

Remuneration Policy approved at the 2018 AGM

Principles of Remuneration Policy

4imprint Group plc (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 guiding principles underlying the policy are:

- (i) remuneration should be competitive when compared to that in organisations of similar size, complexity and type;
- (ii) packages should be structured so that remuneration is aligned to both the strategy of the Company and long-term growth in Shareholder value;
- (iii) each element of the remuneration package should be clear, easy to understand and motivating;
- (iv) the overall package should be designed to take account of the performance of the business, to respond to regulatory changes but not to promote undesirable behaviour or to encourage unacceptable risk taking; and
- (v) packages should be structured to avoid reward for failure.

This section describes the Remuneration Policy, which, subject to Shareholder approval at the 2018 Annual General Meeting, will take effect from 8 May 2018 and will be effective until the Annual General Meeting held in 2021, unless a further policy is proposed by the Company and approved by Shareholders in the meantime.

Executive Director Remuneration

Fixed component: Base salary	
Purpose	This is the basic element of pay, reflecting the individual's role, position, location and responsibility within the Company. Base salary is set at an appropriate level in order to attract and retain the quality of management required to further the Board's objectives.
Application	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 deliver the Board's strategy. While the Committee applies judgment 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 within an acceptable market range in the context of total remuneration.
Opportunity	While base salaries are reviewed each year, the Company's policy is not automatically to award an inflationary increase. Adjustments reflect various factors, including: increases for other employees across the rest of the 4imprint business; individual and Company performance; changes in responsibilities; and general market movements.
Performance measures	Not applicable.
Recovery provisions	No clawback or recovery provisions apply.

Fixed component: Pension	
Purpose	To provide a competitive level of retirement benefit in order to attract and retain executives of the required quality to meet the Board's objectives.
Application	All Executive Directors are eligible either (i) to participate in a Company-sponsored defined contribution pension plan, or (ii) to receive a salary supplement in lieu of pension contributions, (which is not taken into account as salary for calculation of annual bonus, or other benefits).
Opportunity	The maximum entitlement is 15% of base salary.
Performance measures	Not applicable.
Recovery provisions	No clawback or recovery provisions apply.

Fixed component: Benefits in kind

Purpose	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.
Application	The benefits package is designed to be competitive and to reflect the circumstances and domicile of the individual Director. Benefits typically provided may 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 up to four times base salary; (iv) income protection insurance; and (v) access to independent professional advice when necessary.
Opportunity	No Executive Director received benefits in kind totalling more than 10% of base salary over the three previous financial years, and it is not anticipated that the value of benefits provided will exceed 10% of base salary for the duration of this Policy. The Committee reserves discretion to approve a higher level of benefits in what it determines are exceptional circumstances, (for example relocation expenses) when such higher level of benefit is judged by the Committee to be in the best interests of the Company and its Shareholders.
Performance measures	Not applicable.
Recovery provisions	No clawback or recovery provisions apply.

Variable component: Deferred Annual Bonus Scheme ("DABS") plan

Purpose	To provide a single, clear and understandable variable incentive remuneration framework designed to focus the Executive Directors on achieving demanding annual Company performance targets, at the same time incentivising delivery of sustained Shareholder value over the longer term.
Application	<p>The plan is administered in accordance with the 2015 Incentive Plan, which was approved by Shareholders at the 2015 AGM. Awards in relation to each financial year's performance are comprised of a cash amount ("cash amount") which is divided into two equal components:</p> <ul style="list-style-type: none">• An annual cash component, comprising 50% of the cash amount, which is typically paid after finalisation of the audit in March of the following year. This component is intended to focus attention specifically on annual performance targets.• A deferred share component, comprising 50% of the cash amount, which is awarded in the form of either a nil cost option or a conditional share award, usually after finalisation of the audit in March of the following year. The number of nil cost options or conditional share awards is fixed at the time the award is made, and is determined by dividing the amount of the deferred share component of the annual award by the price of a share on 31 December of the financial year to which the award relates. Ordinarily, deferred share awards will not vest earlier than three years from the date of grant and will normally be conditional on the participant remaining in the Company's employment during 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). This component addresses the longer term intention of the award, aligning the interests of both the Company and the recipient in maximising long-term growth in Shareholder value.
Opportunity	<p>The maximum potential award relating to performance in a single financial year is 100% of base salary. Once approved by the Committee, this award amount is split and applied:</p> <ul style="list-style-type: none">• 50% to the annual cash component.• 50% to the deferred share component.

Performance measures	<p>Performance targets are set by the Committee each year. The targets are aligned with the annual budget approved by the Board, and may include elements of profitability, revenue growth, cash generation, improvement in financial performance over prior year and other specific corporate objectives designed to deliver the Board's strategy and long-term growth in Shareholder value. The performance targets can evolve along with the strategic objectives of the Company, and the Committee retains the discretion 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 previous targets are no longer appropriate. Details of the performance targets attached to the awards made in respect of any particular year will be provided retrospectively in the Remuneration Report in the Annual Report and Accounts relating to that year.</p> <p>Once awarded, the deferred component of the annual award will not be subject to further performance conditions, other than continued employment with the Company.</p>
Recovery provisions	<p>The awards are subject to a "malus" provision, such that if, prior to the date on which deferred shares vest, the annual award from which it was determined is found to be incorrect as a result of either a material misstatement in the audited accounts of the Group, or the conduct of a beneficiary amounting to fraud or gross misconduct, then the Board may reduce, to nil, the number of shares in the award.</p>

Variable component: Share plans available to all employees in which Executive Directors are able to participate.

Purpose	To encourage share ownership by employees allowing participation in the long-term success of the Company.
Application	Periodic employee share option plans open to all employees are operated in the 4imprint Group. These take the form of HMRC approved SAYE schemes in the UK, and equivalent plans in the USA. Employees (including Executive Directors) may save an agreed monthly amount, and options are normally granted at a discount of up to 20% to current share price.
Opportunity	Savings are capped at an agreed monthly contribution rate, and the option price is set at the outset of the plan.
Performance measures	Not applicable.
Recovery provisions	No clawback or recovery provisions apply.

Variable component: Share ownership

Purpose	To encourage share ownership by the Executive Directors, thereby aligning long-term interests with those of Shareholders.
Application	Executive Directors are expected to hold shares to the value of at least 100% of annual base salary. Executive Directors are expected to retain at least 50% of any vesting share awards (net of tax) in order to accumulate the recommended personal shareholding. All Executive Directors currently have shareholdings significantly in excess of 100% of their base salary using a share price average for 2017.
Performance measures	Not applicable.
Recovery provisions	Not applicable.

Executive Director Recruitment Remuneration

The Company's recruitment remuneration policy aims to secure the appointment, retention and promotion of high-calibre executives to strengthen the Board and to 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 in this policy document and to 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 in the Remuneration Report in the Annual Report and Accounts relating to the year of recruitment of the Executive Director;
- 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 clawback 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; and
- 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.

Non-Executive Director Remuneration

Fixed component: Fees	
Purpose	To attract and retain high quality and experienced Non-Executive Directors, with fees reflecting the time commitments and responsibilities of the roles.
Application	The fees paid to the Non-Executive Directors aim to be competitive with other listed companies of equivalent size, complexity and type. Fee levels are periodically reviewed by the Board.
Opportunity	The Company does not adopt a quantitative approach to pay positioning and exercises judgment as to what it considers to be reasonable in all the circumstances as regards quantum.
Performance measures	Not applicable.
Recovery provisions	Not applicable.