PART 2 ARE YOU READY TO RUMBLE? CEO PAY FOR PERFORMANCE - 2017 FTSE100 PROXY SEASON –



INTRODUCTION

This is DirectorInsight's second release of the 2017 FTSE 100 CEO Pay for Performance report. The previous report "Are you ready to rumble" contained an analysis for 50 companies in the FTSE 100. This report provides an analysis for 76 companies in the FTSE 100, their CEO pay and financial performance, using total shareholder return (TSR¹) as the key financial performance metric, over a one year, three year and five year period. It tracks changes in CEO's compensation packages, their relative positioning against other FTSE 100 companies and what the value of a 100 sterling investment is over a period of 3 years.

"Executive compensation, diversity and over-boarding have emerged as key areas of focus during the 2017 proxy season."

During the 2017 season, the market witnessed investor and media scrutiny over compensation related issues. Some issuers were forced to withdraw pay policies ahead of their AGMs and managed to avoid revolts by reducing the quantum of pay packages. However, Agm votes on remuneration reports have not been as catastrophic as 2016 and 2012. Though, some companies have had significant revolts from investors on their remuneration reports. Out of the 76 companies we analysed, 70 have remuneration report votes available. 13 of these companies received more than 10% votes against their remuneration reports. Pearson plc had approximately 66% of votes cast against their remuneration report this year. This is the highest revolt recorded against a remuneration report this season in the FTSE 100.

"Mounting income disproportion within companies and across society in broader sense has eroded public confidence in business."

DIRECTORINSIGHT'S CEO PAY FOR PERFORMANCE TRACKER

The table below captures 76 companies in the FTSE 100 to have released their 2016 annual reports. Total CEO Realised Compensation² has been ranked against their peers in the index as well as their respective 2016 TSR.

The pay for performance analysis conducted by DirectorInsight shows that there is still a significant misalignment between pay and performance in the FTSE 100 companies.

- On a one year basis, 31.58% of the companies display negative misalignment.
- On a three-year basis, 34.21% of the companies display negative misalignment.
- On a five-year basis, 27.63% display negative misalignment. •

¹ TSR is defined here as the total return of a stock to an investor. It combines annual changes in share price (adjusted share price), dividends paid and expressed as an

annualized percentage.
²
Pay as used in this study refers to the Total figure comprising Base Salary, Benefits, Pensions, Cash Component of Annual Incentives, and Shares that vested in the year as well as Options exercised in the year.

In our previous Analysis, RELX PLC's Erik Engstrom had the highest pay among 49 other CEOs used for the study. With the now added 26 companies, the CEO with the highest realized compensation is Sir Martin Sorrell of WPP. His pay for 2016 was GBP 41.4M and the company's total shareholder return (TSR) 20%, earning the company a relative TSR rank of 61th percentile (above median performance). Over a three year period (2014-2016) WPP's TSR was 43% (ranked 62 percentile against other FTSE 100 companies) and the company's CEO total realized compensation was GBP 152.6M, which is ranked top-decile in our pay for performance study. From the table, we see that GBP 100 invested in WPP in 2014 will be worth GBP 143 in 2016.

"Consensus among market players is that, though not much has changed at the level the FTSE 100 is trading, executive pay has more than tripled in comparison."

In 2016, BP had its remuneration report for 2015 defeated at its Annual General Meeting. This year, the Board secured 97.05% support for the remuneration report. The CEO of BP Plc. (Bob Dudley) received a total pay of GBP 9.3M, which positioned him at 95th percentile among the 76 companies. The company's 2016 TSR was 55% (ranked 88th percentile). Over a three period the company shows a negative misalignment between CEO pay and TSR performance.

Tesco and Royal Bank of Scotland have the least return for shareholders over a three-year period. GBP 100 investment in Tesco and Royal Bank of Scotland in 2014 will be worth GBP 64 and GBP 66 respectively. CEO pay for Tesco Plc's has increased by 38% from 2014 to 2016 whiles CEO pay for Royal Bank of Scotland has decreased by 26% from 2014 to 2016. CEO pay for Tesco and RBS CEOs were ranked 40th and 58th percentile respectively in our analysis for the year 2016.

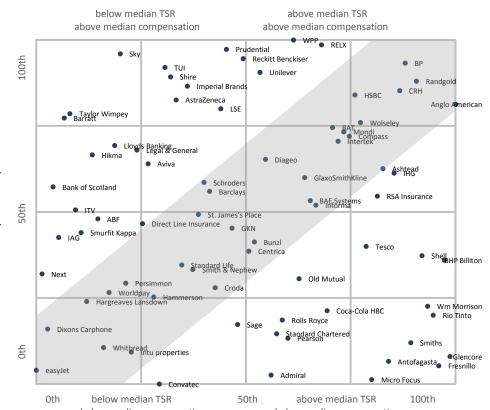
Companies with relative conservative remuneration policies continue to add an interesting dimension to the analysis. In 2016, Micro Focus International Plc.'s CEO pay in the amount of GBP 300,000 was bottom quartile whiles the company's TSR was upper quartile (80th percentile). Over a three period (2014-2016) the company had a TSR performance of 201%. GBP 100 invested in Micro Focus International Plc in 2014 will be worth GBP 301 in 2016. This is the highest relative investment return currently in our FTSE 100 pay for performance study.

		2016					2014-2016				2014-2016					
FTSE 100		Total Realized Compensation in Million GBP	Compensation Ranking	2016 TSR	Ranking of Performance	Growth 2014-2016 TRC	Δ 2014- 2016 TSR	Compensation Ranking	Ranking of Performance	Total Realized Compensation (million GBP)	3Y TSR	Compensation Ranking	Ranking of Performance	Current value of GBP 100 invested in 2014	AGM Vote O For %	Against %
WPP	WPP plc	41.4	100	20%	61	-2%	19%	53	65	152.6	43%	100	62	143	07-6-2017	
RELX Group	RELX PLC	12.7	99	24%	68	138%	-2%	92	50	33.7	74%	96	89	174	92.88	7.12
PRUENTIAL	Prudential plc	12.1	98	10%	45	-9%	-4%	47	43	34.0	32%	98	55	132	88.86	11.14
sky	Sky plc	11.6	96	-8%	21	137%	-18%	91	31	24.7	30%	92	54	130	91.06	8.94
Reckitt Benckise	Reckitt Benckiser Group plc	9.9	95	12%	49	-45%	-2%	20	47	43.8	58%	99	76	158	87.38	12.62
ő	BP p.l.c.	9.3	94	55%	88	-8%	67%	48	89	32.6	26%	95	50	126	97.05	2.95
$\mathbf{\tilde{\mathbf{v}}}$	TUI AG	9.2	92	0%	30	N/A(Due to Merger	-7%	N/A(Due to Merger	40	11.4	24%	50	43	124	*NA	
Unilever	Unilever PLC	8.2	91	16%	53	26%	6%	65	52	22.6	46%	91	63	146	98.14	1.86
Shire	Shire plc	8.0	90	0%	31	73%	-59%	76	6	20.4	66%	87	80	166	93.22	6.78
RANDGOLD	Randgold Resources Limited	7.8	88	56%	91	84%	40%	82	78	18.3	73%	83	87	173	97.84	2.16
	Imperial Brands PLC	7.8	87	3%	36	195%	-25%	93	26	13.9	76%	67	92	176	94.69	5.31
CRH	CRH plc	7.7	86	47%	87	217%	43%	96	80	12.9	101%	59	98	201	82.31	17.69
HSBC	HSBC Holdings plc	7.4	84	32%	76	42%	36%	67	76	18.7	19%	86	40	119	96.47	3.53
AstraZeneca	AstraZeneca PLC	6.9	83	0%	33	88%	-32%	83	21	18.4	41%	84	59	141	61.17	38.83
Angla American	Anglo American plc	6.3	82	287%	100	76%	293%	78	100	13.1	-3%	60	17	97	95.05	4.95
London Stock Exchange Group	London Stock Exchange Group plc	6.3	80	8%	44	392%	-34%	99	20	11.8	90%	54	95	190	98.56	1.44
Taylor Wimpey	Taylor Wimpey plc	5.8	79	-20%	9	-4%	-46%	50	10	17.5	57%	79	74	157	98.14	1.86
BARRATT	Barratt Developments plc	5.7	78	-21%	7	1%	-60%	55	3	15.9	51%	75	68	151	98.25	1.75
WOLSELEY	Wolseley plc	5.7	76	38%	77	1%	27%	57	70	14.7	56%	70	73	156	98.11	1.89
BRITISH AMERICAN TOBACCO	British American Tobacco p.l.c.	5.2	75	27%	71	4%	14%	60	59	13.2	61%	62	77	161	92.05	7.95
mondi	Mondi plc	5.1	74	29%	73	-2%	25%	54	69	15.3	74%	72	88	174	98.92	1.08
COMPASS	Compass Group PLC	4.8	72	31%	75	-23%	15%	36	61	16.5	67%	76	83	167	94.33	5.67
Intertek	Intertek Group plc	4.8	71	27%	72	101%	52%	85	85	9.5	17%	34	39	117	96.76	3.24
	Lloyds Banking Group plc	4.6	70	-10%	19	-75%	-7%	6	41	32.3	-16%	94	10	84	97.92	2.08
Legal & General	Legal & General Group Plc	4.4	68	-2%	25	6%	-18%	61	29	12.7	29%	56	52	129	93.17	6.83

Hikma Pharmaceuticals PLC	4.3	67	-17%	14	59%	-83%	74	2	9.5	63%	35	78	163	97.93	2.07
Diageo plc	3.9	66	17%	54	-30%	22%	34	66	11.7	15%	52	33	115	94.82	5.18
Aviva plc	3.8	64	-1%	27	113%	-12%	88	33	9.9	21%	38	41	121	97.70	2.30
Ashtead Group plc	3.8	63	44%	83	-44%	-10%	22	37	14.8	118%	71	99	218	71.84	28.16
Intercontinental Hotels Group plc	3.8	62	45%	86	-45%	13%	19	58	13.3	100%	63	96	200	96.42	3.58
GlaxoSmithKline plc	3.7	60	22%	64	-31%	32%	33	73	15.8	15%	74	36	115	96.39	3.61
Schroders plc	3.7	59	4%	40	-9%	-2%	45	48	14.4	26%	68	48	126	94.74	5.26
The Royal Bank of Scotland Group plc	3.6	58	-26%	4	44%	-42%	68	13	8.5	-34%	28	5	66	99.60	0.40
Barclays PLC	3.5	56	5%	41	-66%	13%	10	57	17.6	-11%	80	13	89	97.22	2.78
RSA Insurance Group plc	3.5	55	41%	81	111%	34%	86	74	7.6	50%	24	66	150	98.78	1.22
BAE Systems plc	3.4	54	23%	65	-19%	9%	38	55	11.0	55%	44	72	155	97.25	2.75
Informa plc	3.3	52	24%	67	83%	39%	81	77	7.1	43%	19	61	143	70.77	29.23
ITV plc	3.3	51	-19%	10	-17%	-35%	40	18	12.3	25%	55	46	125	94.72	5.28
St. James's Place plc	3.2	50	4%	38	117%	-11%	89	35	10.5	51%	42	69	151	99.44	0.51
Associated British Foods plc	3.1	48	-17%	15	-56%	-47%	13	9	16.7	16%	78	37	116	98.35	1.65
Direct Line Insurance Group PLC	3.1	47	-1%	26	-23%	-30%	37	24	10.5	87%	43	94	187	99.32	0.68
GKN plc	3.0	46	11%	46	208%	17%	95	63	9.0	-4%	32	15	96	99.37	0.63
Smurfit Kappa Group plc	3.0	44	-18%	11	-65%	-24%	12	28	18.0	13%	82	29	113	86.9	13.1
IAG	3.0	43	-25%	6	-50%	-46%	16	11	13.5	15%	64	35	115	14/6//2017	
Bunzl plc	3.0	42	14%	52	-43%	-10%	26	36	13.7	54%	66	70	154	97.77	2.23
Tesco PLC	3.0	40	38%	79	77%	79%	79	95	7.8	-36%	27	3	64	16/06/2017	
Centrica plc	2.8	39	14%	50	4%	29%	58	72	8.5	-21%	30	9	79	86.20	13.80
Royal Dutch Shell plc	2.7	38	59%	92	-84%	54%	2	88	22.3	26%	90	47	126	93.20	6.80
BHP Billiton plc	2.7	36	76%	98	-39%	99%	29	98	10.1	-15%	39	11	85	98.90	1.10
Standard Life plc	2.6	35	1%	34	-4%	-15%	51	32	9.7	15%	36	32	115	97.47	2.53
Smith & Nephew plc	2.6	34	3%	37	-44%	-38%	23	17	12.8	50%	58	65	150	98.85	1.15
Next Plc	2.5	32	-29%	2	-43%	-60%	24	5	11.1	5%	47	22	105	99.60	0.40
Old Mutual plc	2.2	31	21%	63	-12%	16%	43	62	8.7	25%	31	44	125	72.03	27.97
Persimmon plc	2.1	30	-8%	22	-32%	-42%	31	14	7.2	68%	22	84	168	90.19	9.73
Croda International plc	2.1	28	7%	42	46%	-4%	69	44	5.7	40%	16	58	140	97.36	2.64
	Pharmaceuticals PLCDiageo plcAviva plcAshtead Group plcIntercontinental Hotels Group plcGlaxoSmithKline plcSchroders plcThe Royal Bank of Scotland Group plcBarclays PLCBAE Systems plcInforma plcInforma plcInforma plcIntercontinental barclays PLCBAE Systems plcGixoSmithKline plcInforma plcInforma plcInforma plcInforma plcSt. James's Place plcGKN plcSmurfit Kappa Group plcIAGBunzl plcCentrica plcRoyal Dutch Shell plcStandard Life plcStandard Life plcOld Mutual plcPersimmon plcCrooda International	Pharmaceuticals PLC4.3Diageo plc3.9Aviva plc3.8Ashtead Group plc3.8Intercontinental Hotels Group plc3.7GlaxoSmithKline plc3.7Schroders plc3.7The Royal Bank of Scotland Group plc3.6Barclays PLC3.5RSA Insurance Group plc3.3ITV plc3.3St. James's Place plc3.2Associated British Foods plc3.1Direct Line Insurance Group PLC3.0Smurfit Kappa Group plc3.0IAG3.0Bunzl plc3.0Standard Life plc2.7BHP Billiton plc2.7Standard Life plc2.6Smith & Nephew plc2.6Smith & Nephew plc2.6Persimmon plc2.1Croda International2.1	Pharmaceuticals PLC4.367Diageo plc3.966Aviva plc3.864Ashtead Group plc3.863Intercontinental Hotels Group plc3.862GlaxoSmithKline plc3.759The Royal Bank of Schroders plc3.658Barclays PLC3.555BAE Systems plc3.454Informa plc3.352ITV plc3.351St. James's Place plc3.148Direct Line Insurance Group PLC3.044IAG3.044IAG3.044IAG3.044Bunzl plc3.044IAG3.043Bunzl plc3.044IAG3.043BHP Billiton plc2.738Standard Life plc2.634Next Plc2.632Old Mutual plc2.130Croda International2.128	Pharmaceuticals PLC 4.3 67 -17% Diageo plc 3.9 66 17% Aviva plc 3.8 64 -1% Ashtead Group plc 3.8 63 44% Intercontinental Hotels Group plc 3.8 62 45% GlaxoSmithKline plc 3.7 60 22% Schroders plc 3.7 59 4% The Royal Bank of Scotland Group plc 3.6 58 -26% Barclays PLC 3.5 56 5% RSA Insurance Group plc 3.4 54 23% Informa plc 3.3 52 24% ITV plc 3.3 51 -19% St. James's Place plc 3.2 50 4% Associated British Foods plc 3.1 48 -17% Direct line Insurance Group PLC 3.0 44 -18% Massociated British Foods plc 3.1 47 -1% Massociated British Foods plc 3.0 44 18%	Pharmaceuticals PLC 4.3 67 -1.7% 14 Diageo plc 3.9 66 17% 54 Aviva plc 3.8 63 44% 83 Intercontinental Hotels Group plc 3.8 62 45% 86 GlaxoSmithKline plc 3.7 60 22% 64 Schroders plc 3.7 59 4% 40 The Royal Bank of Scotland Group plc 3.6 58 -26% 4 Barclays PLC 3.5 56 5% 411 RSA Insurance Group plc 3.3 52 24% 67 Informa plc 3.3 51 -19% 10 St. James's Place plc 3.1 48 -17% 15 Direct Line Insurance Group PLC 3.0 46 11% 46 Smurfit Kappa Group plc 3.0 44 -18% 11 IAG 3.0 43 -25% 6 Bunzl plc 3.0 44 -18%	Pharmaceuticals PLC 4.3 67 -1.7% 14 59% Diageo plc 3.9 66 17% 54 -30% Aviva plc 3.8 64 -1% 27 113% Ashtead Group plc 3.8 63 44% 83 -44% Intercontinental Hotels Group plc 3.8 62 45% 86 -45% Glaxosmithkline plc 3.7 59 4% 40 -9% The Royal Bank of Scotland Group plc 3.6 58 -26% 4 44% Barclays PLC 3.5 56 5% 41 -66% RSA Insure Group plc 3.4 54 23% 65 -19% Informa plc 3.3 51 -19% 10 -17% St. James's Place plc 3.1 48 -17% 15 -56% Direct Line Insurance Group PLC 3.0 44 -18% 11 -65% Smurft Kappa Group plc 3.0 44 -18%	Pharmaceuticals PLC 4.3 67 -1.7% 14 59% -4.3% Diageo plc 3.9 66 17% 54 -30% 22% Aviva plc 3.8 664 -1% 27 113% -12% Ashtead Group plc 3.8 63 44% 83 -44% -10% Intercontinental Hotels Group plc 3.8 62 45% 86 -45% 13% GlaxoSmithKline plc 3.7 60 22% 64 -31% 32% Schroders plc 3.7 59 4% 40 -9% -2% The Royal Bank of Scottand Group plc 3.6 58 -26% 4 44% -42% Barclays PLC 3.5 55 41% 811 111% 34% BAE Systems plc 3.4 54 23% 65 -19% 9% Informa plc 3.3 51 -19% 10 -17% -35% St. James's Place plc 3.	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3worldpay	Worldpay Group plc	2.1	27	-12%	18	NA(IPO)	NA(IPO)	NA(IPO)	NA(IPO)	3.2	NA(IPO)	7	NA(IPO)	NA(IPO)	98.59	1.41
Hammerson	Hammerson plc	2.1	26	-1%	29	-49%	-25%	17	25	7.4	27%	23	51	127	99.41	0.59
HARGREAVES CLANSDOWN	Hargreaves Lansdown plc	2.0	24	-17%	13	-74%	6%	7	51	11.1	-3%	46	20	97	89.98	10.02
MORRISONS	Wm Morrison Supermarkets PLC	1.9	23	60%	94	51%	84%	71	96	4.9	3%	14	21	103	15/6/2016	
Coca-Cola HBC AG	Coca-Cola HBC AG	1.9	22	25%	69	57%	54%	72	87	5.6	7%	15	28	107	20/6/2016	
RioTinto	Rio Tinto plc	1.8	20	68%	95	-67%	77%	9	92	11.4	7%	51	26	107	91.79	8.21
Rolls-Royce	Rolls Royce Holdings plc	1.7	19	18%	59	-42%	48%	27	84	5.9	-44%	18	-	56	98.78	1.22
sage	Sage Group plc	1.7	18	11%	48	-56%	-8%	14	39	7.1	75%	20	91	175	90.90	9.10
N Dixons Carphone	Dixons Carphone plc	1.6	16	-27%	3	N/A(Due to Merger	-100%	N/A(Due to Merger	0	3.3	40%	10	57	140	94.28	5.72
Standard Standard Chartered	Standard Chartered PLC	1.6	15	18%	57	-37%	44%	30	81	7.6	-44%	26	2	56	86.78	13.22
PEARSON	Pearson plc	1.5	14	18%	60	-17%	25%	41	68	4.5	-29%	12	6	71	34.59	64.51
smiths	Smiths Group plc	1.4	12	56%	90	-77%	79%	5	94	11.2	6%	48	24	106	97.82	2.18
WHITBREAD	Whitbread PLC	1.3	11	-12%	17	-83%	-42%	3	15	10.3	7%	40	25	107	21/6/2017	
intu 🍞	intu properties plc	1.3	10	-7%	23	-12%	-32%	44	22	3.9	14%	11	31	114	99.63	0.37
GLENCORE	Glencore Plc	1.2	8	207%	99	26%	208%	64	99	3.2	-3%	8	18	97	98.24	1.76
ANTOFASASTA PLE	Antofagasta plc	1.1	7	44%	84	235%	46%	98	83	2.6	-10%	6	14	90	99.88	0.12
FRESNILLO.	Fresnillo PLC	0.9	6	73%	96	15%	70%	62	91	2.5	67%	4	81	167	99.86	0.14
easyJet	easyJet plc	0.9	4	-40%	0	-85%	-54%	0	7	22.3	-27%	88	7	73	92.06	7.94
ADMIRAL GROUP pk	Admiral Group plc	0.7	3	17%	56	68%	9%	75	54	1.4	71%	3	85	171	94.92	5.08
	Micro Focus International plc	0.3	2	39%	80	1042%	-2%	100	46	0.7	201%	2	100	301	85.65	14.35
ConvaTec	Convatec Group Plc	0.2	0	NA(IPO)	NA(IPO)	NA(IPO)	NA(IPO)	NA(IPO)	NA(IPO)	0.2	NA(IPO)	0	NA(IPO)	NA(IPO)	97.94	2.06

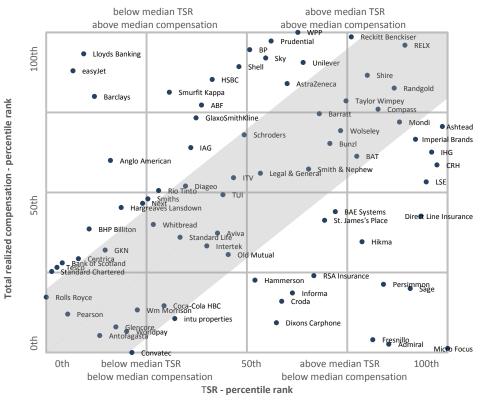
The following charts show a company's relative degree of alignment for CEO pay and TSR performance over a 1, 3 and 5 year period against other FTSE 100 companies, which are included in this pay for performance analysis. The companies that are situated within the grey area are considered companies that have a strong connection between pay and performance. The companies above and below the grey area, show a pay for performance misalignment at this stage. Our first report captured 50 companies and the analysis has now been expanded to a total of 76 companies in the FTSE 100.



2016 Pay for Performance alignment CEO Total realized compensation vs Total Shareholder Return

below median compensation below median compensation T**SR - percentile rank** DirectorInsight's pay for performance study finds that over a one year period 31.58% of the 76 companies in the FTSE 100 show a misalignment. Most companies that displayed a pay for performance misalignment, in our initial analysis, maintained their ranking with the added companies. Sky, Tui, Taylor Wimpey, Imperial Brands are examples of companies that continue to show a misalignment. WPP, Barratt Development and Smurfit kappa are some of the new companies who are also showing misalignment. BP, St. James Plc, Randgold, Mondi Ltd displays an alignment between pay and performance along with Ashtead. Micro focus, Antofagasta, WM Morrison are some of the companies showing a more conservative pay level for performance relative to other their companies. Same applies to BHP Billiton, Glencore and Rio Tinto.

2016 3YR Pay for Performance alignment CEO Total realized compensation vs Total Shareholder Return



DirectorInsight's pay for performance study finds that over a three-year period (2014-2016) 34.21% of the 76 companies in the FTSE 100 show a negative misalignment. WPP, Smurfit Kappa continues to show a negative misalignment. BP, HSBC, Anglo American, GlaxoSmithKline, Barclays, Centrica. Hargreaves Lansdown and Easy jet, which displayed an alignment between pay and performance, is now showing a negative misalignment between pay and performance relative to the other companies. CRH, Bae Systems, Informa plc, St James Plc, Persimmon, Croda, Hammerson are displaying positive relative misalignment. This significantly differs from the alignment it displayed in the one year study

2016 5YR Pay for Performance alignment CEO Total realized compensation vs Total Shareholder Return



Analysis for pay for performance on a fiveyear period (2011-2016) also highlights some changes. We note that WPP, Prudential, Reckitt Benckiser, Unilever, AstraZeneca and Lloyds Banking Group consistently displayed negative misalignment over one, three and five years' period of study. Some companies have however shifted their relative degree of alignment. Shire Plc, Randgold, Diageo Plc, Old mutual Plc and Rolls Royce that were displaying relative alignment between pay and performance in the three-year study currently display negative misalignment between pay and performance. Tui, Barrat Development, legal & General, Aviva, ITV and Whitbread have also shifted from relative alignment to a display of positive misalignment whereby total realized over the period over the five years' period pay ranks significantly lower than Total Shareholder return. Royal Bank of Scotland, Smurfit Kappa, Next Plc and Easy Jet are also examples of companies that improved upon their degree of alignment. In the three-year study, these companies displayed negative misalignment. They however display an alignment between Total Pay and TSR over a five years period.

APPENDIX

Our methodology on total realised compensation explained

The realised compensation includes all realised components of compensation in the year of interest. It is defined as the sum of total indirect compensation realised and total direct compensation realised for one year. It consists of base salary + benefits + other compensation + bonus + deferred cash bonus + deferred share bonus + value of performance/restricted shares vested + value of performance/restricted options exercised. Total realised pay is calculated based on performance indicators that have been met during the performance period. Most companies clearly disclose the performance period and vesting period, and the percentage that will be paid in the next year. For example, for shares that will vest on March 31, 2016 but where the performance period ends at December 31, 2015, shares are included in realised compensation for the financial year 2015. When the company doesn't disclose the average share price over the last quarter, we use the company year-end share price to calculate the value of the vested multiyear share packages. In line with UK practices, adjustments are usually made in the following year when the company disclose the exact share price on which the shares vested. For options, we calculate realised pay when the options have actually been exercised. In the event there were two CEOs in a year for a company, for example due to a change in CEO, we explored the companies on individual basis and annualized compensations depending on the issue at hand to make the total realized compensation as realistic as possible.

Total Shareholder Return (TSR)

Total shareholder return is defined as the total return of a stock to an investor. It combines annual changes in stock price and dividends paid and are expressed as an annualised percentage. This will be calculated over one year (1Y), three year (3Y) and five year (5Y) period. The growth in 3 yr and 5 yr TSR is calculated by the percentage points of difference between latest year and 3/5 year prior.

Please note that all figures have been rounded up in the table outlining the CEO pay for performance analysis.

Investment return of 100 sterling

This figure looks to calculate how much an 100 sterling company investment would be worth over a period of time by indexing the TSR over multiple years.

Pay for performance Analysis

We conducted a study on CEO realised compensation to determine degree of alignment relative to peers in the FTSE 100 on a 1, 3, 5 years basis. The degree of alignment is determined by subtracting the compensation rank from the performance rank within a scope of +20 or -20. Results obtained on either side determine a more generous or a conservative remuneration policy. Therefore for the three and five years' study, the percentile rank is calculated by the Total Realised Compensation over the period subtracted from the sum of the period TSR performance.

Definition of financial years

FTSE 100 companies have different year end dates. The most common year end dates are displayed below; 31/12, 31/3, 31/7 and 30/9. The main rule applied is that in a specific year, financial year end dates until 31/3 is reported as financial year of the previous year. All financial year end dates after 31/3 are reported as the year in which the financial year ends.

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About us

DirectorInsight is a specialist provider of data analytics and intelligence on the "G" of ESG. We help corporations, institutional investors, financial institutions and professional services firms to efficiently and effectively manage the increasing challenges they face in reviewing and addressing corporate governance risks and associated decision-making. DirectorInsight provides an integrated web-based, data technology solution, to independently analyze data on the value creation and governance practices of leading listed companies across the globe, in a single convenient solution. Please contact us on +31 (0) 20 416 0662 or visit our website when you would like to obtain further information or a demo.