REMUNERATION Report

Dear Shareholder

I am pleased to present, on behalf of the Board, the Directors' Remuneration Report of the Remuneration Committee.

ANNUAL STATEMENT

The Group's Remuneration Policy aims to promote a strong and sustainable performance culture, to incentivise high growth and to align the interests of Executive Directors and other senior managers with those of shareholders. In promoting these objectives, the Directors' Remuneration Policy has been structured so as to adhere to the principles of good corporate governance and appropriate risk management.

In determining remuneration levels, the Committee has taken account of market conditions, the performance of the Group and its responsibility to shareholders.

PERFORMANCE AND REWARD IN RELATION TO THE 52 WEEKS ENDED 29 JUNE 2019

The 2018/19 financial year has been a challenging year for the Group on many fronts, the result of which was a 3.5 per cent decline in like-for-like sales and a £3.9 million reduction in adjusted EBITDA. Rob Pitcher was installed as Chief Executive Officer just days before the beginning of the financial year under review and, given the deterioration in sales performance at that time, his priorities were to stabilise performance and determine the direction of the Revolution brand. Many new work-streams have been initiated and, towards the end of the year, there was good evidence of sales performance stabilising and moving into growth. Actions have also been progressed to remove cost from the business and with many more of the work-streams expected to deliver future trading improvements and bank debt now reducing, the Group is much better placed to consolidate its market position and deliver an improved performance in 2019/20.

Performance in the period under review for adjusted EBITDA and adjusted Profit before tax bonus targets was below the threshold level and therefore no bonuses were payable to any Executive Director or member of the senior management team.

No LTIP awards held by Executive Directors were due to vest in respect of the three-year performance period ended 29 June 2019.

REMUNERATION POLICY AND ITS APPLICATION IN THE 2020 FINANCIAL YEAR

The Group's Remuneration Policy was submitted for approval at the 2018 AGM. The Committee reviewed the policy during the year and concluded that it remains appropriate and fit for purpose, and as such no changes to the policy are to be proposed at the 2019 AGM.

In respect of operating the Remuneration Policy in the 2019/20 financial year:

- no changes will be made to Executive Director base salary levels. Rob Pitcher's salary will remain on £350,000 and Mike Foster's salary will remain on £204,000, the latter having been increased by two per cent from 1 April 2019, in line with the inflationary increase applied to head office salaries at that time;
- no changes will be made to benefits or pension provisions. However, in respect of new appointments to the Board, the Committee will ensure that pension provision is aligned to the workforce;
- annual bonus provision for 2019/20 will continue to be capped at 100 per cent of salary for Executive Directors. 70 per cent of the bonus potential will be based on a sliding scale of EBITDA performance targets and 30 per cent of the bonus potential will be based on strategic targets based on like-for-like sales growth, health and safety audit ratings, guest experience measurements and employee Net Promoter Score. Bonus earnings based on the strategic target measurements will only be paid if the minimum EBITDA performance target is achieved;
- Rob Pitcher will receive the second part of his LTIP award (based on 100 per cent of salary) as contractually agreed when he joined the Company. The award will take place shortly after the preliminary announcement of the 2019 results. While the Committee notes the provision in ISS's latest voting guidelines (i.e. where there has been

> **Many new work-streams have been initiated and, towards the end of the year, there was good evidence of sales performance stabilising and moving into growth."**

"a material decline in a company's share price, Remuneration Committees should consider reducing the size of LTIP awards at the time of grant") and investor sentiment on this more generally, a reduction to the award level is not considered appropriate in respect of Rob Pitcher's planned 2019 LTIP award given the Remuneration Committee's desire to:

(i) fulfil the commitment made to Rob upon his appointment, which was a critical element in attracting him to this opportunity, in respect of granting a 300 per cent of salary LTIP award within the first 18 months of his employment;

(ii) ensure that Rob is appropriately incentivised to remain in the business noting: (a) the significant progress that he has made since his appointment just over a year ago and the planned workstreams for 2019/2020 onwards; (b) that a number of the Group's issues in the past were exacerbated by a period of management instability; (c) the reduction in the share price is not a reflection of his efforts since joining the Group but rather a result of the underlying problems in the period leading up to his appointment; and (d) the fact that the initial 200 per cent of salary LTIP award is, in the view of the Committee, considered unlikely to vest to a material extent; and

(iii) ensure that Rob is appropriately incentivised to continue to turn the business around in challenging trading and uncertain macroeconomic conditions

The basis of the performance targets for the awards remain unchanged; 70 per cent on earnings per share ("EPS") (25 per cent of this part of awards will vest for EPS growth of seven per cent per annum increasing pro-rata to 100 per cent vesting for EPS growth of 13 per cent per annum) and 30 per cent based on relative total shareholder return ("TSR") against a bespoke peer group of listed pub companies. However, rather than using the conventional median to upper quartile vesting schedule, a median to median plus ten per cent p.a. vesting scale will be adopted given the small number of comparator companies.

- Following his 200 per cent of salary LTIP award in November 2017, no further LTIP award will be granted to Mike Foster in 2019/20;
- shareholding guidelines will continue to operate at 100 per cent of salary; and
- no changes will be made to Non-Executive Director fees.

COMMITTEE ACTIVITIES

The Committee met five times during the year, with all members attending each meeting. Its main activities were to:

- determine the Chairman's fee and the framework and policy for the remuneration of the Executive Directors and other members of the Executive Committee and ensure they remain appropriate;
- advise on the design of, and to determine and agree, the total individual remuneration package of each of the Executive Directors and other members of the Executive Committee, giving due regard to any relevant legal requirements, the provisions and recommendations set out in the prevailing Code and the UK Listing Authority's Listing Rules and associated guidance;
- approve the design of, and targets for, annual and long-term performance related pay schemes operated for the Executive Directors and other members of the Executive Committee, the total annual payments made under such schemes and provide oversight and guidance in relation to other Group-wide incentive proposals to ensure that these are aligned to performance, the Group's core values and the Board's risk appetite; and
- oversee remuneration and benefit structures and policies throughout the Group's business and to give advice on any major changes.

The Committee's terms of reference are available from the Company Secretary and can be found on the Company's website at www.revolutionbarsgroup.com.

SHAREHOLDER FEEDBACK

The Committee welcomes any feedback on this report and the Remuneration Policy in general. On behalf of the Board, I would like to thank shareholders for their continued support and I look forward to your approval of our report at the 2019 AGM.

Jemima Bird
Chair of the Remuneration Committee
1 October 2019

REMUNERATION Report continued

DIRECTORS' REMUNERATION POLICY

A summary of the Directors' Remuneration Policy, as approved by binding shareholder vote at the 2018 AGM, is set out below.

EXECUTIVE DIRECTORS

Policy table

Element	Operation	Opportunity	Performance metrics
Base salary			
To attract and retain key individuals. To reflect the relevant skills and experience in the role.	Salaries will normally be reviewed annually taking into account performance, experience, responsibilities, relevant market information and the level of workforce pay increases.	Executive Directors' current salaries are set out in the Annual Report on Remuneration. Annual increases will usually be commensurate with those of the wider workforce. Further increases may be considered if there are significant changes in responsibility or scope of the role, sustained increase in the size of the business, or if there are significant movements in market rates. New joiners, where pay is initially set below market levels, may benefit from larger increases as their salary is progressed towards the market rate based on their development in the role.	A broad-based assessment of individual and Group performance is considered as part of any salary review.
Pension			
To provide cost-effective, yet market-competitive, retirement benefits.	Contribution to a personal pension arrangement or cash in lieu of pension by way of a salary supplement.	Set at market-competitive levels for Executive Directors. The maximum contribution will be up to 15 per cent of salary. Only basic annual salary is pensionable.	Not applicable.
Benefits			
To provide benefits that assist Directors in the performance of their roles and are designed to be competitive and cost effective.	Car and fuel allowance for Executive Directors, private health insurance and life insurance cover. Other benefits may be offered (e.g. relocation) where considered appropriate.	Not applicable.	Not applicable.

Element	Operation	Opportunity	Performance metrics
Annual bonus plan			
To motivate Executive Directors and incentivise the achievement of key financial and strategic goals and targets over the financial year.	Based on the achievement of performance metrics measured at Group level. Bonus is paid wholly in cash. Recovery provisions will apply in the event of material misconduct, misstatement of financial results and/or an error in the calculation of the bonus payable. The recovery period in respect of each bonus will be three years from the date the bonus is paid.	Maximum bonus potential is 100 per cent of salary for the Executive Directors. The Remuneration Committee retains discretion to withhold or reduce a bonus even if the objectives have been met.	The annual bonus plan is subject to the achievement of stretching performance conditions based on financial performance of the Group and personal strategic objectives which reflect key business drivers. The majority (if not all) of any bonus will be determined by financial measures with only a minority being paid for achieving threshold performance levels.
Performance Share Plan ("PSP")			
To motivate Executive Directors and incentivise delivery of performance over the long term. To encourage greater shareholder alignment by rewarding total shareholder return ("TSR") outperformance. To facilitate share ownership.	Nominal cost options ("NCO") are share awards which vest, subject to performance, after three years. PSP awards are subject to recovery and withholding provisions allowing the Company to withhold invested awards or reclaim vested awards under certain circumstances.	Normal awards of up to 200 per cent of salary. Awards of up to 300 per cent of salary may be made in exceptional circumstances.	Awards will be granted subject to a combination of financial measures (including but not limited to relative TSR and adjusted EPS) over at least a three-year period. The Committee will review the appropriateness of the performance conditions on an annual basis and may make changes to the weightings or introduce new measures which are aligned to the Company's strategy at that time.
Company Share Option Plan ("CSOP")			
To incentivise and recognise service over the longer term.	The Company operates a share option plan under which it may grant share options with an exercise price as determined by the Committee on grant. The terms on which an award vests are determined by the Committee on grant and, once vested, options are exercisable up to ten years from the date of grant. For Executive Directors with PSP awards, any grant of CSOP awards will be linked to the grant of PSP awards, which will be reduced accordingly to reflect the value received under any CSOP award.	Aggregate value of any PSP and CSOP award granted will not normally exceed normal awards of 200 per cent of salary (300 per cent of salary in exceptional circumstances), with PSP grant levels in the same year taken into consideration and reduced accordingly.	For Executive Directors, performance conditions will be linked to those used under the corresponding PSP award.
Executive share ownership			
To align Executive Directors' and shareholders' interests.	All Executive Directors are expected to hold an investment of at least 100 per cent of base salary in the Company using 50 per cent of net awards under the Company's PSP to achieve the shareholdings, if required.	100 per cent of salary for all Executive Directors.	Not applicable.

REMUNERATION Report continued

DIRECTORS' REMUNERATION POLICY CONTINUED

NON-EXECUTIVE DIRECTORS

Policy table

Element	Operation	Opportunity	Performance metrics
To attract and retain high calibre Non-Executive Directors. To set remuneration by reference to the responsibilities and time commitment undertaken by each Non-Executive Director.	Fee levels are reviewed on a periodic basis and are set based on expected time commitments and responsibilities and in the context of the fee levels in companies of a comparable size and complexity. The Committee sets the fee for the Non-Executive Chairman, whereas fees for the Non-Executive Directors are set by the members of the Board, excluding the Non-Executive Directors.	The Non-Executive Chairman's fee and Non-Executive Director fees are set out in the Annual Report on Remuneration. Any increase in fees may be above those of the wider workforce (in percentage terms) in any particular year, reflecting the periodic nature of any review and/or changes to time commitments and/or responsibilities. In exceptional circumstances, if there is a temporary yet material increase in the time commitment for Non-Executive Directors, the Board may opt to pay additional fees to recognise the additional workload.	Not applicable.

The Committee operates the annual bonus plan and long-term incentive plans according to their respective rules and, consistent with normal market practice, the Listing Rules and HMRC rules where relevant, including flexibility in a number of regards. The flexibility includes:

- timing of awards and payments;
- the size of an award (within the limits noted in the table above) and when and how much should vest;
- who receives an award or payment;
- dealing with a change of control or restructuring of the Group;
- determining whether a participant is a good/bad leaver for incentive plan purposes and whether and what proportion of awards vest;
- any adjustments required to awards in certain circumstances (e.g. rights issues, corporate restructuring, other significant events and special dividends); and
- the weightings, measures and targets for the annual bonus plan, PSP and CSOP from year to year.

The Committee retains the discretion to adjust the targets and/or set different measures and alter weightings for the annual bonus plan and to adjust targets for the PSP and CSOP if events occur (e.g. a major acquisition or disposal) which cause it to determine that the plan conditions are unable to fulfil their original intended purpose and if the change would not be materially less difficult to satisfy than was originally set.

EXISTING AWARDS

The Committee intends to honour any commitments, including the outstanding PSP awards, on the terms applicable at the time each such commitment was made. The relevant outstanding awards are described in the Annual Report on Remuneration.

EXECUTIVE DIRECTORS' SERVICE AGREEMENTS INCLUDING POLICY ON CONTRACTS OF SERVICE

Rob Pitcher

On 25 June 2018, Rob Pitcher (The Company's Chief Executive Officer) entered into a service agreement with Revolution which is terminable by him or the Company on not less than 12 months' prior written notice. The Company can, however, terminate Rob Pitcher's service agreement immediately, provided that such termination is effected together with payment of a cash sum in lieu of notice equivalent to the basic salary, pension allowance, car allowance and the value of his insured benefits to which he would have been entitled for the remainder of his notice period. The service agreement is terminable with immediate effect without notice in certain circumstances.

Mike Foster

Mike Foster (The Company's Chief Financial Officer and Company Secretary) continues to perform his duties on the basis of an appointment letter approved by the Revolution Board on 29 May 2017 and which is terminable by him or the Company on not less than six months' prior notice.

The Executive Directors are eligible to participate in such bonus arrangements as the Company may specify from time to time. The Board retains absolute discretion to determine whether or not a bonus should be paid to an Executive Director and, if a bonus is to be paid, the amount of such bonus.

On cessation of an Executive Director's employment, the treatment of any outstanding share awards will be governed by the rules of the appropriate plan. In the normal course, awards will lapse. If a participant is treated as a good leaver (for reasons of death, injury, permanent ill health or disability, redundancy, the employing entity ceasing to be a member of the Group, the business being transferred outside of the Group, or any other reason the Committee determines at its discretion) the award will normally be deemed to vest on the originally prescribed vesting date to the extent that the performance conditions have been achieved and pro-rated for the service period rendered (unless the Committee decides to vest awards at cessation and/or disapply time pro-rating).

The Non-Executive Directors have letters of appointment which provide for notice by either party giving to the other not less than six months' notice in writing for the Chairman and three months' notice in writing for other Non-Executive Directors. The Company may also terminate by making a payment in lieu of notice.

None of the employment contracts or letter of appointment of the Directors contain special contractual termination provisions.

OTHER EMPLOYEES' PAY

The Committee does not consult with employees directly on matters of Executive remuneration. However, the Committee is aware of the disconnect which may be created if Executive Director remuneration is set in isolation and therefore is updated during the year with details of the pay and employment conditions in the wider workforce. In particular, the Committee is made aware of general salary increases, general benefit provision and the proposed level of annual bonuses. The Committee is also responsible for reviewing the proposed participants of the PSP and the CSOP.

REMUNERATION POLICY ACROSS THE GROUP

The Remuneration Policy described in this report is broadly consistent with the policy used for other Senior Executives of the Company. A significant proportion of remuneration remains performance related, although lower quanta operate.

All Support Centre salaried employees and venue management staff participate in annual bonus or incentive schemes subject to minimum service periods, although the rewards, limits and performance metrics vary according to seniority and location of the role. Participation in the PSP and the CSOP is targeted at senior management and other key staff such as Area Managers who have the ability to influence overall trading performance.

New senior employees are eligible to join a defined contribution pension plan providing an employer contribution at five per cent annual salary.

REMUNERATION Report continued

DIRECTORS' REMUNERATION POLICY CONTINUED

POLICY ON EXECUTIVE DIRECTOR RECRUITMENTS/PROMOTIONS

In relation to external Executive recruitment or internal promotion, the Committee will follow the principles outlined in the table below:

Element of remuneration
Base salary
Salary levels will be set based on: • the particular experience, knowledge and skills of the individual; • market rates for comparable positions in companies of a similar size and complexity; and • internal Company relativities. Where considered appropriate, the Committee may wish to set the initial salary below the perceived market rate (e.g. to reflect an individual's limited experience at a public limited company board level) but with the view to make phased increases, potentially above those of the wider workforce as a percentage of salary, so as to achieve the appropriate market positioning over time. Any increases would be subject to the individual's continued development and performance in the role.
Benefits
A new appointment would be offered the same or a similar benefits package (or equivalent, in line with local market practice) as that provided to current Executive Directors. Where considered necessary, the Committee may agree to pay certain relocation expenses, legal fees and other costs incurred by the individual in relation to their appointment.
Pension
A defined contribution or cash supplement (or equivalent, in line with local market practice) aligned to existing senior employees may be provided.
Annual bonus
The Committee would envisage the annual bonus for any new appointment operating as set out in the policy table for current Executive Directors. The annual bonus maximum, as a percentage of salary, would be limited to that of the current Chief Executive Officer. However, the Committee may consider it necessary (depending on timing and the nature of the appointment) to set different tailored performance measures for the initial bonus year.
Long-term incentives
Ongoing LTIP awards will be made on the same terms as those for current Executives, albeit possibly with different performance periods depending on the timing of the appointment. The maximum ongoing award, as a percentage of salary, will be no higher than that of the current Chief Executive Officer. An award may be made shortly after an appointment if the Committee regarded it to be an exceptional circumstance and subject to the Company not being in a closed period. In accordance with the rules of the scheme, awards are normally made within 42 days of an announcement of the Group's results. For internal promotions, existing awards will continue over their original vesting period and remain subject to their terms as at the date of grant.
Buy-out awards
To facilitate external recruitment, it may be necessary to buy out remuneration which would be forfeited on the appointee leaving their previous employer. When determining the quantum and structure of any buy-out awards, the Committee will, where possible, use a consistent basis, taking into account the form of remuneration (cash or shares), timing horizons and the application of any performance criteria. Buy-out awards, if used, will be granted using the Company's existing share plans to the extent possible, although awards may also be granted outside of these schemes if necessary and as permitted under the Listing Rules.

SHAREHOLDER ENGAGEMENT

The Committee considers an open and constructive dialogue with investors to be vitally important to establishing a successful Remuneration Policy that is considered fair and transparent by both Executives and shareholders. Therefore, the Committee will consult with major investors whenever material changes to the policy are proposed. The Committee also welcomes investor feedback and will consider views raised at the AGM and regular meetings throughout the year when establishing the overall policy.

ANNUAL REPORT ON REMUNERATION

COMPOSITION OF THE REMUNERATION COMMITTEE (UNAUDITED)

The Committee currently consists of Jemima Bird (Committee Chair), Keith Edelman and William Tuffy. None of the Committee has any personal financial interest (other than as a shareholder), conflicts of interest from cross-directorships, or day-to-day involvement in the running of the business.

The CEO and CFO are invited to attend meetings, although are not present when matters affecting their own remuneration are discussed. The Company Secretary or their nominee acts as secretary to the Committee.

The Committee appointed independent remuneration consultants, FIT Remuneration, to replace Mercer Kepler, to advise on aspects of senior executive remuneration. FIT Remuneration is a member of the Remuneration Consultants Group and is a signatory to its code of conduct. FIT Remuneration has no connection with Revolution Bars Group plc other than in the provision of advice on Executive remuneration. The terms of engagement are available from the Company Secretary on request. The fees payable to FIT Remuneration during the 52 weeks ended 29 June 2019 were £16,000 (2018: £8,400 paid to Mercer Kepler).

The Committee reviews its relationships with external advisers on a regular basis and believes that no conflicts of interest exist.

IMPLEMENTATION OF THE REMUNERATION POLICY IN THE 52 WEEKS ENDING 27 JUNE 2020 (UNAUDITED)

Basic Annual Salary

Current salary levels are as follows:

Role	Director	From 1 April 2019	2018/19	% Increase
Chief Executive Officer	Rob Pitcher	£350,000	£350,000	0%
Chief Financial Officer	Mike Foster	£204,000	£200,000	2%

Mike Foster's base salary was increased by two per cent from 1 April 2019 in line with Support Centre salary increases.

Annual Bonus

Annual bonus provision for 2019/20 will continue to be capped at 100 per cent of salary for Executive Directors. However, following a review of bonus provision, the Committee has simplified arrangements while more closely aligning performance metrics and targets to the delivery of the Company's strategy. As such, 70 per cent of the bonus potential will be based on sliding scale adjusted EBITDA performance targets while 30 per cent of the bonus potential will be based on strategic targets based on like-for-like sales growth, health and safety independent audit results, guest experience scores and employee Net Promoter Score. Adjusted EBITDA was selected as a bonus measure given that it is the key performance metric used by management internally. While Adjusted EBITDA and the strategic targets are currently commercially sensitive, full details of the targets and performance against the targets will be disclosed in next year's Directors' Remuneration Report.

Long-term Incentive Awards

As part of his joining arrangements, Rob Pitcher was eligible to receive a 300 per cent of salary LTIP award in two parts, with the first part (200 per cent of salary) granted following the preliminary announcement of the 2018 results and the second part (100 per cent of salary) to be granted following the preliminary announcement of the 2019 results. While the Committee notes the provision in ISS's latest voting guidelines (i.e. where there has been "a material decline in a company's share price, Remuneration Committees should consider reducing the size of LTIP awards at the time of grant") and investor sentiment on this more generally, a reduction to the award level is not considered appropriate in respect of Rob Pitcher's planned 2019 LTIP award given the Remuneration Committee's desire to:

(i) fulfil the commitment made to Rob upon his appointment (which was a critical element in attracting him to this opportunity) in respect of granting a 300 per cent of salary LTIP award within the first 18 months of his employment;

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ANNUAL REPORT ON REMUNERATION CONTINUED

IMPLEMENTATION OF THE REMUNERATION POLICY IN THE 52 WEEKS ENDING 27 JUNE 2020 (UNAUDITED) CONTINUED

Long-term incentive awards continued

(ii) ensure that Rob is appropriately incentivised to remain in the business noting: (a) the significant progress that he has made since his appointment just over a year ago and the planned workstreams for 2019/2020 onwards; (b) that a number of the Group's issues in the past were exacerbated by a period of management instability; (c) the reduction in the share price is not a reflection of his efforts since joining the Group but rather a result of the underlying problems in the period leading up to his appointment; and (d) the fact that the initial 200 per cent of salary LTIP award is, in the view of the Committee, considered unlikely to vest to a material extent; and

(iii) ensure that Rob is appropriately incentivised to continue to turn the business around in challenging trading and uncertain macroeconomic conditions.

The basis of performance targets for the awards will remain unchanged; 70 per cent on earnings per share ("EPS") (25 per cent of this part of awards will vest for EPS growth of seven per cent p.a. increasing pro-rata to 100 per cent vesting for EPS growth of 13 per cent p.a.) and 30 per cent based on relative total shareholder return ("TSR") against a bespoke group of pub companies (Restaurant Group, Greene King, Mitchells & Butlers, JD Wetherspoon, Whitbread, Marston's and Fuller Smith & Turner). However, rather than using the conventional median to upper quartile vesting schedule, a median (25 per cent of this part of awards will vest) to median plus ten per cent p.a. (100 per cent of this part of awards will vest) will be adopted given the small number of comparator companies. The level of outperformance for full vesting has been based on a historical analysis of the typical range between median and upper quartile TSR in the sector.

Following his 200 per cent of salary LTIP award in November 2017, no further LTIP award will be granted to Mike Foster in 2019/20.

Policy on Executive Share Ownership

The Remuneration Policy requires Executive Directors to invest in the Company to a level of at least 100 per cent of annual salary over time, save that under such policy Executive Directors may build to this level using 50 per cent of net awards under the Company's long-term incentive plans.

Details of current share ownership levels are set out on page 55.

Non-Executive Directors' Fees and Incentives

No increases to Non-Executive fees will be awarded for 2019/20.

Details of each Director's remuneration for the 52 weeks ended 29 June 2019 are given below.

DIRECTORS' REMUNERATION FOR THE 52 WEEKS ENDED 29 JUNE 2019 (AUDITED)

		Fees/ Salary £'000	Taxable benefits[1] £'000	Pension[2] £'000	Annual Bonus £'000	Long-term incentives £'000	Total £'000
Executive Directors							
Rob Pitcher[3]	2019	350	16	44	–	–	410
	2018	7	–	1	–	–	8
Mike Foster	2019	201	18	–	–	–	219
	2018	200	17	–	–	–	217
Non-Executive Directors							
Keith Edelman[4]	2019	90	–	–	–	–	90
	2018	255	–	–	–	–	255
Jemima Bird	2019	33	–	–	–	–	33
	2018	30	–	–	–	–	30
William Tuffy[5]	2019	20	–	–	–	–	20
Former Directors							
Mark McQuater[6]	2019	145	3	–	–	–	148
	2018	368	40	64	–	44	516
Chris Chambers[7]	2018	21	1	3	–	–	25
Michael Shallow[8]	2019	17	–	–	–	–	17
	2018	40	–	–	–	–	40
Aggregate emoluments							
	2019	856	37	44	–	–	937
	2018	921	58	68	–	44	1,091

1. Taxable benefits comprise medical insurance policies and car allowances.
2. A pension provision/salary supplement of 15 per cent of salary was provided to Rob Pitcher. No pension provision was provided to Mike Foster.
3. Rob Pitcher was appointed to the Board on 25 June 2018; his remuneration figures for 2018 reflect the period from the date of appointment only.
4. Keith Edelman assumed the role of Executive Chairman on 17 October 2017, before resuming his role as Non-executive Chairman on 24 June 2018. Of the figure presented above for 2018, £227,000 related to the period over which he was the Executive Chairman.
5. William Tuffy was appointed to the Board effective 26 November 2018.
6. Mark McQuater stepped down from the Board on 17 October 2017 and ceased employment on 2 February 2018; he received his normal pay and benefits during the 2019 reporting period throughout his garden leave in line with his contractual arrangements (as reported last year).
7. Chris Chambers stepped down from the Board on 6 May 2017 but received a final payment in lieu of notice in the 2018 reporting period.
8. Michael Shallow resigned from the Board effective 26 November 2018.

REMUNERATION Report continued

ANNUAL REPORT ON REMUNERATION CONTINUED

ANNUAL BONUS (UNAUDITED)

For the 52 weeks ended 29 June 2019, an annual bonus plan was operated for the Executive Directors with 50 per cent of potential based on EBITDA performance, and 50 per cent of potential based on PBT performance.

The targets and performance against the financial metrics were as follows:

				Annual Bonus	
	Target	Stretch	Performance outcome	Weighting	Outcome (% of max bonus)
Financial Objectives					
Adjusted EBITDA (£'000)	16,794	17,634	11,061	50%	0%
Adjusted profit before tax (£'000)	8,449	8,871	2,973	50%	0%
				100%	0%

Given the significant shortfall on the financial targets, no bonuses became payable to Executive Directors.

PSP AWARDS VESTING IN FY19 (AUDITED)

No PSP awards vested in respect of performance to 29 June 2019.

PSP – AWARDS GRANTED IN FY19 (AUDITED)

The following PSP award was issued to an Executive Director in the year to 29 June 2019:

Executive	Type of award	Exercise Price (pence)	Number of awards granted	Basis of award	Face value	Percentage which vests at threshold	Performance period end
	PSP award	0.1	585,154	200% of			
Rob Pitcher	CSOP award	114.5	26,200	salary*	£700,000	25%	3 July 2021

This award is subject to stretching performance conditions, which are tested over a three-year performance period between 1 July 2018 to 3 July 2021, and will vest in October 2021 to the extent these conditions are satisfied:

EPS (70% of awards)		TSR (30% of awards)*	
< 7% p.a.	0%	< Median	0%
7% p.a.	25%	Median	25%
7%–13% p.a.	Pro-rata between 25% and 100%	Between median and upper quartile	Pro-rata between 25% and 100%
At least 13% p.a.	100%	Upper quartile (or better)	100%

* Measured against a peer group of the FTSE Restaurant & Bars subsector.

OUTSTANDING EXECUTIVE SHARE AWARDS (AUDITED)

Executive Director	Scheme	Grant date	Exercise price (pence)	No of shares at 1 July 2018	Granted during the year Number	Vested during the year Number	Lapsed during the year Number	No of shares at 29 June 2019	Vesting date
Rob Pitcher	PSP*	18.10.18	0.1	–	585,154	–	–	585,154	18.10.21
	CSOP	18.10.18	114.5	–	26,200	–	–	26,200	18.10.21
Mike Foster									
	PSP*	14.11.17	0.1	240,000	–	–	–	240,000	14.11.20
	CSOP	14.11.17	162.0	18,518	–	–	–	18,518	14.11.20
				258,518	611,354			869,872	

* PSP awards with associated CSOP awards attached (any awards which vest and which are exercised under the CSOP are directly offset by a reduction in vesting under the PSP of equivalent value).

PAYMENTS MADE FOR LOSS OF OFFICE AND PAYMENTS TO PAST DIRECTORS (AUDITED)

Mark McQuater resigned from the Board on 17 October 2017. He remained on garden leave until 16 October 2018 during which time he received his normal pay and benefits. No further payments have been made to Mark McQuater and no LTIP awards remain outstanding.

DIRECTORS' INTERESTS AND SHAREHOLDING GUIDELINES (AUDITED)

The following table shows Directors' interests in the Company:

Director	Beneficially owned at 29 June 2019 Number	Outstanding LTIP awards Number	Outstanding share awards under all employees share plans Number	Total interest in shares Number	Shareholding as a % of base salary at 29 June 2019
Rob Pitcher	100,000	611,354	–	711,354	18.3%
Mike Foster	–	258,518	–	258,518	0%
Keith Edelman	30,500	–	–	30,500	n/a
William Tuffy	10,000	–	–	10,000	n/a
Jemima Bird	20,250	–	–	20,250	n/a

Executive Directors are expected to hold an investment of at least 100 per cent of base salary in Company shares. 50 per cent of any awards which vest under the Company's LTIPs (net of any taxes due) must be retained until the requirement has been met. The table above shows Directors' interests in shares and the percentage of the guideline currently met as at 29 June 2019.

The shareholding counting towards the measurement of the guideline is calculated on the basis of legally-owned shares. The percentage of guideline met is based on the annual base salary and the higher of the acquisition cost of the shareholding or its current market value. Once an Executive Director meets the required holding, the Executive Director is only required to purchase additional shares equivalent to the value of any increase in base salary.

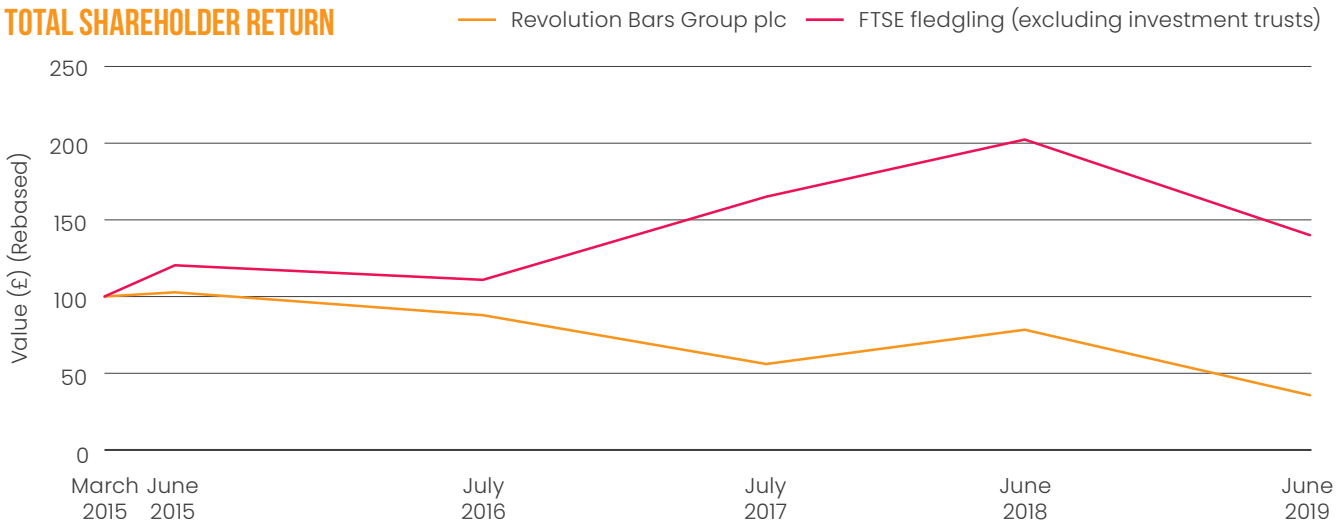
REMUNERATION Report continued

ANNUAL REPORT ON REMUNERATION CONTINUED

PERFORMANCE GRAPH AND CHIEF EXECUTIVE OFFICER REMUNERATION TABLE (UNAUDITED)

The graph below illustrates the Company's total shareholder return ("TSR") performance relative to the FTSE Fledgling Index (excluding investment trusts). This was chosen as it represents a broad-based index of which the Company is a constituent. Performance is shown over the period from the Company's listing in March 2015 through to the end of the current reporting period at 29 June 2019. The graph shows performance of a hypothetical £100 invested at IPO and its performance over that period.

TOTAL SHAREHOLDER RETURN



Source: Thomson Reuter DataStream.

The table below details the CEO's remuneration over the same period as presented in the TSR graph:

	2019	2018	2017	2016	2015
Single figure of remuneration (£'000)					
Rob Pitcher*	410	8	–	–	–
Mark McQuater**	–	516	473	570	449
LTIP vesting (% of maximum)	–	–	–	–	–
Bonus (% of maximum)	–	–	–	22%	12%

* Rob Pitcher was appointed to the Board as CEO on 25 June 2018.

** Mark McQuater resigned from the Board on 17 October 2017.

PERCENTAGE INCREASE IN REMUNERATION OF THE CHIEF EXECUTIVE OFFICER (UNAUDITED)

The table below demonstrates the movement in the salary, benefits and annual bonus for the Chief Executive Officer between the current and previous financial periods compared to that for the average full-time salaried employee. For this purpose, given that there was no Chief Executive Officer in place for the majority of the comparative period, the percentage change shown reflects the difference in the packages between the start and end of the reporting period

	CEO %	Employee %
Salary	0%	0%
Taxable benefits	0%	nil
Annual Bonus	0%	nil

Relative importance of spend on pay (unaudited)	2019 £m	2018 £m	%
Staff costs	47.0	42.3	11
Distributions to shareholders	1.7	2.5	(32)

SHAREHOLDER VOTING AT THE 2018 AGM (UNAUDITED)

At the Annual General Meeting on 26 November 2018, the Directors' Remuneration Report and Annual Report on Remuneration received the following votes from shareholders:

	% of votes cast	Votes for	Votes against	Votes withheld*
Directors' Remuneration Report	47.49%	23,706,627	53,870	5,753
		99.77%	0.23%	–
Directors' Remuneration Policy	47.49%	23,704,664	55,833	5,753
		99.77%	0.23%	–

* A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes cast "for" and "against" a resolution.

This report was approved by the Remuneration Committee and signed on its behalf by:

Jemima Bird
Chair of the Remuneration Committee

1 October 2019