Remuneration report

2018/19 remuneration linkage to strategy

Key
Annual Incentive Scheme (AIS)
Individual Strategic Objective (ISO)
Incentivised WINcard measure (IW)
Profit measure (P)
Long-term Incentive Plan (LTIP)

Innovate and grow in our core UK businesses

- Premier Inn room growth (AIS-ISO)
- Costa store growth (AIS-ISO)
- Costa Express machine installations (AIS-ISO)
- Effective workforce planning (AIS-ISO)

Deanna Oppenheimer
Chair, Remuneration Committee

Incentive payments to the Executive Directors were between

54.0%

and

54.8%

of maximum

The Performance Share Plan vested at

97.53%

of maximum

This has been a historic year for Whitbread and a busy year for the Remuneration Committee. We have needed to act with agility to ensure that executives have been, and continue to be, incentivised appropriately to deliver our strategy and success.

When I wrote my statement this time last year, Whitbread had just announced its intention to demerge Costa from the Group. I explained then that the Committee intended to put a new long-term incentive arrangement in place to retain and incentivise the executive directors to deliver the demerger as fast as practical and appropriate to optimise value for Whitbread's shareholders.

After a period of consultation with major shareholders, we put forward an updated Directors' remuneration policy and a one-off Performance Share Plan (PSP), both of which were overwhelmingly approved at a General Meeting following the 2018 Annual General Meeting. I would like to thank those shareholders that engaged with us as we put those proposals together, as well as all of those that voted on the proposals, whether in person or by proxy.

Rewards linked to performance

The PSP was structured so as to ensure that, as well as incentivising the delivery of the planned demerger, the executive directors were also incentivised to deliver a sale of Costa in the event that an offer was received that was more value creative than the planned demerger. As you will know, Whitbread subsequently received an offer of £3.9 billion from The Coca-Cola Company for Costa. The sale was completed within nine months of the announcement of Whitbread's intention to demerge Costa. Management delivered a deal at a price well above both the Board's expectations and those of the market, and we announced a programme of share buybacks, which is returning funds to shareholders significantly sooner than many shareholders anticipated.

Focus on our strengths to grow internationally
- Increase German hotel pipeline (AIS-ISO)
- Establish growth platform for Costa China (AIS-ISO)

Enhance the capability to support long-term growth
- Delivery of cost savings (AIS-ISO)
- Implementation of more efficient processes and systems (AIS-ISO)

Winning Teams
- Operational team retention (AIS-IW)
- Succession planning (AIS-ISO)

Customer Heartbeat
- Premier Inn brand health (AIS-IW)
- Costa net recommend (AIS-IW)
- Restaurants net recommend (AIS-IW)

Profitable Growth
- Group profit (AIS–P)
- Delivery of cost savings (AIS-ISO)
- EPS growth (LTIP)
- Return on capital (LTIP)

The PSP was designed to vest as soon as the demerger or sale of Costa was complete. Following the completion of the sale, the Committee rigorously assessed performance against the stretching performance conditions set at the start of the Plan. Due to exceptionally strong performance, including TSR growth ranked at the top of the comparator group over the period, the award vested at 97.53% of maximum. Full details are provided on pages 82 and 83. Shares vesting under this plan are subject to a two-year holding period and will become exercisable in January 2021.

Alongside the excellent result in terms of the Costa sale, the management team has delivered robust in-year results in the context of a tough and uncertain external economic environment. This is reflected in the annual incentive outcomes, with payments to the executive directors in a range between 54.0% and 54.8% of maximum. The stretching target under the 2016 LTIP, which required strong EPS growth on top of RPI, was not met. Although the ROCE condition was met, the EPS condition was an underpin and, as a result, none of the shares awarded under that scheme have vested.

The year ahead

As you will have seen elsewhere in this report and from the Capital Markets Day, Whitbread has a clear strategy going forward, following the significant change to its structure and operational make up. Whitbread's unique vertically integrated business model and best-in-class operational performance combined with many long-term structural growth opportunities, mean that the Company is set to continue to deliver value to shareholders over the coming years.

We have made some changes to the 2019/20 Annual Incentive Scheme to ensure executive remuneration remains fully aligned to the strategy of the Group for the coming year. This includes the introduction of a new financial metric based on efficiency. Full details are provided on page 88.

The PSP, which was granted last year, replaced both the 2018 and 2019 LTIP awards and, as such, under the current remuneration policy, the executive directors will not be eligible for a 2019 LTIP grant under the policy. The Committee is therefore mindful that the current longer-term strategy is not clearly part of our executive remuneration framework and some of our investors have raised this point. To address this fundamental change in the business, we intend to bring forward a comprehensive review of our Directors' remuneration policy to later this year. This will allow us to ensure all aspects of the policy reflect Whitbread's strategy and growth aspirations going forward, as well as address the new requirements under the UK Corporate Governance Code (further details below). We expect to consult with our investors on this new policy through the summer and autumn of 2019 and currently intend to convene a General Meeting in the autumn to consider the new policy.

Corporate governance

The Committee noted the updated UK Corporate Governance Code (the Code), which was published in 2018 and has already made a number of changes in response to the Code. The Committee's terms of reference have been updated to ensure that remuneration structures and policies across the Company are taken into account when setting executive remuneration and that incentives and rewards are aligned to the Company's wider culture.

The Code also contained a number of provisions which directly relate to remuneration design. We intend to review and carefully consider our approach to elements such as post-cessation shareholding requirements and the executive director pension opportunity, as part of our remuneration policy review in 2019. We will disclose the Chief Executive's pay ratio in next year's report as required.

I look forward to engaging with investors over the coming months and look forward to meeting shareholders at the AGM in June.

Deanna W. Oppenheimer

Deanna Oppenheimer
Chair, Remuneration Committee
29 April 2019

At a glance

Business performance

Financial measures

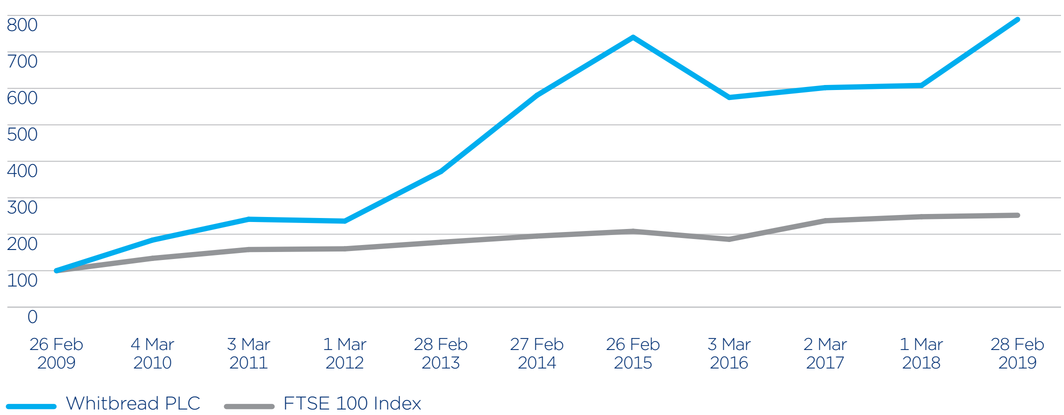
£570m
Underlying profit before tax[1]

249p
Underlying basic EPS[1]

15.6%
Return on capital[1]

1 Definitions of all APMs are included in the glossary on page 172.

Total shareholder return



Source: Thomson Reuters Datastream

The chart looks at the value over ten years of £100 invested in Whitbread PLC on 26 February 2009 compared, on a consistent basis, with that of £100 invested in the FTSE 100 index based on 30 trading day average values. The FTSE 100 has been selected by the Committee as an appropriate comparator group due to Whitbread's position within the FTSE.

Team and customer measures

- **Operational team retention**
- **Premier Inn brand health**
- **Restaurants net recommend**
- **Costa net recommend**
- **Health and safety**

Operational team retention measures the proportion of employed team members retained over a three-month period reported throughout the financial year. The customer measures for Premier Inn, Costa and Restaurants are all on a net basis, with negative scores subtracted from positive scores. For Premier Inn this is based on the YouGov BrandIndex and for Costa and Restaurants this is based on customer surveys. The health and safety measure is based on the proportion of sites passing independent audits.

In most cases the colours represent the following:

A green WINcard score is achieved where the performance is better than both previous year and target.

An amber score is for performance which is better than the prior year, but below target.

A red score is for a result below the previous year and target.

Performance outcomes

Annual Incentive Scheme
(% of maximum for Chief Executive)

2018/19	**54.8%**
2017/18	64.1%
2016/17	49.8%
2015/16	38.8%

Long Term Incentive Plan
(% of awards vesting)

2018/19	**0.0%**
2017/18	38.3%
2016/17	76.5%
2015/16	97.0%

Performance Share Plan
(% of awards vesting)

2018/19	**97.5%**

Each executive director received a one-off award under the Performance Share Plan on 27 June 2018, linked to the successful demerger or sale of Costa. These awards, which replaced the 2018 and 2019 LTIP awards, vested on 3 January 2019 and are subject to a two-year holding period.

Remuneration outcomes

Total remuneration (£'000)

Alison Brittain
Chief Executive

2018/19	5,588
2017/18	2,371
2016/17	2,509

Share ownership

Shares
20,900

% of salary
122

Vested, but unexercised, share awards
139,067[1]

Meeting requirement[2]

Nicholas Cadbury
Group Finance Director

2018/19	3,482
2017/18	1,455
2016/17	1,487

Shares
39,121

% of salary
325

Vested, but unexercised, share awards
71,154[1]

Meeting requirement[2]

Louise Smalley
Group HR Director

2018/19	2,303
2017/18	967
2016/17	988

Shares
30,000

% of salary
377

Vested, but unexercised, share awards
47,320[1]

Meeting requirement[2]

The lighter blue elements of the charts above relate to the one-off PSP awards.

1 These awards do not count towards meeting the shareholding requirement.
2 Details of shareholding requirements can be found on page 84. Alison Brittain is currently required to build towards a 200% holding.

Remuneration policy

The full remuneration policy is available on the Company's website: www.whitbread.co.uk

Policy table

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics
Base salary	• Base salaries are set to be sufficient to attract and retain the calibre of executive talent needed to support the long-term interests of the business.	Salaries are reviewed annually taking account of: • the salary review across the Group; • trading circumstances; • personal performance, including against agreed objectives; and • market data for an appropriate comparator group of companies.	• Annual salary increases would normally be in line with the average increases for employees in other appropriate parts of the Group. • On occasion, increases may be larger where the Committee considers this to be necessary. Circumstances where this may apply include growth into a role, to reflect a change in scope of role and responsibilities, where market conditions indicate a level of under-competitiveness and the Committee judges that there is a risk in relation to attracting or retaining executives. • Where the Committee awards increases above the average for other employees, it will do so in accordance with policies applying across the Group and the resulting salary will not exceed the competitive market range.	• None
Benefits	• Benefits are intended to be competitive in the market so as to assist the recruitment and retention of executives.	• Executive directors are entitled to benefits relating to car, healthcare/personal insurances. • In exceptional circumstances, such as the relocation of a director, or for a new hire, additional benefits may be provided in the form of a relocation allowance and benefits including tax equalisation, re-imbursement of expenses for temporary accommodation, travel and legal financial assistance.	• In 2018/19 the benefits received by the executive directors amounted to between 2.6% and 5.1% of salary. We do not anticipate that the maximum payable would exceed 10% of salary. However, the Committee may provide benefits above this level in certain situations where it deems it necessary. This may include, for example, the appointment of a director based overseas or a significant increase in the cost of the benefits.	• None
Annual Incentive Scheme	• To provide a direct link between annual performance and reward. • To incentivise the achievement of outstanding results across appropriate key stakeholder measures. • To align with the long-term interests of shareholders and help participants build a significant stake in the business over time, by awarding a material part of the annual incentive in deferred equity.	• Targets for measures set at the beginning of the financial year. • Cash awards paid following the end of the financial year. • Deferred shares awarded following the end of the financial year and, under normal circumstances, released three years after the date of award. • Malus provisions apply to unvested deferred shares and clawback provisions apply to cash awards in the event of a material misstatement of results.	• 167% of base salary (up to 50% of maximum paid in cash and the remainder is paid in deferred shares).	• Awards are payable based on three weighted areas covering underlying profit performance, individual strategic objectives and performance against selected team and customer related measures from the WINcard (the Group's balanced scorecard). Performance measures under each area are determined annually and the Committee is able to adjust the weighting of the areas annually based on prevailing business needs. However, the underlying profit performance will represent no less than 50% of total award at any time. Other measures will be objective and, when possible, externally benchmarked leading indicators of future financial performance will be used. Normally around 25% of the maximum incentive is paid for threshold performance, with around 50% paid for on-target performance and the full incentive payment being paid for delivering stretch performance. These vesting levels may vary from year to year. • For 2019/20, the weighting of the annual incentive award will be based on 50% for underlying profit performance, 20% for individual strategic objectives and 30% for a number of financial, customer and team measures.

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics
Long Term Incentive Plan	• To align the interests of senior executives closely with sustainable long-term shareholder value creation. • To focus rewards on both the sustained delivery of absolute long-term earnings growth and the efficient use of capital over the long term. • To retain and motivate executives over the performance period of the awards and beyond.	• Awards made annually in shares. • Awards vest after three years subject to performance conditions. • Two-year holding period post-vesting. • Dividend equivalents may be provided on vested shares during a holding period. • Subject to clawback and malus provisions.	• Annual awards to a maximum of 200% of base salary.	• Performance measures will be determined by the Remuneration Committee and would normally be EPS and ROCE, equally weighted. However, the Committee may use other or additional measures and change weightings in respect of any new grant. For threshold performance, 20% of the award will vest; for maximum performance, 100% of the award will vest.
Performance Share Plan (PSP) Award (one-off award)	• To incentivise and reward management to optimise shareholder value through the completion of the demerger process.	• One-off award to be granted following shareholder approval. • Awards will vest subject to performance. • The performance period ends on the sooner of a Demerger and 24 months from the date of the first award granted under the PSP. A Demerger means arrangements for the separation of the "Premier Inn" and "Costa" businesses of the Group, whether that is implemented by way of demerger or by way of the sale to a third party of all or substantially all of one or other of those businesses. The Remuneration Committee will determine the date on which the Demerger has completed. • Awards are subject to malus and clawback provisions. • Two-year holding period post-vesting. • Dividend equivalents may be provided during the holding period (save in respect of special dividends, which may be provided in respect of the vesting period as well) or such other period as the Remuneration Committee may determine. • Awards may be satisfied in Whitbread shares, cash and/or shares in any other entity.	• One-off grant of 400% of base salary for CEO, calculated in line with the PSP rules. • One-off grant of 350% of base salary for all other Executive Directors, calculated in line with the PSP rules. • Up to 350% of base salary (as at the relevant grant date) for eligible Executive Directors joining after 1 May 2018, where the Committee determines they are eligible to participate in the PSP. • This award will replace the 2018 and 2019 LTIP grants for the current Executive Directors. • Each Executive Director is only eligible to receive one grant under the PSP.	• 40% of the award would vest subject to assessment against strategic objectives. For threshold performance, 0% of the portion of the award in relation to the strategic objectives will vest; for maximum performance 100% of this portion of the award will vest. • 60% of the award would vest subject to the following financial performance: – 20% Costa ROCE; – 20% Premier Inn UK ROCE; and – 20% relative TSR, with both ROCE measures and TSR based on a range with threshold and maximum targets. For threshold performance, 20% of the portion of the award in relation to the ROCE and TSR measures will vest; for maximum performance 100% of the portion of this award will vest with straight line vesting in between. In exceptional circumstances the Committee may change or introduce additional measures or adjust the weighting of performance measures in the future based on prevailing business needs. Any material changes will be discussed with shareholders in advance.
Sharesave Scheme	• To encourage long-term shareholding in the Company.	• Annual invitation to all employees, including the executive directors. • Option price calculated by reference to the market price discounted by 20% on the invitation date. • Options granted over a three and/or five-year period.	• Consistent with prevailing HMRC limits, currently savings limited to £500 per month.	• None
Pension	• Pension benefits are provided in order to offer a market competitive remuneration package that is sufficient to attract and retain executive talent.	• Executive directors are entitled to participate in the Company's pension scheme (or other pension arrangements relevant to their location if based overseas). • Defined contribution scheme. • Can elect for cash in lieu of pension contributions. • If cash is taken, the amount is reduced by the value of the employer's national insurance liability.	• 27.5% of base salary (maximum of 25% for new joiners, although the actual level will be determined based on all relevant factors at the time of appointment).	• None

Annual report on remuneration

Remuneration Committee – membership

Name of director	Meetings attended and eligible to attend
Deanna Oppenheimer (Chair)	**10/10**
David Atkins	**10/10**
Adam Crozier	**10/10**
Richard Gillingwater[1]	**5/5**

1 Richard Gillingwater joined the Committee on 27 June 2018.

Key duties

Full terms of reference are available on the Company's website (www.whitbread.co.uk) and a summary of the key duties is set out below.

Remuneration Committee – responsibilities

- Set the broad policy for the remuneration of the Chairman and the executive directors.
- Within the terms of the agreed policy, to determine the total individual remuneration package (including incentive payments, share awards and other benefits) of the Chairman and each executive director.
- Monitor the structure and level of remuneration of Executive Committee members.
- Approve the design of, and determine the targets for, executive incentive schemes.
- Approve awards to be made to executive directors and other senior executives under incentive schemes.
- Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

Remuneration Committee – advisers

Internal advisers

Chris Vaughan – General Counsel and Secretary to the Committee
Ruth Hutchison – Reward, Policy and Insight Director

External advisers

PwC, one of the founding members of the Remuneration Consultants Code of Conduct, was appointed remuneration consultant by the Committee with effect from September 2017 following a rigorous tender process and adheres to this code in its dealings with the Committee. PwC also provides international tax advice to the Group. Fees paid to PwC in respect of advice received by the Committee amounted to £293,000. These fees were charged on a time and material basis.

The Committee is satisfied that the advice received is independent and objective. The Committee is comfortable that the PwC engagement partner and team that provides remuneration advice to the Committee do not have connections with the Company that may impair their independence.

Remuneration Committee agenda – 2018/19

- Approval of Annual Incentive Scheme and targets for 2018/19.
- Approval of awards of cash and deferred shares to executive directors under the Annual Incentive Scheme.
- Executive directors' salary review.
- Approval of 2018 LTIP awards and the replacement of those awards.
- Confirmation of the performance conditions for the 2018 LTIP awards. Confirmation of the vesting percentages for the LTIP award made in 2015 and vesting in 2018.
- Approval of the 2018 remuneration report.
- Remuneration policy review.
- Committee effectiveness evaluation.
- Introduction of the Performance Share Plan.
- Review of the terms of reference.
- Treatment of share awards for Costa leavers.

Single total figure of remuneration – executive directors (audited information)

	Base salary		Benefits		Annual Incentive Scheme		LTIP		PSP		Pension		Total	
Director	**18/19 £'000**	17/18 £'000	**18/19 £'000**	17/18 £'000	**18/19 £'000**	17/18 £'000	**18/19 £'000**	17/18[1] £'000	**18/19 £'000**	17/18[1] £'000	**18/19 £'000**	17/18 £'000	**18/19 £'000**	17/18[1] £'000
Alison Brittain	**838**	808	**22**	22	**772**	869	**–**	470	**3,747**	–	**209**	202	**5,588**	2,371
Nicholas Cadbury	**569**	549	**21**	22	**521**	578	**–**	182	**2,233**	–	**138**	124[2]	**3,482**	1,455
Louise Smalley	**376**	363	**19**	19	**341**	375	**–**	128	**1,476**	–	**91**	82	**2,303**	967

1 The 2017/18 comparator in relation to the LTIP has been re-stated to reflect the closing price of a Whitbread share on the date of vesting, which was 4,200 pence.
2 The 2017/18 comparator has been adjusted to reflect an administrative error in that year, which had led to Nicholas Cadbury being underpaid cash in lieu of pension.

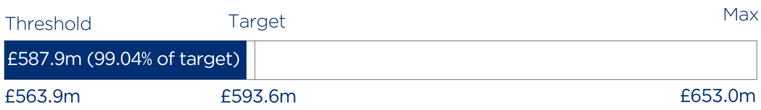
Details of each of the elements included in the table above are as follows:

Base salary
Annual salary increases across the Group are effective from 1 May each year. The base salary numbers shown in the table therefore include two months' pay based on the director's salary from 1 May 2017 and ten months' pay based on the director's salary from 1 May 2018.

Benefits
The benefits received by each executive director include family private healthcare and a cash allowance in lieu of a company car.

Annual Incentive Scheme
The Annual Incentive Scheme payments shown above include both a cash payment to be made in May 2019 and deferred shares to be issued in April 2019. The awards were calculated as described below.

Awards based on profit measure (50% of total award)
The profit out-turn used for the purposes of the incentive has been adjusted to reflect the disposal of Costa towards the end of the financial year, so as to include a full-year of profit from the discontinued operations. This ensures that the out-turn is calculated on the same basis as the original target. It does not therefore directly correspond to the profit disclosed elsewhere in the report.



Director	Total % of salary
Alison Brittain	**37.97**
2017/18	39.60
Nicholas Cadbury	**37.97**
2017/18	39.60
Louise Smalley	**37.97**
2017/18	39.60

Awards based on WINcard (25% of total award)
The incentivised WINcard targets for 2018/19, together with the results, are shown below. Only half of the maximum reward was payable based on a green result, with higher rewards available for stretch or excel performance above target.

WINcard measure	Green Target	Result	Performance	Maximum opportunity % of salary	Outcome % of salary
Operational team retention	89.46%	88.39%		20.50	0.00
Total Winning Teams				**20.50**	**0.00**
Premier Inn brand health (YouGov BrandIndex)	31.7	31.4		6.83	1.67
Restaurants total guest net promoter score	50.0	55.6	Excel	6.83	6.83
Costa Listen & Learn	46.1	46.6	Stretch	6.83	5.00
Total Customer Heartbeat				**20.50**	**13.50**
Total 2018/19				**41.00**	**13.50**

More information on how these measures are calculated can be found on page 3. As a result, the awards to be made based on WINcard measures are as follows:

Director	Total % of salary
Alison Brittain	**13.50**
2017/18	28.50
Nicholas Cadbury	**13.50**
2017/18	28.50
Louise Smalley	**13.50**
2017/18	28.50

Annual report on remuneration continued

Awards based on individual strategic objectives (25% of total award)

Last year we explained that each of the executive directors would have individual strategic objectives and that 25% of the maximum incentive opportunity would be linked to performance against these objectives. A summary of each of the executive directors' objectives, together with the incentive outcomes is shown in the table below.

✓ indicates that the objective was achieved, ✓ indicates that it was partially achieved and ✗ shows that the objective was not achieved.

Objectives	Achievement	Outcome
Alison Brittain		
Growth in UK estate and Premier Inn occupancy and delivery of key UK innovations		
Increase Premier Inn gross rooms and estate occupancy	4,008 additional rooms and occupancy rate of 80.9%	✓
Increase number of Costa stores and Costa express machines	349 new stores and 1,199 new machines operational in the year	✓
Complete Click & Collect trials and deliver new food/beverage product launches; and build 'new format' stores	Click & Collect trials successfully completed in 111 stores, 6 new F&B range extensions and 160 'new format' stores	✓
Increase German hotel pipeline, updated growth plan for Costa China and international progress for Costa Express		
Increase German hotel pipeline organically	6 hotels added to the pipeline via organic growth	✓
Maintain Foremost Hospitality Group transaction	Foremost Hospitality Group transaction on track	✓
Open new hotels acquired from the Foremost Hospitality Group in Germany for trading	One hotel open in February 2019	✓ (partially)
Develop detailed road map to deliver cost savings plan and deliver in-year cost savings. Deliver major infrastructure projects		
Develop detailed roadmap to achieve future cost savings	Detailed roadmap delivered, with plan to save £250m total savings presented to the market in Capital Markets Day	✓
Deliver in-year cost savings	Targeted cost savings delivered in 2018/19	✓
Overall performance against individual strategic objectives (maximum opportunity: 42.00%):		**40.11%**

Objectives	Achievement	Outcome
Nicholas Cadbury		
Develop a new financial operating model and improved reporting for property		
Develop financial operating model including clear transition roadmap to consolidating the financial transactional shared service centre.	Delivered fully compliant with accounts payable external reporting requirements on time	✓
	Major finance project for Costa was on-target for successful delivery in early 2019/20, but stopped at the request of The Coca-Cola Company in December 2018	✓ (partially)
	Financial support for Group shared services providing improved budget preparation and regular efficiency reporting	✓
Develop improved reporting for property	Property structures presented to, and agreed by, the Board in November. Ideal site plan completed for every major town, with identification of potential sites for disposal	✓
	Year 1 of 3 of property churn exercise, to maximise NPV completed successfully creating positive NPV	✓
Achievement of in-year international growth targets		
Increase German pipeline organically	6 hotel added to the pipeline via organic growth	✓
Open new hotels acquired from the Foremost Hospitality Group in Germany for trading.	One hotel open in February 2019	✓ (partially)
Deliver in-year cost savings and support transformation plan		
Deliver in-year cost savings target	Targeted cost savings delivered in 2018/19	✓
Embed tax responsibility in the local businesses	Tax responsibility successfully embedded in China	✓
Implement sales tax in the Gulf Cooperation Council (GCC)	Sales tax successfully implemented in the GCC	✓
Overall performance against individual strategic objectives (maximum opportunity: 42.00%):		**39.48%**

Objectives	Achievement	Outcome
Louise Smalley		
Deploy the new HR system to plan, budget and key governance parameters in the UK and Germany		
Deploy the new Workday system to plan, budget and key governance parameters in the UK and Germany	Deployment milestones are fully on track but go-live has been paused due to the sale of Costa	✓
	Operating within approved budget. Governance was well executed and interdependencies controlled	✓
	Benefit case and service delivery model all well-defined for execution	✓
Establish a representative and sustainable employee forum structure across the Group, initially in the UK		
Establish a representative and sustainable employee forum structure in the UK	Employee Forum structure now live across all UK businesses	✓
Deploy technology solution to enable brand engagement	Technology solution was delayed due to architecture and GDPR constraints but operational in Q4	✓
Ensure employee forum is well communicated, with high engagement	Participation and engagement from management and team representatives in education and training offered very high, with full engagement from Costa and PI&R executive committees	✓
Increase succession cover for priority roles/pools critical to long-term growth and brand proposition development		
Review succession cover with a focus on gender representation	Review successful, with gender representation targets achieved	✓
Conduct Costa talent review	Costa talent review completed enabling identification of key priorities	✓
Build Group transformation office capability to deliver central element of efficiency goals	Group transformation office capability successful to date with 3 strong appointments and one significant internal transfer	✓
Overall performance against individual strategic objectives (maximum opportunity: 42.00%):		**38.64%**

Total awards
The split between cash and deferred shares is as follows:

Director	% of salary based on profit	% of salary based on WINcard	% of salary based on individual objectives	Total % of salary	Cash award £'000	Cash value of deferred shares award £'000	Total £'000
Alison Brittain	**37.97**	**13.50**	**40.11**	**91.58**	**386**	**386**	**772**
2017/18					434	434	869
Nicholas Cadbury	**37.97**	**13.50**	**39.48**	**90.95**	**260**	**260**	**521**
2017/18					289	289	578
Louise Smalley	**37.97**	**13.50**	**38.64**	**90.11**	**171**	**171**	**341**
2017/18					188	188	375

The deferred shares will, under normal circumstances, vest on 1 March 2022, subject to continued employment within the Group. No further performance conditions apply to these awards. Malus provisions apply to the deferred share awards in the event, for example, of a material misstatement of results with clawback provisions applying to the cash awards. The share price used to calculate the awards was the average closing price of a Whitbread share for the five business days preceding 1 March 2019 (i.e. 4,882.4 pence).

The number of deferred shares awarded to each director will be as follows:

Director	Number of deferred shares awarded 2019	Number of deferred shares awarded 2018
Alison Brittain	**7,909**	11,102
Nicholas Cadbury	**5,335**	7,383
Louise Smalley	**3,494**	4,799

Annual report on remuneration continued

Long Term Incentive Plan
The LTIP awards made to executives in 2016 were subject to EPS and ROCE measures on a matrix basis as shown below:

EPS growth above RPI per annum		ROCE 2018/19						
			Threshold	*Sliding scale*				Maximum
		12%	**13%**	**14%**	**15%**	**16%**	**17%**	**18%**
	<4%	0%	0%	0%	0%	0%	0%	0%
Threshold	**4%**	0%	19%	19%	20%	22%	24%	25%
Sliding scale	**6%**	0%	37%	37%	40%	44%	50%	50%
	8%	0%	56%	56%	61%	66%	71%	74%
Maximum	**10%**	0%	75%	75%	82%	89%	96%	100%

The EPS growth achieved was RPI minus 1.7% with the 2018/19 ROCE, which is calculated using an average of the previous 13 months' net assets, being 14.48%.

Although the ROCE condition was met, the EPS condition was an underpin and, as a result, none of the shares awarded under the 2016 LTIP will vest. Following the disposal of Costa, the Committee will review the impact on the 2017 LTIP and will disclose in full any adjustments accordingly in the 2020 report when the plan vests. The Committee will ensure that, following any amendments, the target will remain suitably stretching.

Performance Share Plan (PSP)
At a General Meeting in June 2018, shareholders approved this one-off incentive plan for the executive directors.

The aim of this plan was to ensure that the executive directors' incentives aligned with the Company's strategy and appropriately incentivised them to complete the separation of Costa from Whitbread in a way which optimised shareholder value. The awards replaced the 2018 and 2019 LTIP gants and consisted of a one-off grant of nil-cost options to the value of 400% of salary for the Chief Executive and 350% of salary for the other two executive directors.

PSP awards were granted to the executive directors immediately following the General Meeting and, at the same time, the LTIP awards granted to them earlier in 2018 were cancelled. Vesting of the awards was to be triggered by completion of the separation of Costa from Whitbread, whether this was delivered by way of a demerger or the sale of Costa to a third party.

The sale of Costa to The Coca-Cola Company on 3 January 2019 therefore triggered the vesting of the PSP, and as per the terms of the plan, the Committee determined the portion of the award that should vest following a thorough assessment of performance against the conditions set. Detailed information on performance against the objectives set under this plan is provided below.

Financial measures (60% of the award)

Measure	Weighting	Threshold (20% of component vesting)	Maximum (100% of component vesting)	Outcome	Vesting (% of total award vesting)
Costa ROCE	20%	35.0%	39.0%	38.91%	19.64%
Premier Inn UK ROCE	20%	12.0%	14.5%	14.17%	17.89%
Relative TSR against comparator group	20%	Median of the comparator group	Upper quartile of the comparator group	Ranked 1st in the peer group	20%

As a result of the performance against the financial measures, 57.53% of the total award vested out of a maximum opportunity of 60% of the total award.

Strategic objectives (40% of the award)
The assessment of performance against the strategic objectives was carried out in line with the process outlined to shareholders in the shareholder notice of the General Meeting.

At the end of the performance period, which was the point at which the sale completed, the Committee carried out an overall assessment of performance and shareholder value created, taking into account the following factors as previously disclosed, using judgement where appropriate:

1. The degree of achievement of the goal to pursue the separation as fast as practical and appropriate in order to establish two focused and stand-alone, high-quality businesses, thereby optimising value for Whitbread's shareholders;
2. The quality of the execution of the objectives, including appropriate independent assessment; and
3. The underlying financial performance of the business, taking into account key financial performance indicators.

Factor	Assessment of performance
1. Degree of achievement of the goal to pursue the separation as fast as practical	• The separation of Costa from Whitbread, which was achieved by way of a sale, was completed within nine months of the Board's initial announcement of the intention to separate. This reflected an accelerated realisation of such a separation, therefore providing shareholders with value substantially sooner than was originally expected. The length of time between the offer from The Coca-Cola Company and the share purchase agreement (SPA) signing of six weeks exceeded all reasonable expectation, and reflects the time, effort, care and due diligence of the management team during this intense period. Following the SPA signing the team completed the transaction in four months – substantially faster than expected. • The value achieved for shareholders through the sale was substantially more than was anticipated. The sale represented an enterprise valuation multiple of 16.4x Costa's FY18 EBITDA, recognising the strategic value of Costa's brand strength, multi-channel presence and international growth potential and reflecting a substantial premium to the value that would have been created through a demerger of Costa, given the Coca-Cola system's global product, distribution and vending platform.
2. The quality of the execution of a set of specified objectives	**i. Appropriate funding and lending profiles agreed in order to support each stand-alone business** Agreements were reached with lenders and finance providers ahead of schedule enabling early completion of the transaction. Investment credit ratings metrics were maintained for Whitbread. Costa funding was completed which in turn enabled the transaction to complete. From the £3.9bn proceeds Whitbread currently intends to return c. £2.5bn of cash to shareholders over 2019 and at the same time significantly strengthen the balance sheet providing funds to reduce short-term loans, reduce the pension deficit and retain cash for acquisitions and organic expansion in Germany. **ii. Appropriate management of the Whitbread pension fund deficit and funding facilities** Full agreement was reached with Pension Fund Trustee and the pension fund liabilities in relation to Costa were discharged. All necessary payments were fully funded by the proceeds of sale. Funding of the pension scheme has enabled a significant de-risked pension fund and investment management which has removed volatility and risk from the Whitbread balance sheet and cash flow. No issues were raised by the pension regulator. An internal consultation covering 17,500 Costa and transferring Whitbread employees was completed within timescales and without incident. The Costa scheme pension provider and benefit structure was established and fully operational for these employees in under 12 weeks. **iii. Completion of certain complex transformation and infrastructure improvements to the extent applicable at the time of performance assessment, for both stand-alone businesses** Following the decision to sell Costa to The Coca-Cola Company a programme of work to establish Transitional Service Agreement (TSA) was put in place. The successful execution of this key transformation work led to the separation early in January 2019. TSA schedules agreed with The Coca-Cola Company to supply transitional services throughout 2019 with identified long stop dates for each service. A revised IT solution for the Costa finance platform was agreed, a significant number of key IT programmes were delivered throughout the period including Click & Collect, loyalty in Costa Express, new store rollout, tills, data centre migration and information security, all of which were delivered on time and to cost schedule. Several hundred contracts were split and separated as required and efficiency programmes for Costa and Premier Inn remained on track and delivered to schedule.
3. The underlying financial performance of the business	In addition to the above, the Committee considered and assessed the underlying performance of the business, to ensure that Whitbread remains well-established as a successful future business. Underlying profit performance for the Group and both constituent businesses was robust, notwithstanding the weaker market conditions. Key operational initiatives were delivered in both businesses, ensuring they are in the best position to deliver future growth, for example: • Premier Inn: Room openings target achieved; German pipeline expanded; and cost savings achieved • Costa: Store openings and machine installations achieved; Click & Collect rolled out; new store formats tested and rollout commenced; and 'At home' pods business launched

Overall assessment against strategic assessment

The Remuneration Committee has determined that the nature and terms of the sale of Costa to The Coca-Cola Company has achieved the separation of Costa from Whitbread within a significantly shorter time frame than planned, whilst delivering exceptional value to shareholders and maintaining strong underlying performance. As such the Committee determined that 100% of this element should vest, equating to 40% of the full award.

The Committee is fully satisfied that this outcome reflects the success of the sale of Costa and the significant value delivered to shareholders through this process.

As a result of the assessments outlined above the total vesting outcome of the PSP was 97.53% of maximum. The number of shares awarded, the number of shares vested, and the value of the vested shares to each director is shown below:

Director	Number of shares awarded	Value at award date £'000	Number of Shares Vested	Value at vesting date £'000
Alison Brittain	83,786	3,390	81,716	3,747
Nicholas Cadbury	49,943	2,021	48,709	2,233
Louise Smalley	33,018	1,336	32,202	1,476

The share price used to calculate the value of the vested shares is the closing price of a Whitbread share on 3 January 2019 (4,585.0p). The share price used to calculate the value when the award was made is 4,046.0p, which was the closing price of a Whitbread share on 27 June 2018. The vested shares are subject to a two-year holding period from the vesting date, which was 3 January 2019.

Annual report on remuneration continued

Pension

The percentage of salary or pension allowance received by the executive directors in pension contributions is shown in the table below.

Director	% of salary
Alison Brittain	25.00
Nicholas Cadbury	24.17
Louise Smalley	24.17

Executives receive a monthly amount in cash in lieu of the pension contribution. Alison Brittain received a cash payment of 25% of salary. Nicholas Cadbury and Louise Smalley each received a cash payment of 24.17% of salary.

Single total figure of remuneration (audited information) – Chairman and non-executive directors

	Base fee		Senior Independent Director fee		Fee as Chairman of a Board Committee		Fee as a member of a Board Committee		Total	
Director	2018/19 £'000	2017/18 £'000	2018/19 £'000	2017/18 £'000	2018/19 £'000	2017/18 £'000	2018/19 £'000	2017/18 £'000	2018/19 £'000	2017/18 £'000
Adam Crozier	400	52	–	6	–	–	–	5	400	63
Richard Baker	–	350	–	–	–	–	–	–	–	350
David Atkins	60	57	–	–	–	–	10	5	70	62
Sir Ian Cheshire	–	33	–	9	–	–	–	3	–	45[1]
Frank Fiskers	5	–	–	–	–	–	–	–	5[1]	–
Richard Gillingwater	41	–	10	–	–	–	–	–	51[1]	–
Chris Kennedy	60	57	–	–	20	20	–	–	80	77
Deanna Oppenheimer	60	57	–	–	20	20	–	–	80	77
Susan Taylor Martin	60	57	–	–	–	–	5	5	65	62
Stephen Williams	–	18	–	–	–	–	–	1	–	19[1]

1 Fees for part year. Sir Ian Cheshire and Stephen Williams stepped down from the Board on 21 June 2017 and 21 September 2017 respectively. Richard Gillingwater and Frank Fiskers joined the Board on 27 June 2018 and 1 February 2019 respectively.

Statement of directors' shareholding and share interests (audited information)

The Committee believes that the shareholding requirements for executives play an important role in the alignment of the interests of executives and shareholders and help to incentivise executives to deliver sustainable long-term performance.

The Chief Executive is required to build and hold a shareholding at least equal to 200% of salary, whilst the other executive directors are expected to reach a holding to the value of 125% of salary and other senior executives 75% of salary. Until they reach this level, executives are expected to retain 100% of vested awards (after the deduction of income tax, national insurance contributions and dealing fees). In addition, a newly appointed executive director is expected to build a shareholding in the Company in advance of any share awards vesting. The failure to adhere to these requirements may lead to the executive being excluded from participation in future share scheme awards. It should be noted that any vested LTIP awards subject to a holding period will not be counted for the purpose of calculating whether an executive has met his or her requirement. When determining whether a director has met the requirement, both the current market price and the price at the point the shares were acquired will be taken into consideration.

All of the executive directors are in compliance with the requirement. Alison Brittain, who was appointed in September 2015, and is currently required to build towards a 200% holding, invested in excess of £1 million in the Company's shares from her own resources. Alison's first share scheme award partially vested in April 2017, but is subject to a two-year holding period.

The Chairman and the non-executive directors are each required to build a holding to the value of 100% of their annual fee over a three-year period.

The table below shows the holdings of directors as at 28 February 2019:

	Counting towards requirement			Performance versus requirement			Additional awards	
	Number of ordinary shares	Value based on purchase price £'000	Value based on market price £'000	Shareholding requirement % of salary	% of salary based on purchase price	% of salary based on market price	Awards subject to performance conditions[1]	Awards not subject to performance conditions[2]
Chairman								
Adam Crozier[3]	**3,000**	**132**	**143**	**100**	**33**	**36**	**–**	**–**
Executive directors								
Alison Brittain	**20,900**	**1,029**	**994**	**200**	**122**	**118**	**82,157**	**139,067**
Nicholas Cadbury	**39,121**	**1,597**	**1,860**	**125**	**279**	**325**	**33,812**	**71,154**
Louise Smalley	**30,000**	**1,228**	**1,427**	**125**	**324**	**377**	**23,008**	**47,320**
Non-executive directors								
David Atkins	**1,425**	**56**	**68**	**100**	**94**	**113**	**–**	**–**
Richard Gillingwater	**1,000**	**45**	**48**	**100**	**76**	**79**	**–**	**–**
Frank Fiskers	**610**	**30**	**29**	**100**	**49**	**48**	**–**	**–**
Chris Kennedy	**1,500**	**61**	**71**	**100**	**102**	**119**	**–**	**–**
Deanna Oppenheimer[4]	**1,600**	**66**	**76**	**100**	**110**	**127**	**–**	**–**
Susan Taylor Martin	**1,490**	**50**	**71**	**100**	**83**	**118**	**–**	**–**

1 Includes outstanding LTIP awards for which performance has not yet been tested.
2 Includes unvested/unexercised deferred shares under the Annual Incentive Scheme and unexercised LTIP and PSP awards for which the performance targets have already been met. All of these awards are structured as nil-cost options.
3 Adam Crozier was appointed Chairman on the last day of the 2017/18 financial year and is currently required to build towards a 100% holding.
4 Deanna Oppenheimer actually holds 6,400 ADRs in Whitbread PLC, each of which represent 0.25 of a Whitbread ordinary share.

There has been no change to the interests in the tables shown on this page between the end of the financial year and the date of this report. The column showing awards not subject to performance conditions does not include the deferred shares to be issued under the incentive scheme in 2019.

Options exercised (audited information)

The following options were exercised by executive directors under the Company's share schemes during the year.

Director	Scheme	Number of shares	Exercise price	Exercise date	Market price on exercise (pence)	Monetary value of gain (£'000)
Nicholas Cadbury	LTIP	10,509	N/A	24 May 2018	4,150.0	436
	AIS	7,946	N/A	24 May 2018	4,150.0	330
	SAYE	256	3,507.2	4 June 2018	4,206.0	2
Louise Smalley	LTIP	6,854	N/A	3 May 2018	4,245.0	291
	AIS	5,575	N/A	3 May 2018	4,245.0	237
	SAYE	256	3,507.2	23 May 2018	4,221.0	2

Awards granted

Details of awards made under the Annual Incentive Scheme in relation to the 2017/18 incentive year and awards made under the LTIP in 2018 were disclosed in the 2017/18 Annual Report. The 2018 LTIP awards were subsequently cancelled when awards were made to the executive directors under the PSP. Details of the PSP awards can be found on page 83.

Payments to past directors (audited information)

With the exception of regular pension payments and dividends on Whitbread shares and the exercise of share awards as permitted under the rules of the Annual Incentive Scheme, the LTIP and the Savings-related Share Option Scheme, no other payments were made during the year to past directors.

Annual report on remuneration continued

Chief Executive's remuneration

The Chief Executive's remuneration (including base salary, benefits and annual incentive payment) decreased by 3.9% in the year, compared with an increase of 3.6% for the Group's employees as a whole.

The following table shows the Chief Executive's pay over the last ten years, with details of the percentage of maximum paid out under the Annual Incentive Scheme and the LTIP vesting percentage for each year.

Year	Chief Executive	Single total figure of remuneration £'000	% of maximum annual incentive achieved	% of LTIP award vesting
2018/19	**Alison Brittain**	**5,588**[1]	**54.8**	**0.0**
2017/18	Alison Brittain	2,336	64.1	38.3
2016/17	Alison Brittain	2,509	49.8	76.5
2015/16	Alison Brittain	634	38.8	n/a
	Andy Harrison	2,423	38.8	97.2
	Combined CEO remuneration for 2015/16	3,057	38.8	97.2
2014/15	Andy Harrison	4,554	86.8	100.0
2013/14	Andy Harrison	6,374	82.6	100.0
2012/13	Andy Harrison	3,432	74.9	89.8
2011/12	Andy Harrison	1,444	45.6	n/a
2010/11	Andy Harrison	534	94.4	n/a
	Alan Parker	2,509	94.4	82.4
	Combined CEO remuneration for 2010/11	3,043	94.4	82.4
2009/10	Alan Parker	2,634	100.0	75.9

1 Includes £3.7 million from the vesting of a one-off award under the PSP in relation to the sale of Costa. This award vested at 97.53% of maximum.

Comparison of executive remuneration policy with wider employee population

This section of the report describes each element of the executive remuneration package and explains the extent to which those elements are made available to the wider employee population. The Committee consulted with employees in relevant roles when developing the Directors' remuneration policy.

Base salary

All employees, including the executive directors, receive an annual review of base salary. Under normal circumstances the annual increase in salary for an executive director will be in the same range as the increase for employees across the Group.

Benefits

Approximately 550 employees across the Group are entitled to a company car or cash in lieu of a company car. The executive directors are no longer entitled to a company car under this scheme, but are entitled to receive cash in lieu of a car.

Approximately 1,900 employees are entitled to participate in the Group's private healthcare scheme, with 750 of these, including the executive directors, entitled to family cover.

All employees receive discounts on Company products, but the directors have waived their right to this benefit.

Whitbread's Sharesave scheme is a standard HMRC approved SAYE scheme. It is offered to all UK employees, including the executive directors, on equal terms.

Annual Incentive Scheme

Approximately 1,200 employees are eligible to receive an annual incentive payment linked to the achievement of profit and WINcard targets. Approximately 120 senior leaders, including the executive directors, are given individual strategic objectives in addition to the profit and WINcard targets mentioned above. The maximum opportunity is dependent on the role.

Approximately 50 executives, including the executive directors, are entitled to participate in the Annual Incentive Scheme, with maximum payouts split between cash and deferred shares, ranging from 60% to 167% of salary.

Long Term Incentive Plan

Approximately 30 executives, including the executive directors, participate in the LTIP. This scheme is not available to the wider employee population, although the Sharesave scheme provides employees with a form of long-term incentive.

Pension

Like all employees, the executive directors are entitled to participate in the Company's pension scheme. The scheme is a defined contribution scheme. Employees below the executive level are able to choose a contribution rate of between 5% and 10% and have this matched by the Company. Employees who do not choose to participate may be automatically enrolled with contributions in line with the automatic enrolment regulations. Approximately 35 executives receive between 15% and 20% of basic salary from the Company, which can be allocated to pension or taken as cash.

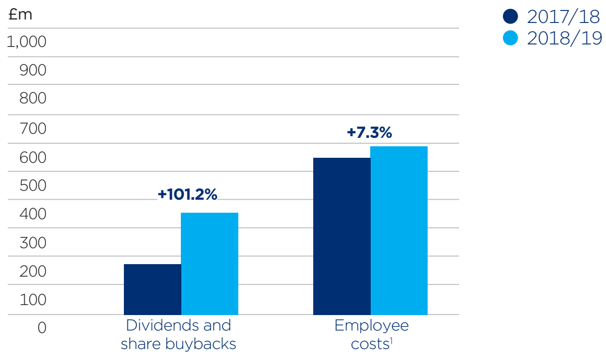
Since 2013, the policy for new executive directors has been to provide a contribution of 25% that can be allocated to pension or taken as cash. The pension opportunity will be considered as part of the remuneration policy review in 2019. Should there be a new appointment ahead of that, the pension terms will reflect the requirement of the Code that this be aligned to those available to the wider workforce.

Fees from external directorships

The executive directors are entitled to retain fees from external directorships. Louise Smalley is a non-executive director of DS Smith Plc and retained a fee of £58,292. Alison Brittain is a non-executive director of Marks and Spencer plc and retained a fee of £70,000. Nicholas Cadbury is a non-executive director of Land Securities Group PLC and retained a fee of £90,000.

Relative importance of spend on pay

The graph below compares the change in total expenditure on employee pay during the year to the change in dividend payments and share buybacks.



1 The 2017/18 comparative has been re-stated to reflect the continuing business following the sale of Costa.

Implementation of remuneration policy in 2019/20

Base salary

The Committee reviewed base salaries for the executive directors, taking into account the salary review for the wider workforce and the strong individual performance of the executives. The Committee also considered the impact of base salary increases on total compensation to ensure that overall levels of pay remain appropriate in the context of the market in which Whitbread operates. As a result, the Committee approved salary increases of 4% to each executive director. This increase is within the range of salary increases to the wider workforce.

The base salaries of the executive directors with effect from 1 May 2019 will be as follows:

Director	**Base salary at 1 May 2019 £'000**	Base salary at 1 May 2018 £'000
Alison Brittain	**877**	843
Nicholas Cadbury	**596**	573
Louise Smalley	**394**	379

Benefits and pension

The benefits received by each executive director will continue to include family private healthcare, a cash allowance in lieu of a company car and cash allowances in lieu of pension.

Annual report on remuneration continued

Annual incentive scheme

To be eligible to receive incentive payments there are 'gateway' requirements relating to both performance and leadership behaviour. Any incentive payments will be at the discretion of the Remuneration Committee in the event that either profit performance is below 90% of target or the health and safety score is red on the WINcard. The expectation is that our leaders' actions reflect Whitbread's values and code of conduct, including our approach to health and safety. Keeping our team and customers safe is not an incentive lever but a core responsibility that earns the right to achieve incentivised rewards.

The measures and weightings for the 2019/20 annual incentive are as follows:

Measure	Scope	Weighting
Profit	Group underlying profit before tax	50%
Efficiency	Efficiency savings	20%
Customer/Team	Customer/Team metrics aligned to our WINcard, with further details below	10%
Individual strategic growth objectives	See below	20%

Financial measures

The targets of the two financial metrics, which make up 70% of the annual incentive are considered by the Board to be commercially sensitive and, for that reason, are not disclosed in advance. The Committee intends to disclose the targets retrospectively in the 2019/20 report.

Customer/Team measures

This element of the annual incentive is based on WINcard measures. One measure will be operational team retention and the others will be Customer Heartbeat measures, made up of Premier Inn consumer share, net loyalty score and like for like Food and Beverage covers and Restaurants net recommend. Only half of the maximum available in respect of these measures will be available for a 'green' WINcard score, with 75% of maximum payout available for achieving a stretch target beyond green and maximum payout requiring an 'excel' level, to be achieved. The targets for the customer and team measures are considered by the Board to be commercially sensitive and, for that reason, are not disclosed in advance. The Committee intends to disclose the targets retrospectively in the 2019/20 report.

Individual strategic growth objectives

Each executive director also has three individual strategic growth objectives linked to the UK and Germany. They will be eligible to receive up to 20% of the maximum incentive opportunity based on the delivery of these objectives. Achievement of the approved objective outcomes has been aligned to a payment level that would be recognised as stretch performance. The objectives are quantifiable and linked to the business plan and future financial performance. The table below shows a summary of the individual strategic growth objectives for each of the executive directors, together with details on which of the three strategic priorities (see pages 12 to 17) each objective is linked to:

Objectives	Strategic priority
Alison Brittain	
Growth in UK estate, including room openings and extension of pipeline	**1**
German growth, including the integration and opening of new hotels purchased from Foremost Hospitality Group GmbH and broader room and hotel opening targets	**2**
Nicholas Cadbury	
Optimisation of UK estate to enable growth, including review of portfolio	**1, 3**
German growth, including the integration and opening of new hotels and review of acquisition and finance processes and systems	**2**
Louise Smalley	
Establish an organisation-wide operating model to enable the delivery of the planned growth of Premier Inn in Germany	**2**
To enable growth in the UK through stablisation of the new business operating model and development of a succession strategy for critical roles	**1, 3**

Cash awards will be made in May 2020, with deferred equity issued in April 2020 and due to vest on 1 March 2023, with no further performance conditions applying.

Long Term Incentive Plan
As explained in last year's report and following the introduction of the Performance Share Plan, the executive directors will not receive an LTIP award in 2019 and the awards made to them in 2018 were cancelled. A comprehensive review of our directors' remuneration policy will be carried out later this year, partly with a view to ensuring that the executive directors are incentivised to deliver our strategy over the longer term.

LTIP performance conditions – past awards

	Performance metrics
2016 award	Based on underlying basic EPS growth above RPI per annum of 4% to 10% on a sliding scale with a one–third multiplier based on ROCE in 2018/19 of 13% to 18%. ROCE also acts as a hurdle and is calculated using an average of the previous 13 months' net assets.
2017 award	Subject to two independently operating performance conditions. 50% of each award is dependent on Group ROCE in 2019/20, with the threshold being 13% and the maximum payout at 18%, with a sliding scale operating in between. The other 50% of each award will be linked to an EPS growth target on a sliding scale between 4% per annum at threshold and 10% per annum at maximum. Following the disposal of Costa, the Committee will review the impact on the 2017 LTIP and will disclose in full any adjustments accordingly in the 2020 report when the plan vests. The Committee will ensure that, following any amendments, the target will remain suitably stretching.

Chairman's fee
Adam Crozier's fee as Chairman was set at £400,000 when he was appointed to the position in March 2018, with the fee to be reviewed annually. Adam indicated that he did not wish to receive an increase in 2019 so his fee remains at £400,000.

Non-executive directors fees
The base annual fee for non-executive directors is £61,200, which was increased from £60,000 on 1 March 2019, having previously been reviewed in March 2018. The fees for the chairmanship of the Audit Committee and the Remuneration Committee are unchanged at £20,000. The fee for the Senior Independent Director remains at £15,000 and the fees for membership of the Audit and Remuneration Committees are unchanged at £5,000. Non-executive director fees are reviewed annually.

Statement of shareholder voting
At the Annual General Meeting in 2018, the advisory resolution to approve the annual report on remuneration was passed. At a General Meeting, which was held immediately after the Annual General Meeting, a resolution to approve the updated directors' remuneration policy and a resolution to approve the new Performance Share Plan were also both passed.

The voting results were as follows:

Resolution	For	Against	Total	Withheld
Annual report on remuneration (2018 AGM)	117,883,182 (99.1%)	1,036,235 (0.9%)	118,919,417	1,969,383
Updated remuneration policy (2018 GM)	103,935,219 (94.4%)	6,127,527 (5.6%)	110,062,746	9,844,543
Performance Share Plan (2018 GM)	102,720,462 (93.3%)	7,387,809 (6.7%)	110,108,271	9,796,173