

PARC Member Request – Share Award Grant Practice in 2020

One of our members has asked the following question in the light of current stock market volatility:

A. New Long-term Incentive grant in 2020

Are you planning to change your LTI grant practice for 2020 in any way to take account of the current stock market volatility: e.g.

a) Issuing more shares to make up the target value?	
b) Reducing the upfront value of the award?	
c) Suspending the grant?	
d) Other - please specify.	

B. All-employee share plans

Are you planning any changes to your grant practice for 2020 under any "All-employee" stock purchase or SAYE schemes: e.g.

a) Changing the matching levels?	
b) Changing the discount levels?	
c) Suspending the grant?	
d) Other - please specify.	

Reply Number	Reply
1.	<p>A (c) Grant currently delayed until situation stabilises</p> <p>B (d) do not operate an all employee plan</p>
2.	<p>A Not yet had the debate as main grant is in December.</p> <p>B SIP only and currently not planning changes to match Unlikely a free share award will be made anyway, due to current year performance.</p>

3.	No decisions have been taken so far regarding any future changes in this respect.
4.	Without filling this in I can say at the moment we're carrying on as normal, no reductions or adjustments to awards as yet. Our share price hasn't dropped as much as others so we are not adjusting our LTIPs. Our SAYE grants don't happen until September, we may adjust things then I but I think it unlikely.
5.	A (c) Delaying grant by 6 months to have better certainty on market conditions over the medium term. B (d) No change
6.	We are not currently planning any changes under either A or B
7.	Nil return for us – we offer neither arrangement/have no listed equity.
8.	A (a) No (b) No (c) No (d) Provision to look-back and adjust vesting if subsequently shown that grant price / number of shares granted was manifestly inappropriate (due to current reduced share price) B (a) No (b) No (c) No (d) Continue as normal
9.	We are a mutual and don't have share plans. We do have an LTIP scheme and as it currently stands we will be going ahead in June and granting awards.
10.	No to both A & B
11.	As we are a December year end company, this question isn't really relevant to us as our grant price is set in November.

12.	<p>A (c) We are probably going to defer our grant until later in the year. May also reduce upfront value (b) above but this will depend on share price at time of grant.</p> <p>B No changes planned to this plan.</p>
13.	<p>While we have discussed the issues, our grant cycles are later in the year and no decisions have been reached at this point in time.</p>
14.	<p>A (a) No (b) No (c) No</p> <p>B (a) No (b) No (c) Considering delaying launch</p>
15.	<p>We are not planning any changes to our LTIPs. These have been issued at the current stock price in mid March. We always consider each year whether or not to run our global Sharesave plan. We will look at this in June.</p>
16.	<p>As a private company most of these questions are not relevant. We are not planning on making any changes to our share plans at this time.</p>
17.	<p>A (d) We don't grant until October – so this has yet to be agreed</p> <p>B (a) N/A (b) No (c) We did debate doing this but decided against as the US/Canadian Sharesave was already in progress</p>

18.	<p>A (a) No (b) No (c) N/A</p> <p>B (a) N/A (b) N/A (c) Yes – suspending SAYE offering in 2020 (d) N/A</p>
19.	<p>A (a) No (b) No (c) No (d) LTI grants have been made as normal; Remuneration Committee may need to adjust vesting outcomes (in 3 years) to avoid any windfall gains as a result of share price movements</p> <p>B (a) No changes at this point (b) No changes at this point (c) No changes at this point (d) No changes at this point</p>
20.	<p>A (d) No change – main PSP grant issued in February</p> <p>B (d) No change planned</p>

Phil Wills
Associate Director, PARC
April 2020

Southside
105 Victoria Street, London SW1E 6QT

Tel: +44 (0)20 3457 2630
www.parcentre.com