



# Directors' Remuneration Policy

Approved by Shareholders at the AGM on  
22 May 2015

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## Directors' Remuneration Policy

The following sets out our Directors' Remuneration Policy. This Policy was approved by shareholders at the 2015 AGM in accordance with section 439A of the Companies Act 2006 and will take effect from the date of approval. The Policy remains the same as that previously approved by shareholders at the AGM held in May 2014 except for certain minor changes described on pages 90-91 of the Annual Report 2014 and continues to reflect Informa's long-standing approach to remuneration which has been in effect since 2009.

The remuneration of the Executive Directors is designed to provide for a competitive compensation package which reflects the Group's performance against financial objectives. Incentives reward above-average performance and are designed to attract, motivate and retain high calibre executives.

The table below summarises the six key elements of the remuneration package for Executive Directors and the fees paid to the Chairman and Non-Executive Directors:

| Element                    | Overview and link to strategy  | Operation  | Performance framework  | Maximum   |
|----------------------------|--|--|--|---|
| <b>EXECUTIVE DIRECTORS</b> |  |  |  |   |
| Base salary                | Executive Directors receive an annual salary which the Remuneration Committee considers to be market competitive.      | <p>Reviewed by the Remuneration Committee prior to the beginning of each year and upon a change of position or scope of responsibility.</p> <p>In deciding appropriate levels, the Remuneration Committee considers pay practices in the Group as a whole and makes reference to objective external data which gives current information on remuneration practices in appropriate comparator companies of a similar size to Informa and listed in the UK.</p> <p>If in the Remuneration Committee's judgement it is appropriate to appoint an individual on a salary below market norms, the Remuneration Committee may exceed the 'normal' rate of increase set out in the policy table in the following two to three years based on performance in role.</p> | Levels are not subject to the achievement of performance measures. However, an individual's experience, development and performance in the role will be taken into account when setting and reviewing salary levels. | There are no prescribed maximum increases for base salary. In usual circumstances, increases will be limited to those awarded to Group employees taking into account performance and geography. In exceptional circumstances, such as significant increase in the size/ complexity of the Group or an individual's role and scope, the Remuneration Committee can exceed this 'normal' level of increase.   |
| Benefits                   | The arrangements offer Executive Directors market competitive benefits to retain and attract high calibre individuals. | <p>Ongoing benefits may include company car, death-in-service, family private health insurance, family dental insurance, accident insurance and permanent health insurance cover.</p> <p>In the event of an international relocation additional benefits may include relocation, housing and schooling costs, financial advice and repatriation. It is the intention that any such arrangements ensure that an individual is not adversely impacted should the Group require them to relocate.</p>   | Not subject to performance measurement.  | <p>The maximum car allowance is £20,000 per annum. Other benefits are provided through third parties and therefore the cost to the Company and value to the Executive Directors may vary.</p> <p>However, the nature of the provision will remain unchanged.</p> <p>There is no prescribed maximum for benefits related to an international relocation given the nature of the provision and the amounts will vary based on factors such as an individual's circumstances and the countries involved.</p> |

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Retirement and life  
assurance benefits

The arrangements offer Executive Directors a retirement plan contribution which is motivating and in line with previous plans at the point of recruitment as well as in line with the market.

Retirement benefits will be paid in part or full into a Group Personal Pension or Personal Pension vehicle. The pension allowance may also be taken in full or part as a gross cash payment. Any cash payment will be paid monthly. Life assurance is payable in a lump sum, in the event of the insured's death-in-service.

Not subject to performance measurement.

Retirement benefits:  
25% of base salary

Life assurance:  
Four times base salary.

informa

| Element                         | Overview and link to strategy  | Operation  | Performance framework  | Maximum   |
|---------------------------------|--|--|--|---|
| <b>EXECUTIVE DIRECTORS</b>      |  |  |  |   |
| Annual bonus                    | <p>The Annual Bonus Plan rewards Executive Directors for delivery of excellent levels of annual performance.</p> <p>Performance metrics are selected to ensure a focus on improvements in short-term performance that will help drive the sustainable long-term success of the Group</p> | <p>Bonus can be delivered entirely in cash, or in a combination of cash and shares. Any bonus up to 100% of base salary is paid in cash and any above 100% of base salary up to 150% of base salary is deferred under the Deferred Share Bonus Plan.</p> <p>Any bonus that is paid in the form of shares will be deferred for a period of three years and will attract a dividend equivalent payment in the form of cash on vesting.</p> <p>Under the terms of the Deferred Share Bonus Plan, if certain events occur including a restatement (downwards) of the Company's results for any year for which the results formed the basis of the deferred share element relevant to an option, the Directors have the absolute discretion to reduce the number of option shares under/or cancel the relevant option ("malus") or require the repayment of the shares or an equivalent amount ("clawback") once shares have been received by the Executive Director.</p> | <p>The performance measures, weightings and targets are set annually by the Remuneration Committee.</p> <p>Bonus opportunity will be linked to the achievement of challenging financial and, when appropriate non-financial performance targets. Details of the measures and their weightings will be disclosed annually in the Annual Report on Remuneration, with the targets disclosed provided they are not deemed to be commercially sensitive.</p> <p>The quantum of bonus is determined on a specified range. Below threshold performance results in a zero bonus. On-target performance results in a cash bonus equal to 100% of base salary. Maximum payout is capped at the equivalent of 150% of base salary.</p> <p>The Remuneration Committee reserves the right to adjust the targets if events occur (e.g. material acquisition and/or divestment of a Group business) which cause it to determine that they are no longer appropriate.</p> | 150% of base salary. Up to 100% of base salary paid in cash and 50% of base salary deferred into equity in the Deferred Share Bonus Plan. |
| Long-Term Incentive Plan awards | <p>The LTIP rewards Executive Directors for delivery of strong, sustained performance over a period of three years.</p>  | <p>Executive Directors can receive an annual award of shares (or share-based equivalent) subject to the achievement of specified standards over a three-year performance period.</p> <p>In certain circumstances, the Directors will have the discretion to apply malus or clawback and</p>  | <p>The performance measures, weightings and targets are set annually by the Remuneration Committee.</p> <p>LTIP awards will be linked to the achievement of challenging financial and, when appropriate, non-financial performance targets.</p> <p>Details of the measures and their weightings will be disclosed annually in the Annual Report on Remuneration, with the targets</p>  | 200% of salary  |

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reduce the size or cancel an unvested award or require the repayment of the shares received or an equivalent cash amount.

disclosed, at the start or at the end of the performance period, provided they are not deemed to be commercially sensitive.

At the end of the performance period, the Remuneration Committee will assess performance against the targets set and review any other relevant events during the period in reaching a judgement with respect to the overall level of vesting under the award.

The following awards are payable as a percentage of maximum in respect of different levels of performance:

Threshold: 20%

Maximum: 100%

| Element                                     | Overview and link to strategy  | Operation   | Performance framework                   | Maximum  |
|---|--|---|---|--|
| <b>EXECUTIVE DIRECTORS (CONTINUED)</b>      |  |   |   |  |
| Share Incentive Plans ("SIPs")              | To encourage share ownership in Informa in those markets where SIPs are operated.  | <p>SIPs may be operated in markets that Informa operates in. These SIPs will be informed by relevant tax and share legislation. For example, in the UK, the Company operates a SIP which qualifies for tax benefits.</p> <p>The Remuneration Committee retains the discretion to allow Executive Directors to participate in SIPs that operate in their home market, where the terms of participation are consistent for all eligible employees.</p> <p>The Board has shareholder authority to match employee subscriptions up to a maximum two for one basis.</p>  | Not subject to performance measurement. | Limits vary according to local market practice. In the UK the default limits set out in the UK tax legislation will serve as a maximum, although lower levels may be operated in practice. |
| <b>CHAIRMAN AND NON-EXECUTIVE DIRECTORS</b> |  |   |   |  |
| Fees  | The fees are set in order to attract and retain high calibre individuals by offering market competitive fees, taking into account the time that is required to fulfil the relevant role. | <p>Fees are reviewed annually</p> <p>The Chairman of the Board is paid a consolidated fee to reflect all the duties associated with the position.</p> <p>The Non-Executive Directors receive a base fee reflecting their duties on the Board and memberships of any Committees. The Senior Independent Director and chairs of Board Committees are eligible for an additional fee, reflecting the additional time and expertise required.</p> <p>The Chairman and Non-Executive Directors are covered under the Group accident and travel policy (as it relates to work on behalf of Informa). Expenses in line with Informa policy will be reimbursed.</p> | Not subject to performance measurement. | There is no prescribed maximum but the levels will reflect the prevailing market practice.   |



## **MALUS AND CLAWBACK**

The malus and/or clawback provisions may be applied in the following situations:

- material misstatement of the Group's financial results;
- as a result of a regulatory investigation or a breach of any material legislation, rule or code of conduct; and
- if, after the Executive Director has left employment with the Group, facts emerge which, if known at the time, would have resulted in either the share award lapsing or discretion being applied by the Board.

## **PERFORMANCE MEASURES AND THE TARGET SETTING PROCESS**

The performance measures that apply to awards made under the Annual Bonus Plan and LTIPs are selected to ensure that they align with the strategic priorities of the Group. When setting targets, the Remuneration Committee is mindful of a range of factors including internal budgets, strategic ambitions, analysts' consensus views and investor expectations. Depending on the nature of the measure, some of these factors will play a greater role than others. Targets are set to ensure they are suitably challenging with the goal of contributing to long-term shareholder value creation.

The Remuneration Committee also considers corporate performance on environmental, social and governance issues when setting the remuneration of the Executive Directors. In its judgement the remuneration policies for both Executive Directors and senior management do not raise environmental, social or governance/operational risks by inadvertently motivating irresponsible behaviours.

## **PAY FOR PERFORMANCE SCENARIOS**

The Company's policy is that a clear majority of the maximum potential remuneration of the Executive Directors should be performance related. For each of the Executive Directors, the following bar charts and tables illustrate the composition of remuneration for the 2015 financial year under three performance scenarios:

- Minimum, which assumes no variable elements of pay are awarded or vest;
- Expected, which assumes target bonus is paid (linked to delivering budgeted financial performance) and threshold vesting under the LTIP; and
- Maximum, which assumes the variable elements of pay are awarded or vest in full.

Stephen A. Carter

| Level of performance               | Minimum          | In line with expectations                                       | Maximum                     |              |
|------------------------------------|------------------|---|-----------------------------|--------------|
| Fixed pay                          |                  | Salary: £809,000<br>Pension: 25% of salary<br>Benefits: £10,000 |                             |              |
| Annual bonus (% of salary)         | 0%               | 100%  | 150%                        |              |
| Long-term Incentives (% of salary) | 0%               | 40%   | 200%                        |              |
|                                    | <u>Fixed Pay</u> | <u>Annual Bonus</u>   | <u>Long-term incentives</u> | <u>Total</u> |
| Maximum                            | 27%              | 31%   | 42%                         | £3,852,750   |
| Expected value                     | 47%              | 38%   | 15%                         | £2,153,850   |
| Minimum                            | 100%             |   |                             | £1,021,250   |

Gareth Wright

| Level of performance               | Minimum          | In line with expectations                                       | Maximum                     |              |
|------------------------------------|------------------|---|-----------------------------|--------------|
| Fixed pay                          |                  | Salary: £459,000<br>Pension: 25% of salary<br>Benefits: £10,000 |                             |              |
| Annual bonus (% of salary)         | 0%               | 100%  | 150%                        |              |
| Long-term Incentives (% of salary) | 0%               | 30%   | 150%                        |              |
|                                    | <u>Fixed Pay</u> | <u>Annual Bonus</u>   | <u>Long-term incentives</u> | <u>Total</u> |
| Maximum                            | 30%              | 35%   | 35%                         | £1,960,750   |
| Expected value                     | 49%              | 39%   | 12%                         | £1,180,450   |
| Minimum                            | 100%             |   |                             | £583,750     |

No elements of pay for the Chairman and Non-Executive Directors are subject to performance, as set out in the Policy table.

## **OTHER REMUNERATION POLICIES**

### **APPOINTMENTS TO THE BOARD**

There are a number of factors that the Remuneration Committee will take into account when making an appointment to the Board, which may vary depending on whether the individual is an external hire or internal promotion. While the intention is that the elements of pay will be consistent with the table set out earlier in this Policy, to allow for the uncertainties associated with making appointments, particularly when recruiting externally, the following guiding principles additionally form part of the appointments policy for Executive Directors:

- Salary levels will be informed by those factors set out in the Policy table, but also by an individual's prior experience. If in the Remuneration Committee's judgement it is appropriate to appoint an individual on a salary below market norms, the Remuneration Committee may exceed the 'normal' rate of increase set out in the Policy table in the following two to three years based on performance in role.
- Benefits will be in line with the elements set out in the Policy table but may vary if a non-UK national is appointed or if a role is to be based outside the UK.
- The aggregate incentive awards that can be received in one year will not exceed 350% of salary, in line with the maxima in the Policy table. However, the Remuneration Committee reserves the right to make aggregate incentive awards of up to 400% in exceptional circumstances. In the year of appointment an off-cycle award under the LTIP may be made by the Remuneration Committee to ensure an immediate alignment of interests. Performance measures and targets will be reviewed and may be changed to ensure they are appropriate depending on the timing and nature of the appointment.
- In the event of an external appointment, the Remuneration Committee may buy-out incentive awards (both annual and long term) that the individual has forfeited on departure. In determining the nature of any award, the Remuneration Committee will be informed by the likelihood of vesting, the applicability of performance requirements, the time horizons, the anticipated value of any awards and the vehicle of the awards. The Remuneration Committee may rely on the Listing Rules exemption (Rule 9.4.2) to the extent that the existing plan limits do not provide sufficient headroom to enable the award of a share-based buy-out.
- In the event of an internal appointment to the Board, pre-existing obligations can be honoured by the Remuneration Committee and so payment will be permitted under this Policy.

Fees for any new Non-Executive Director will be set in accordance with the levels prevailing for the other Non-Executives at the time of the appointment. In the event of a new Chairman being appointed, the consolidated fee will be informed by the individual's experience and profile, as well as the anticipated time commitment and market rates. The Company may pay additional benefits related to travel and relocation depending on the nationality and home market of the incumbent.

**SERVICE CONTRACTS**

The Remuneration Committee's policy with respect to service contracts is summarised below:

|                                     |  |
|-------------------------------------|--|
| Notice period                       | Up to 12 months' prior notice by either party  |
| Payment in lieu of notice ("PILON") | Payment on immediate termination by the Company, of salary, benefits allowance and pensions allowance covering the Executive Director's notice period. Such payments are to be made in equal monthly instalments in arrears and the Company is entitled to reduce such payments by the amount of any earnings received or receivable by the Executive Director from any other employment, engagement, office or appointment in respect of the same period. |
| Change of control provisions        | The Executive Director will have no claim against the Company against the undertaking arising out of or connected with a change of control of the Company.   |
| Entitlements on termination         | No automatic entitlement to compensation for the loss of any rights or benefits under any share option, bonus, LTIP or other profit sharing or benefit scheme operated by the Company.<br><br>No payment of salary, benefits allowance, pensions allowance or bonus except for that described above in PILON.  |

The Chairman and Non-Executive Directors have letters of appointment which are terminable by either party on three months' notice. The service contracts are available for inspection at the registered office and will be available for inspection at the AGM.

## LOSS OF OFFICE

The principle that underpins the Remuneration Committee's loss of office policy is that no payments for failure will be made. Loss of office payments will be made in accordance with the relevant contractual employment or settlement obligations and provisions under the Plan Rules, as illustrated below:

|                                | Gross misconduct   | Resignation or dismissal for cause   | Retirement,, death or negotiated termination not for cause   | Remuneration Committee discretion  |
|--------------------------------|--|--|--|--|
| Salary                         | No right to payment past last working day for summary dismissal. | Payable for the period of notice if worked or unworked.  | Payable for the period of notice if worked or unworked.  |  |
| Retirement benefits            | No right to payment past last working day for summary dismissal. | Payable for the period of notice if worked or unworked.  | Payable for the period of notice if worked or unworked.  |  |
| Other benefits                 | No right to cover past last working day for summary dismissal.   | Payable for the period of notice if worked or unworked.  | Payable for the period of notice if worked or unworked.  | The Committee reserves the right to make a payment in lieu of benefits provision.  |
| Annual bonus (cash)            | No payment for any unpaid cash bonus award.                      | No right to a bonus or time apportioned bonus if the Executive Director is under notice of termination at or before the date when a bonus relating to the relevant financial year might otherwise have been payable. | No right to a bonus or time apportioned bonus if the Executive Director is under notice of termination at or before the date when a bonus relating to the relevant financial year might otherwise have been payable. | The Committee reserves the right to make a payment but will always be subject to the performance conditions for the relevant performance period. |
| Annual bonus (deferred shares) | No right to any deferred shares, which are yet to vest.          | No right to any shares yet to vest at the end of the notice period.  | All deferred shares are awarded at the end of the notice period.   |  |
| Long-term incentive awards     | No right to any LTIP awards yet to vest.                         | No right to any LTIP awards yet to vest.   | The vesting of all LTIP shares is brought forward to the termination date with performance measured around that time and awards pro-rated to that day.   |  |
| Share awards under SIPs        | Entitled to employee purchased shares only.                      | Entitled to employee purchased shares only.  | Entitled to employee purchased shares and, in certain circumstances, any matching shares.  |  |

The Company may terminate an Executive Director's service contract with immediate effect by giving written notice of its intention to make a payment in lieu of notice to the Executive Director equal to the salary, benefits allowance and pensions allowance that the Executive Director would be entitled to receive during the unexpired part of the notice period less any required deductions.

Letters of appointment of the Chairman and Non-Executive Directors provide for payment of accrued fees up to the date of termination together with reimbursement of any expenses properly incurred prior to the date of termination. Termination may be for any reason, including resignation, non-re-election by shareholders, gross misconduct or termination for cause.

## **CONSIDERATIONS TAKEN INTO ACCOUNT WHEN SETTING THE DIRECTORS' REMUNERATION POLICY**

In determining remuneration policy, the Remuneration Committee's primary focus is on the needs of the business, strategic alignment and what is in the best interests of shareholders. Market practice more generally, feedback from shareholders and aspects of practices across the Group are taken into account.

## **PRACTICES ACROSS THE GROUP**

Informa is a diverse company, in terms of geography, business portfolio and remuneration practices (driven by a large number of small acquisitions). While the Remuneration Committee does take into account some aspects of remuneration across the Group when setting Executive Directors' pay policy (largely base pay increases), other areas are less relevant given the significant differences in operation which are influenced by geography, line of business and, where appropriate, legacy plans that were operated on acquisition. As a result, the levels and structure of remuneration for different groups of employees will differ from the policy for Executive Directors as set out earlier but with the common intention that remuneration agreements have regard to all reasonable factors. In addition, for the reasons mentioned earlier, and also the operational challenges and cost associated with undertaking the exercise, the Remuneration Committee has not sought employee views on the formulation of the Policy and no comparison metrics are used.

In summary, for the senior management team base salary is reviewed annually taking into account factors consistent with the executive pay review. However, incentive pay varies significantly with far greater focus placed on annual performance in the relevant Division or business unit.

## **FEEDBACK FROM SHAREHOLDERS**

The Remuneration Committee considers shareholder feedback received at the AGM each year and, more generally, guidance from shareholder representative bodies. It also engages with shareholders as and when appropriate on specific matters or in the event of a significant vote against.

## Enquiries

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## Notes

### About Informa PLC

Informa operates at the heart of the Knowledge and Information Economy. It is one of the world's leading business intelligence, academic publishing, knowledge and events businesses.

With more than 6,500 employees globally, it has a presence in all major geographies, including North America, South America, Asia, Europe, the Middle East and Africa.

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