals within the Committee's remit
- assessed the level of achievement against objectives under the 2017/18 EABP and 2015 LTIP
- approved the metrics, definitions, weightings and targets for the 2018/19 EABP and 2018 LTIP awards
- approved the remuneration arrangements for Tim O'Toole on his departure from the Company
- approved the remuneration package for Matthew Gregory on his appointment as Chief Executive and the interim remuneration arrangements for Matthew Gregory and Wolfhart Hauser for their periods as COO and Executive Chairman respectively
- approved changes to the LTIP rules to explicitly include corporate failure and reputational damage as malus and clawback triggers
- reviewed and approved the 2018 Directors' remuneration report
- reviewed the 2018 Gender Pay Gap reporting and final figures ahead of publication
- reviewed its terms of reference to bring them in line with the revised UK Corporate Governance Code and associated guidance

External adviser

The Committee has authority to obtain the advice of external independent remuneration consultants. It is solely responsible for their appointment, retention and termination and for approval of the basis of their fees and other terms. Over the course of the year, the Committee was supported by PwC, who were appointed by the Committee in 2014. The Chair of the Committee agrees the protocols under which PwC provides advice.

PwC is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK.

During the year, PwC provided independent advice and commentary on a range of topics including Directors' remuneration reporting, discretionary share plans, corporate governance and executive remuneration trends and shareholder consultation. PwC fees for advice provided to the Committee were £97,050 (2018: £67,950), charged on a time-and-materials basis.

PwC also provided general consultancy services to FirstGroup during the year; however, the Committee is satisfied that this does not compromise the independence and objectivity of the advice it has received from PwC, which has no other connection with the Company.

As set out in the Audit Committee report, the external audit has been put out to tender at the beginning of 2019. The Remuneration Committee has been advised that, should PwC be appointed as auditors, it will be necessary to appoint new remuneration advisers as PwC would withdraw its Remuneration Committee-related services prior to the commencement of its role as auditors

Shareholder votes on remuneration matters

	2018 AGM Annual Remuneration Policy	2018 AGM Annual Report on Remuneration	2017 AGM Annual Report on Remuneration	2016 AGM Annual Report on Remuneration
Votes for	787,510,512 (84.52%)	870,429,586 (96.37%)	902,019,470 (91.32%)	799,235,216 (96.53%)
Votes against	144,272,299 (15.48%)	32,771,050 (3.63%)	85,771,076 (8.68%)	28,761,378 (3.47%)
Total votes cast	931,782,811	903,200,636	987,790,546	827,996,594
Votes withheld*	5,492,503	34,074,629	222,240	118,668,660

* Note: A 'Vote withheld' is not a vote in law and is not counted in the calculation of the votes 'For' and 'Against' a resolution.

Imelda Walsh
Chair, Remuneration Committee