4imprint Group plc
Remuneration policy

Future remuneration policy

The Company has a well-established and clear remuneration policy which, in the view of the Remuneration Committee (the "Committee"), has made an important contribution to the success of the Company over a sustained period. The policy includes providing Executive Directors with remuneration packages which are: (i) competitive when compared to those in organisations of similar size, complexity and type; (ii) structured so that remuneration is linked to the long term growth in profitability and shareholder value of the company; (iii) clear, easy to understand and motivating; (iv) designed not to promote unacceptable behaviour or encourage unacceptable risk taking; and (v) structured to avoid reward for failure.

At the 2015 Annual General Meeting Shareholders approved the remuneration policy as set out below, with the policy taking effect from the date on which the resolution was passed.

Elements of remuneration

Remuneration for Executive Directors comprises both fixed and variable elements. The principal component of the fixed element is a salary, which is set at an appropriate level for the size and type of the Company to retain the quality of management it requires to further the Board's objectives, but which is not excessive.

The variable element of remuneration is designed to incentivise and motivate management to meet annual performance targets and reward for performance. The principal components of the variable element are (i) an annual bonus and (ii) a share based long-term incentive plan.

The targets for the annual bonus, which is currently capped at a maximum of 100% of annual base salary, are set by the Committee each year and evolve with the growth objectives of the Company. They include profitability, cash generation, improvement in financial performance over prior year and specific corporate objectives designed to meet the Board's strategy. 50% of the annual bonus is deferred into shares. The deferred component is awarded in the form of a nil cost option or conditional share award. These awards form the basis of the long-term incentive.

Once awarded, the deferred component will not be subject to further performance conditions. Other than in exceptional circumstances, any deferred awards will not vest earlier than three years from the date of grant of the option or conditional share award and will normally be conditional on the participant being in employment for that period. If, before that period has expired, a participant leaves employment as a good leaver or in the event of a takeover or change of control, the award will vest in full (or, if the Board should so decide, on a time pro-rata basis).

The awards will also be subject to a "malus" provision.

The fixed and variable components of remuneration are set out below.

Fixed Components	
Element and purpose	**Policy and opportunity**
Base salary	
This is the basic element of pay and reflects the individual's role, position and responsibility within the Company and includes adjustments to reflect their experiences, capability and contribution	- While base salaries are reviewed each year, the Company's policy is not automatically to award an inflationary increase - Base salaries are considered against those paid in organisations of similar size, complexity and type in order to attract and retain the required quality of executives to meet the Board's strategy and, while the Committee applies judgement rather than setting by reference to a fixed percentile position, its general approach when considered in conjunction with variable pay and long-term incentives is to constrain base salaries to levels it believes to be at the lower end of an acceptable market range - No claw back or recovery provisions apply
Benefits in kind	
To provide other benefits valued by the recipient to assist in attracting and retaining executives of the required quality to meet the Board's objectives	- Provide benefits in kind which are competitive in the market - Benefits include: (i) company car or car allowance paid in cash (ii) private medical insurance for the executive and his/her family (iii) life assurance of 4 times base salary (iv) income protection insurance (v) access to independent professional advice when necessary - No claw back or recovery provisions apply
Pension	
To attract and retain Executive Directors of the required quality to meet the Board's objectives and remain competitive within the market place	- Provide a competitive employer sponsored pension plan - The maximum entitlement is 15 per cent of base salary - No claw back or recovery provisions apply - All Executive Directors are eligible to (i) participate in a defined contribution pension plan or (ii) receive a salary supplement in lieu (such salary supplement is not taken into account as salary for calculation of annual bonus, LTIP or other benefits), with a total value not exceeding 15 per cent of salary

Variable Components	
Element and purpose	**Policy and opportunity**
Annual Bonus	
The short term incentive arrangements are designed to motivate employees and incentivise delivery of annual performance targets across a range of key strategic areas for the business	The maximum bonus potential is 100 per cent of base salary for all Executive Directors. 50% of the annual bonus is deferred into shares. The deferred component will be awarded in the form of a nil cost option or conditional share award. Such awards form the basis of the long-term incentive (see below). - The Company retains the ability to adjust or set different performance measures if events occur (e.g. a change in strategy, material acquisition, divestment or change in prevailing market conditions) which cause it to determine that the conditions are no longer appropriate and that amendment is required so that the conditions achieve their original purpose. In these circumstances, any amendment would not result in achievement against those measures being materially less difficult to satisfy. Any use in this ability would, where relevant, be explained in the Annual Remuneration Report and may, as appropriate, be the subject of consultation with the Company's major Shareholders - No claw back or recovery provisions apply
Long-term incentives	
To motivate and incentivise delivery of sustained share price performance over the long-term, the Group has operated the 2011 4imprint Group plc Performance Share Plan ("2011 PSP"). The PSP was amended to the 2015 Incentive Plan, which was approved by shareholders at the 2015 AGM	50% of the annual bonus is deferred into shares. The deferred component will be awarded in the form of a nil cost option or conditional share award. Once awarded, the deferred component will not be subject to further performance conditions. Other than in exceptional circumstances, any deferred awards will not vest earlier than three years from the date of grant of the option or conditional share award and will normally be conditional on the participant being in employment for that period. If, before that period has expired, a participant leaves employment as a good leaver or in the event of a takeover or change of control, the award will vest in full (or, if the Board should so decide, on a time pro-rata basis). The awards are subject to a "malus" provision.
Shareholding guidelines	
To encourage share ownership by the Executive Directors and ensure interests are aligned with Shareholders	- Executive Directors are required to hold shares to the value of at least one times annual Base Salary.

Element and purpose	Policy and opportunity
All-employee share plans	
To encourage share ownership by employees, thereby allowing them to share in the long-term success of the Group and align their interests with those of the Shareholders	- Executive Directors are able to participate in all-employee share plans on the same terms as other Group employees
Non-Executive Director fees	
To set fees reflecting time commitments and responsibilities in each role, in line with fees provided by similarly sized companies	- The fees paid to the Non-Executive Directors aim to be competitive with other fully listed companies of equivalent size, complexity and type. Fee levels are periodically reviewed by the Board. The Company does not adopt a quantitative approach to pay positioning and exercises judgement as to what it considers to be reasonable in all the circumstances as regards quantum - No claw back or recovery provisions apply

Recruitment remuneration policy	
The Company's recruitment remuneration policy aims to secure the appointment and promotion of high-calibre executives to strengthen the management team and secure the appropriate skills to deliver the Company's strategic objectives. The following represents guidelines considered reasonable by the Committee: - the starting point for the Committee will be to look at the general remuneration policy for Executive Directors as set out previously and structure a package in accordance with that policy - for external appointments, the Committee reserves the right to make payments outside this policy, but only in exceptional circumstances. The Committee would only use this right where it believes that to do so would be in the best interests of the Company and when it would be disproportionate to seek specific approval from a general meeting. Any use of this discretion would be disclosed to Shareholders - for an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment, as appropriate	- for external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses and legal fees as it considers to be appropriate. Assistance will be subject to reasonable claw back for service of less than 24 months - it is not envisaged that, ignoring any special recruitment arrangements which may prove to be necessary, any annual bonus or long-term incentive compensation arrangements, will operate differently (including the maximum award levels) than for the predecessor of any newly appointed executive - where it is necessary to make a recruitment-related pay award to an external candidate, the Company will not pay more than the Committee considers to be necessary and will in all cases seek, in the first instance, to deliver any such awards under the terms of the existing incentive pay structure. It may, however, be necessary in some cases to make such awards on terms that are more bespoke than the existing annual and equity-based pay structures at the Company in order to secure a candidate - all awards for external appointments, whether under any long-term incentive plan, or otherwise, will take account of the nature, time-horizons and performance requirements for any remuneration relinquished by the individual when leaving a previous employer, and will be appropriately discounted to ensure that the Company does not, in the opinion of the Committee, over-pay. Any such awards would not be considered in calculating any other element of remuneration