

The Board's results of the evaluation required by points two and three of the Swedish Code rule 9.1

The policy of the Board is to attract, retain and motivate the best managers by rewarding them with competitive compensation packages linked to the Group's financial and strategic objectives. The compensation packages need to be fair and reasonable in comparison with companies of a similar size, industry and international scope. The components of remuneration for executive managers comprise base salary, benefits, performance-related salary (annual bonus) and long-term incentives.

The members of the Committee have no personal interest in the outcome of their decisions and give due regard to the interests of shareholders and to the continuing financial and commercial health of the business.

Kindred Group have three plans in place that determine the variable remuneration for Executive Management. These are an annual performance related bonus plan, an annual award made under a shares-based Performance Share Plan (PSP) and a Long-term strategy share-based Performance Share Plan.

Annual Performance related bonus - targets were agreed for 2018 at the start of the financial year by the remuneration committee and included a mixture of key financial metrics i.e. Group EBITDA and other key business metrics. The 2018 performance related bonus included measures related to Customer Experience and Sustainability. Following the approval of year end financials, the Remuneration Committee and Board approved the calculation and subsequent pay out from the plan. EBITDA calculation was based on auditable results and subject to M&A/FX adjustments or any other adjustments as agreed with the board.

Annual Performance Share Plan (PSP) award – The Remuneration Committee approved the 2018 award including the overall value of the awards, the allocation strategy and the performance measures. The Remuneration Committee confirmed that the performance conditions of the 2015 awards had been achieved and approved the full vesting of the awards. Please note that there were two PSP awards in 2015, the main PSP award dated June 2015 and a second award in November 2015 targeted specifically at selected employees following the acquisition of Stan James. The Performance conditions were the same for both awards. Performance conditions for PSP consider Gross Contribution, EBITDA and Free Cash Flow.

Long Term Strategy Performance Share Plan award - The Remuneration Committee approved this award in November 2016. The award remains in place, is subject to an EBITDA performance condition and does not vest until Q1 2021.

The Remuneration Committee obtained input from external advisors in 2018 both in the design of the above programmes and also to provide more general advice on remuneration issues and industry benchmarking data.

The Remuneration Committee is satisfied that the existing plans that the Company has in place for determining variable and fixed remuneration for the Executive Management are being administered in line with the appropriate policies and guidelines and that a process is in place, via the Committee, for maintaining and reviewing these to ensure they remain market competitive and fit for purpose.