Remuneration report

FRANK FISKERS
CHAIRMAN, REMUNERATION COMMITTEE

When I took over as Chairman of the Remuneration Committee in January 2020, none of us could have foreseen the challenges that lay ahead.

However, by the time I wrote my first letter to you in last year's Annual Report, we were firmly in the midst of the COVID-19 pandemic and already taking a number of remuneration-related actions in response.

These included steps such as:

- the directors waiving their May 2020 annual salary and fee reviews;
- the executive directors taking a temporary three-month 30% reduction in base salary;
- the Chairman and non-executive directors taking a temporary three-month 20% reduction in their base fees;
- annual incentive payments being settled wholly in shares; and
- a commitment not to adjust the pre-pandemic profit targets relating to the 2020/21 annual incentive and therefore to lapse this element of the opportunity.

Subsequently, the Committee has determined that no incentive payments will be made in 2021 to the executive directors in relation to the 2020/21 financial year.

The Committee also closely considered how the pay of the wider Whitbread workforce was being impacted during the crisis. In particular, whilst a number of team members had been placed on furlough during the year, the Company had topped up the pay of furloughed team members beyond the level that could be reclaimed under the UK Government's Coronavirus Job Retention Scheme.

A robust response

Since I last wrote to you, it has been quite a year. In one of the hardest hit sectors, the executive directors have played an outstanding role in taking decisive action throughout the pandemic to protect their teams, their guests and the continuity of the business. They have positioned the business to emerge strongly in a way that is expected to maximise long-term shareholder value. Since the start of the pandemic, Premier Inn has consistently grown market share. In addition, the team has delivered on its commitment to use rights issue proceeds for growth initiatives with the acquisition of 13 hotels in Germany and two in the UK. They have also continued to deliver on broader stakeholder concerns on the ESG agenda through the Force for Good programme. The executive directors' decisive action has been to the benefit of all stakeholders and further details of what has been delivered during the year can be found throughout the strategic report on pages 1 to 67.

Clearly, though, despite this outstanding response to the pandemic, much of Whitbread's business has had no option but to be closed for large parts of the year. We recognise the context in which our remuneration decisions are made. 2020/21 has been a challenging year for all our stakeholders and the payment of any variable pay must be considered in this light. We must also recognise that, in navigating well through this period, Whitbread has drawn on financial support from Government and our shareholders, and we remain intently focused on preserving the business's cash position. Taking this into account, no incentive payments will be made to the executive directors in 2021.

As a result of our decisions, the total remuneration received by the executive directors has fallen significantly when compared to the previous year, with each of the executive directors having a reduction in total remuneration of between 51% and 54% vs the prior year. This can be seen in the single total figure of remuneration table on page 98.

2020/21 annual incentives

As the targets for the 2020 incentive scheme had been established prior to the first COVID-19 lockdown coming into force, it was clear from early in the year that the 50% of the scheme relating to profit performance would not be payable in 2021 and I explained this in my report last year.

The remaining 50% of the incentive was assessed against an efficiency measure and individual strategic objectives. Although the restrictions on the business made the efficiency target more challenging, that element was achieved in full.

The Committee recognises the exceptional performance shown by the executive directors in leading Whitbread through a very challenging year while positioning the Company to capture future growth. We therefore consider that the formulaic outcome under the 2020/21 annual incentive plan, with performance against these objectives resulting in overall outcomes of between 48.6% and 48.9% of maximum for the three executive directors, is a fair reflection of the personal performance delivered over the year. Further details can be found on pages 98 to 101.

To that end, and taking account of the context described above, the Committee has determined that the fairest outcome for all stakeholders is that no incentive payment should be made this year, but incentives which have been earned should be carried over to next year, at which point they may be awarded subject to continued strong performance in relation to the objectives for the year ahead. Making payment contingent on a two-year view of performance serves several purposes: it defers the payment of the cash portion of the bonus in the context of continued cash conservation; it creates a more retentive structure at a time when the executives have very little retention arising from long-term incentives; and it places a further incentive on the coming year as Whitbread seeks to optimise its recovery.

The underpin on this deferred element will require strong and sustainable performance against the executive directors' strategic objectives over the course of the coming year. For the underpin to be met satisfactory, performance must be delivered on at least 50% of each executive's objectives. These objectives will include managing the impacts of the COVID-19 pandemic, growing our rooms in the UK and Germany, delivering property cost savings, progressing technology development and maintaining overhead cost efficiency disciplines. These will all be clearly itemised with actual outcomes disclosed in the 2021/22 Annual Report in a similar way to pages 99 to 101 of this year's Annual Report. If the underpin is met, 50% of the award will be paid in cash at that point, and 50% will be deferred in shares vesting in March 2024, i.e. three years from when the award would have been paid under normal circumstances. If the underpin is not satisfied, the award will lapse in full. The entire award will be forfeited in the case of an executive director leaving the Company within the 12-month underpin period, except in exceptional circumstances and at the discretion of the Committee.

For our most senior leaders, the approach will mirror that for the executive directors, with no payments being made in 2021 and any future payment in relation to the 2020/21 financial year being subject to stretching performance criteria.

The Committee is driven by the principle of fairness across the organisation and was keen to ensure that team members around the country are rewarded for their effort and contribution during this difficult year. I am pleased therefore to say that team members at all levels, other than the most senior levels, will be receiving special recognition payments in May this year.

Rewarding delivery in 2021/22 and beyond
The Committee has also had to carefully consider how best to structure the Annual Incentive Scheme for 2021/22, as well as how to structure the underpins for the 2021 awards under the Restricted Share Plan.

It is vital that there is an incentive in place for 2021/22 that appropriately motivates the executives and rewards them for delivery of what is in their control, in the context of a unique environment and Government restrictions which significantly affect our operations. Recognising that there remains significant uncertainty because of the unpredictable external environment, the Committee has had to take a different approach to the setting of the profit target for the 2021/22 incentive. The profit target is sales adjusted enabling the executives to be rewarded for profit conversion and sales relative to the market. The strategic growth objectives and the efficiency target have been set in the usual way and more information can be found on pages 106 and 107.

The Committee believes this appropriately incentivises the executives to steer the Company through the present crisis and drive its recovery which aligns with the long-term interest of shareholders. Whilst it is expected that this will drive an incentive outcome that reflects overall Company performance, the Committee has the discretion to override the formulaic measure should it feel this is not the case. This approach has been taken to address the current uncertainty and the Committee would expect to revert to the usual approach next year.

We have also reviewed the underpins for the Restricted Share Plan for 2021 and discussed our ideas with major shareholders, who were supportive of setting underpins to reflect Whitbread's recovery plan. We have therefore elected to select two new underpins for the awards to be made in 2021. This is on the basis that the underpins used in the prior year were selected before the pandemic in November 2019 and are not considered appropriate for new awards to be made this year. One will be a three-year cumulative cost efficiency measure, while the other will be a balanced overall assessment of performance and delivery against strategic priorities. More details can be found on page 108.

We have not made any changes to the underpins for the 2020 RSP awards or any other in-flight awards but, as I explained in last year's report, we are concerned that the impact of the pandemic has put the 2020 RSP underpins beyond reach with significant consequences for motivation and retention. We therefore intend to evaluate performance in its full context at vesting. We will fully disclose any decisions that we take in this regard.

We believe that the combination of targets we have set appropriately incentivise the executives to deliver on the Company's objectives as we emerge from the pandemic.

Base salary and pensions
As stated above, all executive directors waived their entitlement to base salary increases in May 2020. For 2021 the Committee has awarded a 2% salary increase to each executive director, in line with the general increases in pay for salaried employees across the organisation.

The current plan for pension provision was well considered as part of the policy review in 2019 and in the context of other changes to the policy. As explained in last year's report, the Committee will review the executive directors' pension levels further at the end of the three-year policy period in 2022. The Committee continues to be committed to aligning the executive directors' pensions with the wider workforce who are all currently able to choose to pay a contribution of up to 10% matched by the Company.

We recognise that Whitbread regularly reviews the pay and benefits for the wider workforce. If, at the end of the policy period, the maximum contribution available to the wider workforce is no higher than 10%, then executive directors' pension levels will phase down to 10% over the period to May 2024.

Group HR Director
As announced previously, our current Group HR Director, Louise Smalley, will retire from the Board on 31 August 2021. You will see later in this report that the Committee elected to treat Louise as a 'good leaver' for share scheme purposes. All of the remuneration treatment agreed in relation to Louise's departure were in accordance with the approved policy. Her successor has been appointed, but the position will no longer be an executive director position.

A brighter future
With the announcement in February of the Government's roadmap to reopening society, I hope that we can all look forward to a brighter future. While we won't be able to meet in person at the AGM this June, I will be available to answer any questions you have at the interactive online meeting and very much hope that, by 2022, we will be meeting in London.

Frank Fiskers
Chairman, Remuneration Committee
26 April 2021

Remuneration at a glance

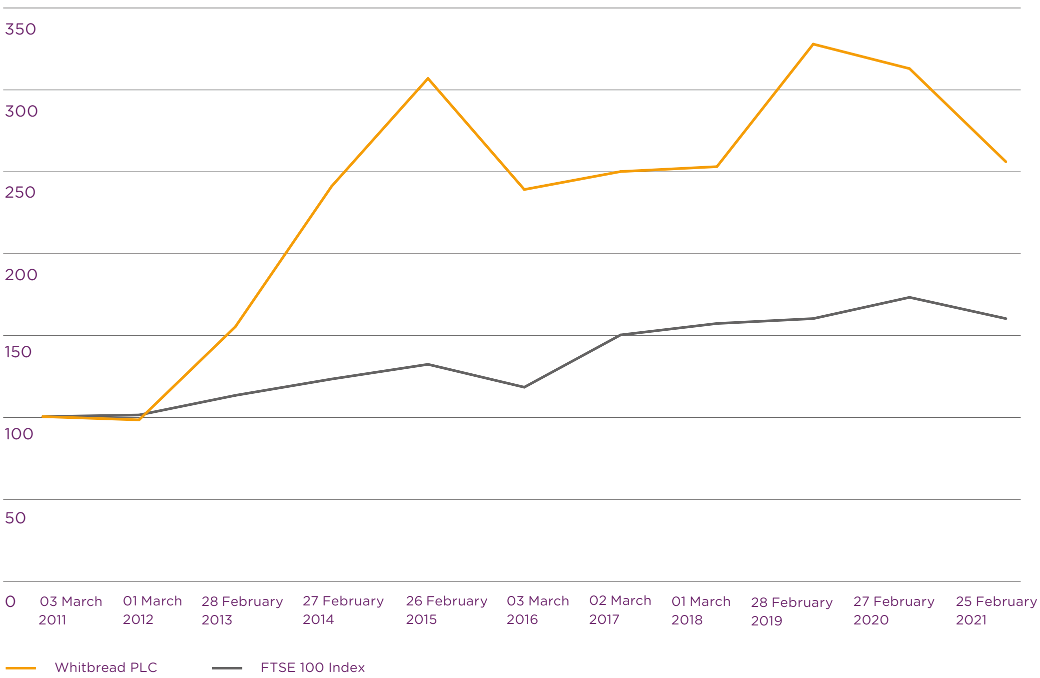
BUSINESS PERFORMANCE

FINANCIAL MEASURES

£635.1m
ADJUSTED LOSS BEFORE TAX[1]

£40m
EFFICIENCY SAVINGS

TOTAL SHAREHOLDER RETURN



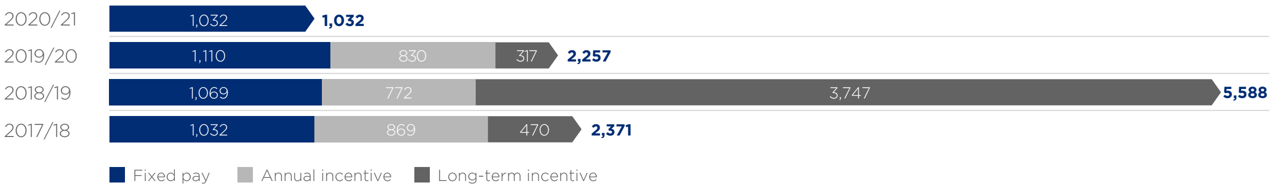
The chart looks at the value over ten years of £100 invested in Whitbread PLC on 3 March 2011 compared, on a consistent basis, with that of £100 invested in the FTSE 100 index based on 30 trading day average values. The FTSE 100 has been selected by the Committee as an appropriate comparator group due to Whitbread's position within the FTSE.

1 See pages 206 to 209 for definitions of alternative performance measures.

No long-term incentives were due to vest based on performance in 2020/21.

REMUNERATION OUTCOMES
TOTAL REMUNERATION (£'000)

ALISON BRITTAIN
CHIEF EXECUTIVE



SHARE OWNERSHIP

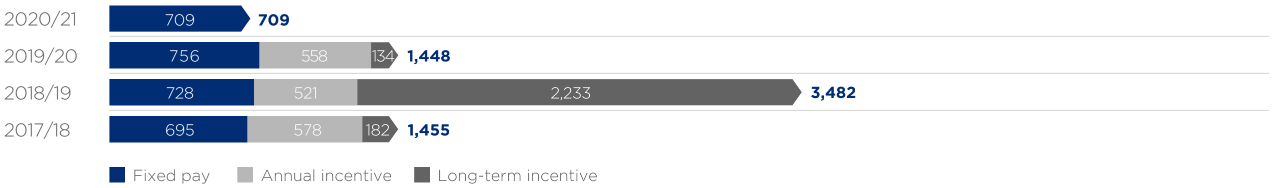
126,023
SHARES

57,092
VESTED, BUT UNEXERCISED, SHARE AWARDS

593
% OF SALARY

MEETING REQUIREMENT[1]

NICHOLAS CADBURY
GROUP FINANCE DIRECTOR



SHARE OWNERSHIP

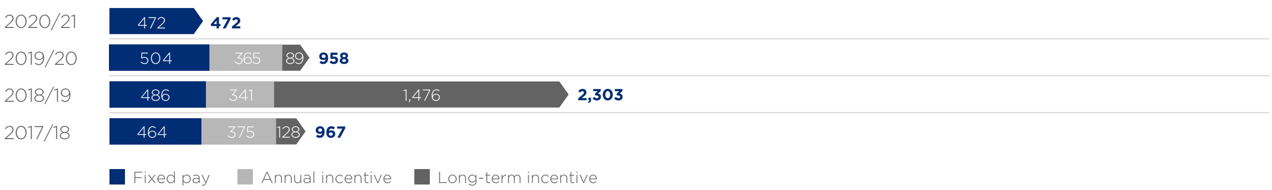
55,267
SHARES

33,920
VESTED, BUT UNEXERCISED, SHARE AWARDS

400
% OF SALARY

MEETING REQUIREMENT[1]

LOUISE SMALLEY
GROUP HR DIRECTOR



SHARE OWNERSHIP

59,344
SHARES

26,962
VESTED, BUT UNEXERCISED, SHARE AWARDS

663
% OF SALARY

MEETING REQUIREMENT[1]

1 Details of shareholding requirements can be found on pages 102 and 103.

Remuneration policy

The remuneration policy was approved by shareholders at a general meeting in December 2019 and can be found on the Company's website at www.whitbread.co.uk. A summary of the directors' remuneration policy is set out below.

Policy table

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics
Base salary	Base salaries are set to be sufficient to attract and retain the calibre of executive talent needed to support the long-term interests of the business.	Salaries are reviewed annually taking account of: › the salary review across the Group; › trading circumstances; › personal performance, including against agreed objectives; and › market data for an appropriate comparator group of companies.	› Annual salary increases would normally be in line with the average increases for employees in other appropriate parts of the Group. › On occasion, increases may be larger where the Committee considers this to be necessary. Circumstances where this may apply include growth into a role, to reflect a change in scope of role and responsibilities, where market conditions indicate a level of under-competitiveness and where the Committee judges that there is a risk in relation to attracting or retaining executive directors. › Where the Committee awards increases above the average for other employees, it will do so in accordance with policies applying across the Group and the resulting salary will not exceed the competitive market range.	None.
Benefits	› Benefits are intended to be competitive in the market so as to assist the recruitment and retention of executive directors.	› Executive directors are entitled to benefits relating to a car or car allowance and healthcare or personal insurance. › In exceptional circumstances, such as the relocation of a director, or for a new hire, additional benefits may be provided in the form of a relocation allowance and benefits including tax equalisation, reimbursement of expenses for temporary accommodation, travel and legal and/or financial assistance.	› We do not anticipate that the maximum payable would exceed 10% of salary. However, the Committee may provide benefits above this level in certain situations where it deems it necessary. This may include, for example, the appointment of a director based overseas or a significant increase in the cost of the benefits.	None.

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics
Annual Incentive Scheme (AIS)	› To provide a direct link between annual performance and reward. › To incentivise the achievement of outstanding results across appropriate key stakeholder measures. › To align with the long-term interests of shareholders and help participants build a significant stake in the business over time, by awarding a material part of the annual incentive in deferred equity.	› Targets for measures set at the beginning of the financial year. › Cash awards paid following the end of the financial year. › Deferred share awards normally vest after three years, subject to continued employment. › Malus provisions apply to unvested deferred shares and clawback provisions apply to cash awards.	› Up to 200% of base salary (up to 50% of maximum paid in cash and the remainder is paid in deferred share awards). › The maximum bonus for 2021/22 for the current executive directors will be 170% of base salary. Any increase beyond this level in future years will only be applied in exceptional circumstances and will be at the discretion of the Committee.	› Awards are payable based on a mix of adjusted profit performance, business performance measures and growth objectives. Performance measures under each area are determined annually and the Committee is able to adjust the weighting of the areas annually based on prevailing business needs. However, the underlying profit performance will represent no less than 50% of the total award at any time. Other measures will be objective and, when possible, externally benchmarked leading indicators of future financial performance will be used. Normally around 25% of the maximum incentive is paid for threshold performance, with around 50% paid for on target performance and the full incentive payment being paid for delivering stretch performance. These vesting levels may vary from year to year. › The Committee may at its discretion adjust the outcome under the formulaic measures where it considers it is appropriate to do so to better reflect overall Company performance.

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics
Restricted Share Plan (RSP)	› To enable the growth strategy in both the UK and Germany, which requires different strategies and approaches. › To promote long-term value creation rather than focusing on specific targets at a time when the executive directors need to balance investment and growth. › To retain executive directors throughout an important time for the business to deliver the growth strategy.	› The first grant will be made in Whitbread's 2020/21 financial year. › Awards normally vest after a period of at least three years, subject to one or more performance underpins and continued employment. › After vesting there will be an additional holding period during which vested shares cannot be sold, such that the combined underpin measurement period and holding period is at least five years. › Subject to clawback and malus provisions as set out below. › Dividend equivalents may be provided on vested awards during a holding period.	› Annual awards to a maximum of 125% of base salary in respect of each financial year. › The maximum grant for 2021/22 for the current executive directors will be 125% of base salary for the CEO and 110% of base salary for the FD. Any increase beyond this level for the FD will only be applied in exceptional circumstances and will be at the discretion of the Committee.	› Vesting will be subject to two or more performance underpins, which will be disclosed at or around the time of grant in the DRR. Where there are two underpins, if one of the underpins is not met, then up to 50% of the award will lapse. If both underpins are not met, then up to 100% of the award will lapse, subject to the overall discretion set out in the full policy. › The Committee may vary the underpins in future years in order to align with the Company's strategy, but will always include objective financial metrics, which will be disclosed prospectively at or around the time of grant, in the DRR. › It is anticipated that all performance underpins applicable to awards will be equally weighted, although the Committee retains the discretion to adjust the weighting of any underpins in future years. › In addition, the Committee will have general discretion to determine the most appropriate vesting levels if it believes this will better reflect the underlying financial performance of the Company over the period and such other factors as it may determine.

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics
Sharesave scheme	To encourage long-term shareholding in the Company.	› Annual invitation to all employees, including the executive directors. › Option price calculated by reference to the market price discounted by 20% on the invitation date. › Options granted subject to participant agreeing to save over a three- and/or five-year period.	Consistent with prevailing HMRC limits, currently savings limited to £500 per month.	None.
Pension	Pension benefits are provided in order to offer a market competitive remuneration package that is sufficient to attract and retain executive talent.	› Executive directors are entitled to participate in the Company's pension scheme (or other pension arrangements relevant to their location if based overseas). › Defined contribution scheme. › Can elect for cash in lieu of pension contributions.	› 25% of base salary (maximum of 10% for new joiners although the actual level will be determined based on all relevant factors at the time of appointment, including having regard to the pension contribution rates available to the majority of the workforce). › Contribution rates of incumbent executive directors will phase down to 15% of base salary over three financial years, with the first reduction in May 2020 to 21.5%. At the end of the three-year policy period, the Committee will review the pension levels further.	None.

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics
Chairman and non-executive director fees	To attract and retain a Chairman and non-executive directors of the highest calibre.	› The Chairman receives an annual fee and the non-executive directors receive a base fee, with additional fees for acting as the Senior Independent Director or for chairing, or being a member of, the Audit or Remuneration Committees or any other Board committee as may be constituted from time to time. › The Chairman and non-executive directors are entitled to claim all reasonable expenses, and the Company may settle any tax incurred, but do not receive any other fees or remuneration in connection with their roles at Whitbread.	The fees are reviewed annually by the Board (excluding the non-executive directors), taking into account a range of factors including the time commitment required of the directors, the responsibilities of the role and the fees paid by other similar companies.	None.

Annual report on remuneration

Remuneration Committee – membership

Name of director	Meetings attended and eligible to attend
Frank Fiskers (Chairman)	6/6
David Atkins	6/6
Adam Crozier	6/6
Richard Gillingwater	6/6
Deanna Oppenheimer[1]	4/4

1 Deanna stepped down from the Board at the end of December 2020 and therefore was no longer a Committee member for the further three meetings.

Remuneration Committee – responsibilities

- Set the broad policy for the remuneration of the Chairman and members of the Executive Committee, including the executive directors.
- Within the terms of the agreed policy, determine the total individual remuneration package (including incentive payments, share awards and other benefits) of the Chairman and each executive director.
- Monitor the structure and level of remuneration of Executive Committee members.
- Approve the design of, and determine the targets for, executive incentive schemes.
- Approve awards to be made to executive directors and other senior executives under incentive schemes.
- Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- Review the alignment of incentives with the Company's wider culture.
- Obtain ideas and concerns from the wider workforce about reward and take into account workforce remuneration across the Company and externally when setting remuneration policy for the executive directors.

In carrying out its duties the Committee has taken into account the principles outlined in the UK Corporate Governance Code 2018. The Committee believes that the Company's remuneration structures are aligned to the Company's culture and values. Furthermore, the Company's remuneration structures are simple and clear, with executive directors receiving base salary, an annual incentive and a long-term incentive under the RSP.

Risk is managed, with both the Annual Incentive Scheme and the RSP being subject to malus and clawback provisions. In addition, a poor health and safety performance would lead to a reduced payout under the Annual Incentive Scheme and the underpins under the RSP provide protection against any payment for failure.

Outcomes are predictable to the extent that the Company achieves its targets over any given performance period.

A significant proportion of an executive's total reward is linked to performance, with much of the reward achieved being deferred. This helps to align the interests of executives to investors.

Remuneration Committee – advisers

Internal advisers

Chris Vaughan – General Counsel and Secretary to the Committee

Steve Jones – Reward, Pensions and Insight Director

External advisers

PwC, one of the founding members of the Remuneration Consultants Group Code of Conduct, was appointed remuneration consultant by the Committee with effect from September 2017 following a rigorous tender process and adheres to this code in its dealings with the Committee. PwC also provides international tax advice to the Group. Fees paid to PwC in respect of advice received by the Committee amounted to £124,400. These fees were charged on a time and material basis.

The Committee is satisfied that the advice received is independent and objective. The Committee is comfortable that the PwC engagement partner and team that provide remuneration advice to the Committee do not have connections with the Company that may impair their independence.

Remuneration Committee agenda – 2020/21

- Approval of Annual Incentive Scheme and targets for 2020/21.
- Approval of awards of cash-replacement shares and deferred shares to executive directors under the Annual Incentive Scheme for 2019/20.
- Executive directors' salary review – no increases were awarded.
- Confirmation of the vesting percentage for the LTIP awards made in 2017 and vesting in 2020.
- Approval of the 2020 awards made under the RSP.
- Approval of the 2020 remuneration report.
- Various remuneration-related actions necessary in the light of the COVID-19 pandemic.
- Review of wider remuneration strategy across the organisation.
- Review of RSP underpins.
- Review of executive director pension arrangements.
- Committee effectiveness evaluation.
- Review of the terms of reference.

Single total figure of remuneration – executive directors (audited information)

Director	Base salary 20/21 £'000	Base salary 19/20 £'000	Benefits 20/21 £'000	Benefits 19/20 £'000	Pension 20/21 £'000	Pension 19/20 £'000	Fixed pay 20/21 £'000	Fixed pay 19/20 £'000	Annual Incentive Scheme 20/21 £'000	Annual Incentive Scheme 19/20 £'000	LTIP[1] 20/21 £'000	LTIP[1] 19/20 £'000	Variable pay 20/21 £'000	Variable pay 19/20 £'000	Total 20/21 £'000	Total 19/20 £'000
Alison Brittain	**816**	871	**22**	21	**194**	218	**1,032**	1,110	**–**	830	**–**	317	**–**	1,147	**1,032**	2,257
Nicholas Cadbury	**556**	592	**22**	21	**131**	143	**709**	756	**–**	558	**–**	134	**–**	692	**709**	1,448
Louise Smalley	**367**	391	**19**	18	**86**	95	**472**	504	**–**	365	**–**	89	**–**	454	**472**	958

1 The awards vesting under the Long Term Incentive Plan on 21 May 2020 have been re-stated to show their value on the vesting date, based on a price of 2,114.3p per share. The value shown includes dividend equivalents. The awards were originally made in 2017 based on a share price of 3,822.2p per share, so none of the value shown for 2019/20 relates to share price appreciation.

Details of each of the elements included in the table above are as follows:

Base salary
Annual salary increases across the Group are usually effective from 1 May each year. However, the executive directors did not receive an increase in base salary in 2020 and agreed to a temporary 30% reduction in their base salaries for a three-month period in 2020 as part of our remuneration-related response to the pandemic.

Benefits
The benefits received by each executive director include family private healthcare and a cash allowance in lieu of a company car.

Annual Incentive Scheme
The Remuneration Committee recognises the exceptional performance shown by the executive directors in leading Whitbread through a very challenging year while positioning the Company to capture future growth. The Committee considers that the formulaic outcome under the 2020/21 annual incentive plan is a fair reflection of the personal performance delivered over the year.

At the same time, we recognise the context in which any decision to award a payment is made. 2020/21 has been a challenging year for all our stakeholders and the payment of any variable pay must be considered in this light. We must also recognise that in navigating well through this period, we have drawn on financial support from Government and our shareholders, and we remain intently focused on preserving the business's cash position.

To that end, the Committee has determined that the fairest outcome for all stakeholders is that no incentive payment should be made this year, but the incentives which have been earned should be carried over to next year, at which point it may be released subject to continued strong performance. Making payment contingent on a two-year view of performance serves several purposes: it defers the payment of the cash portion of the incentive in the context of continued cash conservation; it creates a more retentive structure at a time when our executives have very little retention coming from our long-term incentives; and it places a further incentive on the coming year as we seek to optimise our recovery.

Strong and sustainable performance against the executive directors' strategic objectives over the course of the coming year will be required for the awards to be made. These objectives will include managing the impacts of the COVID-19 pandemic, growing our rooms in the UK and Germany, delivering property cost savings, progressing technology development and maintaining overhead cost efficiency disciplines. Further information can be found on pages 88 and 89. These will all be clearly itemised with actual outcomes in the 2021/22 Annual Report. For the underpin to be met satisfactory, performance must be delivered on at least 50% of each executive's objectives. If the underpin is met, 50% of the award will vest in cash at that point, and 50% will be deferred in shares and vest in March 2024, in line with our normal deferral policy (i.e. three years from when the award would have been made under normal circumstances). If the underpin is not satisfied, the award will lapse in full. The entire award will be forfeited in the case of an executive director leaving the company within the 12-month underpin period, except in exceptional circumstances and at the discretion of the Remuneration Committee.

As a result, no incentive payment is shown in the table above for the 2020/21 financial year.

Team members across the organisation will receive special recognition payments in May 2021 to recognise their effort and contribution to Whitbread in such difficult circumstances.

Awards based on profit measure (50% of total award – maximum 85% of salary)
The profit target, which was agreed before the COVID-19 pandemic began, was set at £278.0m, with the threshold set at £250.2m and maximum payout due at £305.8m. This target was not met and, as a result, no payment is due under the Annual Incentive Scheme in relation to this element of the incentive.

Director	Total % of salary
Alison Brittain	**0.00**
2019/20	18.13
Nicholas Cadbury	**0.00**
2019/20	18.13
Louise Smalley	**0.00**
2019/20	18.13

Awards based on efficiency target (25% of total award)
Total efficiency savings of £40m were achieved in the year which was in line with the incentivised efficiency target for 2020/21 of £40m. This was achieved despite restrictions on the business caused by COVID-19 making the target more challenging. The savings achieved do not include any direct variable cost savings as a result of our reduced operations nor any benefit from Government support schemes. As a result, the awards to be made based on the efficiency target are as follows (the prior year comparison was a combination of WINcard and efficiency targets):

Director	Total % of salary
Alison Brittain	**42.50**
2019/20	44.59
Nicholas Cadbury	**42.50**
2019/20	44.59
Louise Smalley	**42.50**
2019/20	44.59

As explained on page 98, the payments outlined above are to be carried over until 2022 and are then only payable subject to the achievement of a number of strategic objectives during the 2021/22 financial year.

Awards based on business objectives (25% of total award)
Each of the executive directors had a number of business objectives and 25% of the maximum incentive opportunity was linked to performance against these objectives. A summary of each of the executive directors' objectives, together with the incentive outcomes, is shown in the table below.

Strategic growth objectives 2020/21 – outcomes

Alison Brittain, Chief Executive

Objectives	Measures	Actual outcome	Achievement per outcome
Group projects	Evaluate Group options for strategic growth and development	Completed and presented to the Board	✓
	Develop the property plan and assess strategic options to enhance shareholder value	Completed	✓
	Produce savings from UK property costs	Achieved, ahead of target	✓
	Complete the separation and delivery of key infrastructure for Costa and remove the TSAs	Completed as scheduled	✓
Manage the COVID-19 response: Financial	Maintain investor engagement, regular investor feedback to the Board across COVID-19 actions and strategic and defence themes	Completed	✓
	Develop and execute a deep cost and capital saving plan	Capital reduced by £200m	✓
	Prepare sale and leaseback options	Completed	✓
	Prepare cash and capital action plan ready for execution	£1bn rights issue completed, £550m Green Bonds issued, RCF extended and covenants waived	✓
	Active management and communication with banking partners, pension fund and investors	Completed	✓
Manage the COVID-19 response: Operational	Manage the operational impact at sites	Completed through multiple lockdown scenarios	✓
	Develop and implement new people policies to support hours and pay management along with staff welfare	Completed	✓
	Manage supply chain to ensure continuity of supply for essential goods and services	All essential supply protected and new PPE supply chain established	✓
Premier Inn UK	Develop commercial plans including new network channel	Completed, delivering revenue significantly ahead of the market	✓
	Develop clear plan for optimising the property network	Portfolio analysed	✓

Objectives	Measures	Actual outcome	Achievement per outcome
German growth	Integrate the Foremost Hospitality acquisition across all operations	Completed	✓
	Complete the rebranding of the Foremost Hospitality hotels and reopen	Completed	✓
	Manage the acom hotels and increase to three sites	Completed and increased to three sites with the addition of Stuttgart in October 2020	✓
	Deliver agreed technology and upgrade and remediation plan for Germany	Completed	✓
	Evaluate priority portfolio acquisition options	Evaluation completed with first acquisition, from Centro, completed	✓
	Open two organic sites plus one acom and one Foremost	Three organic sites opened in Essen, Hamburg and Leipzig in addition to 13 Centro Hotels and one Star Inn	✓
	Sign four organic sites to the pipeline	Five signed	✓
	Refurbish and rebrand acom sites to Premier Inn	Refurbishment delayed to conserve cash with Foremost hotels prioritised	✗
Total outcome		**Achieved 95.45% of maximum = 40.57% of salary**	

Nicholas Cadbury, Finance Director

Objectives	Measures	Actual outcome	Achievement per outcome
Group projects	Evaluate Group options for strategic growth and development	Completed and presented to the Board	✓
	Develop the property plan and assess strategic options to enhance shareholder value	Completed	✓
	Produce savings from UK property costs	Achieved, ahead of target	✓
	Complete the separation and delivery of key infrastructure for Costa and remove the TSAs	Completed as scheduled	✓
	Triennial pension agreement	In progress	✓
	Plans in place for execution of payment strategy in 2021	Completed in readiness for scheduled execution	✓
Manage the COVID-19 response: Financial	Develop and execute a deep cost and capital saving plan	Capital reduced by £200m and £40m discretionary costs removed	✓
	Prepare sale and leaseback options	Completed	✓
	Prepare cash and capital action plan ready for execution	£1bn rights issue completed, £550m Green Bonds issued, RCF extended and covenants waived	✓
	Active preparations and communication with banking partners, pension fund and investors	Completed	✓
Premier Inn UK	Develop commercial plans including new channel development	Completed, delivering revenue significantly ahead of the market	✓
	Optimise the property network	Portfolio analysed	✓
German growth	Integrate the Foremost Hospitality acquisition across all operations	Completed	✓
	Complete the rebranding of the Foremost Hospitality hotels and reopen	Completed	✓
	Integrate the acom hotels	Completed	✓
	Complete rebranding of acom sites and reopen	Refurbishment delayed to conserve cash with Foremost hotels prioritised	✗
	Evaluate priority portfolio acquisition options	Evaluation completed with first acquisition, from Centro, completed	✓
	Open two organic sites plus one acom and one Foremost	Three organic sites opened in Essen, Hamburg and Leipzig in addition to 13 Centro Hotels and one Star Inn	✓
Total outcome		**Achieved 94.44% of maximum = 40.14% of salary**	

Louise Smalley, Human Resources Director

Objectives	Measures	Actual outcome	Achievement per outcome
Group projects	Progress the work plan for maintaining labour supply post Brexit in the UK	Immediate implications of post-Brexit rules managed through but net impact of COVID-19 impact on labour supply vs net migration still TBD	✓
	Pay for Progression: Prioritise the most critical of the planned spend ahead of Brexit to mitigate the risk of talent shortages and apply best practice to Germany hotels on opening	Pay for Progression priorities accelerated through operations reorganisations	✓
	Diversity and Inclusion: Deliver year 1 priorities of the 3-year plan	Targets, networks, education and visible engagement plan	✓
	Complete the full separation and delivery of payroll admin for Costa, mitigating the cost of retained services	Completed as scheduled, achieving net reduction in stranded costs	✓
	Prepare people plan model for network optimisation	Completed	✓
Manage the COVID-19 response: Strategic	Develop and execute a deep overhead cost savings plan considering implications of the decisions in relation to team and guest service	Completed with Support Centre restructure achieving £17m savings	✓
Manage the COVID-19 response: Operational	Plan and execute the operational impacts at sites and Support Centre	Completed at significant scale and high volume sustained over multiple lockdowns. Furlough optimised	✓
	Develop and implement new people policies to support hours and pay management balancing welfare and engagement priorities	Completed	✓
	Plan for immediate ability to flex up as required as restrictions are lifted and execution of operations restructure to optimise site labour hours	Completed, ensuring minimal risk of repeat labour efficiency activity	✓
German growth	Deliver HR technology upgrade and mitigate risks ahead of that	Short-term upgrade plan completed. IT investment plan rephased to FY22 due to COVID-19	✓
	Establish overhead model, organisation structure and capabilities for the business post integration for 2021, prioritising key capabilities and cost	Completed restructure with re-prioritised future investment to critical roles	✓
	Integrate the Foremost Hospitality hotels	Completed	✓
	Integrate the acom and Centro hotels	Completed	✓
Total outcome		**Achieved 94.23% of maximum = 40.05% of salary**	

Total awards

The maximum potential award was 170% of salary and the total incentive earned is as follows:

Director	% of salary based on profit	% of salary based on efficiency target	% of salary based on strategic objectives	Total % of salary	Total £'000
Alison Brittain	**00.00**	**42.50**	**40.57**	**83.07**	**729**
2019/20					830
Nicholas Cadbury	**00.00**	**42.50**	**40.14**	**82.64**	**492**
2019/20					558
Louise Smalley	**00.00**	**42.50**	**40.05**	**82.55**	**325**
2019/20					365

The amounts shown above are not included in the single figure table on page 98. As explained on page 98, any payment of these awards has been carried over until 2022 and will then only be made subject to the achievement of strategic growth objectives during the 2021/22 financial year.

Long Term Incentive Plan

There was no LTIP award in 2018, therefore nothing was due to vest in 2021.

Pension

The percentage of salary or pension allowance received by the executive directors in pension contributions is shown in the table below.

Director	% of salary
Alison Brittain	21.50
Nicholas Cadbury	21.50
Louise Smalley	21.50

The executive directors receive a monthly amount in cash in lieu of pension contributions. This reduced from 25% for Alison Brittain and 24.17% for Nicholas Cadbury and Louise Smalley to 21.5% in May 2020. It will further reduce to 18% and 15% in May 2021 and 2022 respectively.

The current plan was well considered as part of the policy review in 2019 and in the context of other changes to the policy. As explained in last year's report, the Committee will review the executive directors' pension levels further at the end of the three-year policy period in 2022. The Committee continues to be committed to aligning the executive directors' pensions with the wider workforce who are all currently able to choose to pay a contribution of up to 10% matched by the Company.

The Committee recognises that Whitbread regularly reviews the pay and benefits for the wider workforce. If, at the end of the policy period, the maximum contribution available to the wider workforce is no higher than 10%, then executive directors' pension levels will phase down to 10% over the period to May 2024.

Single total figure of remuneration – Chairman and non-executive directors (audited information)

	Base fee		Senior Independent Director fee		Fee as Chairman of a Board Committee		Fee as a member of a Board Committee		Total	
Director	**20/21 £'000**	19/20 £'000	**20/21 £'000**	19/20 £'000	**20/21 £'000**	19/20 £'000	**20/21 £'000**	19/20 £'000	**20/21 £'000**	19/20 £'000
Adam Crozier	**380**	400	**–**	–	**–**	–	**–**	–	**380**	400
David Atkins	**58**	61	**–**	–	**–**	–	**10**	10	**68**	71
Horst Baier	**58**	20	**–**	–	**–**	–	**5**	2	**63**	22[1]
Frank Fiskers	**58**	61	**–**	–	**20**	3	**5**	8	**83**	72
Richard Gillingwater	**58**	61	**15**	15	**–**	–	**5**	5	**78**	81
Chris Kennedy	**58**	61	**–**	–	**20**	20	**–**	–	**78**	81
Deanna Oppenheimer	**48**	61	**–**	–	**–**	16	**4**	1	**52[1]**	78
Susan Taylor Martin	**58**	61	**–**	–	**–**	–	**5**	5	**63**	66

1 Fees for part year. Deanna Oppenheimer stepped down from the Board on 31 December 2020 and Horst Baier joined the Board in November 2019.

Statement of directors' shareholding and share interests (audited information)

The Committee believes that the shareholding requirements for executives play an important role in the alignment of the interests of executives and shareholders and help to incentivise executives to deliver sustainable long-term performance.

When the new remuneration policy was approved in December 2019, we took the opportunity to bring our shareholding requirements for the executive directors in line with market practice. We increased the requirement for the Chief Executive from 200% of salary to 300% of salary and the requirement for the other executive directors from 125% of salary to 200% of salary. In addition, new post-cessation shareholding requirements have been introduced. These are subject to transitional arrangements for the current executive directors. We have also made changes to the method of calculation, with unexercised share awards no longer subject to performance testing being taken into account (adjusted for any deductions to be made at the point of exercise). All of the executive directors are in compliance with the requirement.

The Chairman and the non-executive directors are each required to build a holding to the value of 100% of their annual fee over a three-year period.

The table below shows the holdings of directors as at 25 February 2021:

	Counting towards requirement				Performance vs requirement			
Director	Ordinary shares	Share awards[1]	Value based on input price £'000	Value based on market price £'000	Requirement % of salary/ base fee	% of salary based on input price	% of salary based on market price	Share awards not counting towards requirement
Chairman								
Adam Crozier[2]	7,500	–	255	237	100	64	59	–
Executive directors								
Alison Brittain	126,023	57,092	5,197	4,936	300	593	563	46,297
Nicholas Cadbury	55,267	33,920	2,383	2,314	200	400	388	27,673
Louise Smalley	59,344	26,962	2,610	2,326	200	663	591	18,295
Non-executive directors								
David Atkins	2,137	–	67	67	100	109	110	–
Horst Baier	1,600	–	72	76	100	118	124	–
Frank Fiskers	2,115	–	63	67	100	104	109	–
Richard Gillingwater	2,000	–	70	63	100	114	103	–
Chris Kennedy	2,250	–	73	71	100	119	116	–
Deanna Oppenheimer[3]	1,600	–	66	51	100	108	83	–
Susan Taylor Martin	2,235	–	61	71	100	100	115	–

1 The market price used was the average for the last quarter of the financial year (3,158.6p). The number of share awards shown is the full number, but the valuation of those awards has been reduced to reflect deductions to be made at the point of exercise in respect of income tax and national insurance contributions. The awards include deferred shares awarded under the Annual Incentive Scheme and vested, but unexercised, awards under the Long Term Incentive Plan. All share awards a structured as nil-cost options on vesting.
2 Adam Crozier continues to build towards a 100% holding and intends to meet the requirement during the current financial year.
3 Deanna Oppenheimer stepped down from the Board on 31 December 2020, so the number of shares shown above reflect her holding at that date. Deanna actually held 6,400 ADRs in Whitbread PLC, each of which represent 0.25 of a Whitbread ordinary share.

With the exception of Deanna Oppenheimer, who was not entitled to participate due to her shares being held via ADRs, all of the directors fully participated in last year's rights issue. There has been no other change to the interests in the tables shown on this page between the end of the financial year and the date of this report.

Options exercised (audited information)

The following options were exercised by executive directors under the Company's share schemes during the year.

Director	Scheme	Number of shares	Exercise price	Exercise date	Market price on exercise (p)
Alison Brittain	LTIP	14,275	N/A	19-Jun-20	2,435.0
	AIS	10,596	N/A	19-Jun-20	2,435.0
	PSP	97,408	N/A	05-Feb-21	3,238.0
Nicholas Cadbury	LTIP	5,275	N/A	19-Jun-20	2,435.0
	AIS	7,132	N/A	22-Jun-20	2,385.0
	PSP	58,063	N/A	05-Feb-21	3,238.0
Louise Smalley	LTIP	3,699	N/A	19-Aug-20	2,328.0
	PSP	38,384	N/A	05-Feb-21	3,238.0

Key
AIS: Awards of deferred shares under the Annual Incentive Scheme as a result of performance in the 2019/20 financial year.
RSP: Awards made under the Restricted Share Plan.

Awards granted

No awards were granted during the year under the LTIP or PSP. During the year, awards were granted under the Annual Incentive Scheme and the Restricted Share Plan as follows:

Director	Scheme	Date of award	Number of shares	Market price (£)	Total value (£'000)
Alison Brittain	AIS	17.06.20	17,535	23.68	415
	RSP	17.06.20	46,297	23.68	1,096
Nicholas Cadbury	AIS	17.06.20	11,773	23.68	279
	RSP	17.06.20	27,673	23.68	655
Louise Smalley	AIS	17.06.20	7,704	23.68	182
	RSP	17.06.20	18,295	23.68	433

Key
AIS: Awards of deferred shares under the Annual Incentive Scheme as a result of performance in the 2019/20 financial year.
RSP: Awards made under the Restricted Share Plan.

Performance metrics

The deferred shares shown above made under the Annual Incentive Scheme have no further performance conditions and are due to vest in June 2023. At the point of vesting they will convert to nil-cost options with an 18-month exercise period.

The awards made under the Restricted Share Plan will vest in 2023, subject to two underpins being met. They will then be subject to a two-year holding period. The underpins were set as part of the directors' remuneration policy when it was approved in December 2019. The first underpin is that the Company's average lease-adjusted net debt to funds from operations leverage ration should be less than 4.5x. The second underpin is that Company's average return on capital for the UK business should be at least equal to the weighted cost of capital plus 1%. These underpins are based on a three-year measurement period ending at the end of the 2022/23 financial year and, if only one of the underpins is met, 50% of the awards will vest. No changes have been made to the underpins for these RSP awards but, as explained in last year's report, the Committee is concerned that the impact of the pandemic has put the 2020 RSP underpins beyond reach with significant consequences for motivation and retention. The Committee therefore intends to evaluate performance in its full context at vesting. We will fully disclose any decisions that we take in this regard.

Payments to past directors (audited information)

With the exception of regular pension payments and dividends on Whitbread shares and the exercise of share awards as permitted under the rules of the Annual Incentive Scheme, the LTIP and the Savings-related Share Option Scheme, no other payments were made during the year to past directors.

Remuneration terms for Louise Smalley's departure

In line with the approved remuneration policy, the Committee elected to apply 'good leaver' terms to Louise Smalley on her retirement from the Company. In accordance with the policy: unvested deferred share awards earned in respect of annual incentive schemes prior to 2020/21 will vest in full on their original vesting dates; the 2020 RSP award will vest on its original vesting date and will be pro-rated based on service during the performance period; and Louise will participate in the 2021/22 Annual Incentive Scheme with the award pro-rated for service in the year. Louise's award in respect of the 2020/21 Annual Incentive Scheme will be made next year, subject to the underpin being achieved, in line with the other executive directors. The terms do not include any pay in lieu of notice or eligibility to participate in the 2021 RSP. The post-employment shareholding requirements will apply.

Chief Executive's remuneration

Whitbread is in the hospitality business and has a large workforce of around 28,000 team members who are employed directly by the business and the majority being in hourly paid customer-facing roles in our hotels and restaurants. We have an aligned set of reward principles for all employees which includes a core principle to offer competitive pay rates at all levels reflecting our position as a leading organisation in the hospitality sector. This enables us to attract and retain the right talented people for our winning teams.

For our hourly paid team members, we benchmark other hospitality companies to ensure we are competitive when comparing pay with similar organisations and we operate an approach to pay which increases pay for skills progression with clear and transparent pay rates for each role that increase as new skills are developed. For our Chief Executive, we benchmark against the FTSE 100 (removing any non-comparative industries such as Financial Services, Oil & Gas and Natural Resources which include significantly higher levels of remuneration) and this allows us to have an appropriate comparison for this role in our sector.

As noted last year, the Chief Executive has a high level of variable pay which impacts the ratio, and for 2020/21 this has led to the median pay ratio reducing significantly from 143:1 to 53:1.

All three of the UK employee reference points compare our Chief Executive's remuneration with that of hourly paid team members in customer-facing roles in the operational outlets and again there is relatively limited difference in the outcomes as shown below. Given this, we believe the median pay ratio is consistent with the reward policies for our UK employees.

Whitbread has continued to use Option A to calculate its ratio, as the data required is readily available and this option provides the most accurate comparison as the figures are calculated on a like-for-like basis.

The table below shows how the total pay of the Chief Executive compares to our UK employees at the 25th, median and 75th percentile:

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2020/21	Total pay (FTE):	£18,138	£18,970	£20,218
	Total pay & benefits (FTE):	£18,682	£19,539	£20,824
	Pay ratio (Option A):	55:1	53:1	50:1
2019/20	Pay ratio (Option A):	150:1	143:1	134:1

The figures were calculated on 15 February 2021 (the 'snapshot date') and use the single figure methodology (salary, benefits, annual incentive, LTIP, pension) and for the Chief Executive this is taken from the total single figure remuneration for 2020/21 on page 98 of £1,032m.

The following table shows the Chief Executive's pay over the last ten years, with details of the percentage of maximum paid out under the Annual Incentive Scheme and the LTIP vesting percentage for each year.

Year	Chief Executive	Single total figure of remuneration £'000	% of maximum annual incentive achieved	% of LTIP award vesting
2020/21	Alison Brittain	1,032	49.7[2]	N/A
2019/20	Alison Brittain	2,636	56.7	36.0
2018/19	Alison Brittain	5,588[1]	54.8	0.0
2017/18	Alison Brittain	2,336	64.1	38.3
2016/17	Alison Brittain	2,509	49.8	76.5
2015/16	Alison Brittain	634	38.8	N/A
	Andy Harrison	2,423	38.8	97.2
	Combined CEO remuneration for 2015/16	3,057	38.8	97.2
2014/15	Andy Harrison	4,554	86.8	100.0
2013/14	Andy Harrison	6,374	82.6	100.0
2012/13	Andy Harrison	3,432	74.9	89.8
2011/12	Andy Harrison	1,444	45.6	N/A

1 Includes £3.7m from the vesting of a one-off award under the PSP in relation to the sale of Costa. This award vested at 97.53% of maximum.
2 The % of maximum annual incentive achieved for the 2020/21 financial year has been deferred until 2022 and will only become payable in the event that Alison achieves further strategic objectives during the 2021/22 financial year.

Annual percentage change in remuneration
Whitbread PLC has no employees, but for information purposes, the Chief Executive's remuneration (including base salary, benefits and annual incentive payment) decreased by 51.3% in the year, compared with an increase of 5.1% for the Group's employees as a whole.

Comparison of executive remuneration policy with wider employee population
This section of the report describes each element of the executive remuneration package and explains the extent to which those elements are made available to the wider employee population. The Committee consulted with employees in relevant roles and took account of feedback from the Employee Forum (see page 46 for more details) when developing the directors' remuneration policy.

Base salary
All employees, including the executive directors, receive an annual review of base salary. Under normal circumstances the annual increase in salary for an executive director will be in the same range as the increase for employees across the Group.

Benefits
Approximately 430 employees across the Group are entitled to a company car or cash in lieu of a company car. The executive directors are no longer entitled to a company car under this scheme, but are entitled to receive cash in lieu of a car.

Approximately 1,600 employees are entitled to participate in the Group's private healthcare scheme, with 600 of these, including the executive directors, entitled to family cover.

All employees receive discounts on Company products, but the directors have waived their right to this benefit.

Whitbread's Sharesave scheme is a standard HMRC approved SAYE scheme. It is offered to all UK employees, including the executive directors, on equal terms.

Annual Incentive Scheme
Approximately 3,600 employees are eligible to take part in an annual incentive scheme linked to the achievement of profit and other targets. Approximately 80 senior leaders are given individual strategic objectives in addition to the profit and WINcard targets mentioned above. The maximum opportunity is dependent on the role.

Approximately 45 employees, including the executive directors, are entitled to participate in the Annual Incentive Scheme, with maximum payouts split between cash and deferred shares, ranging from 60% to 170% of salary.

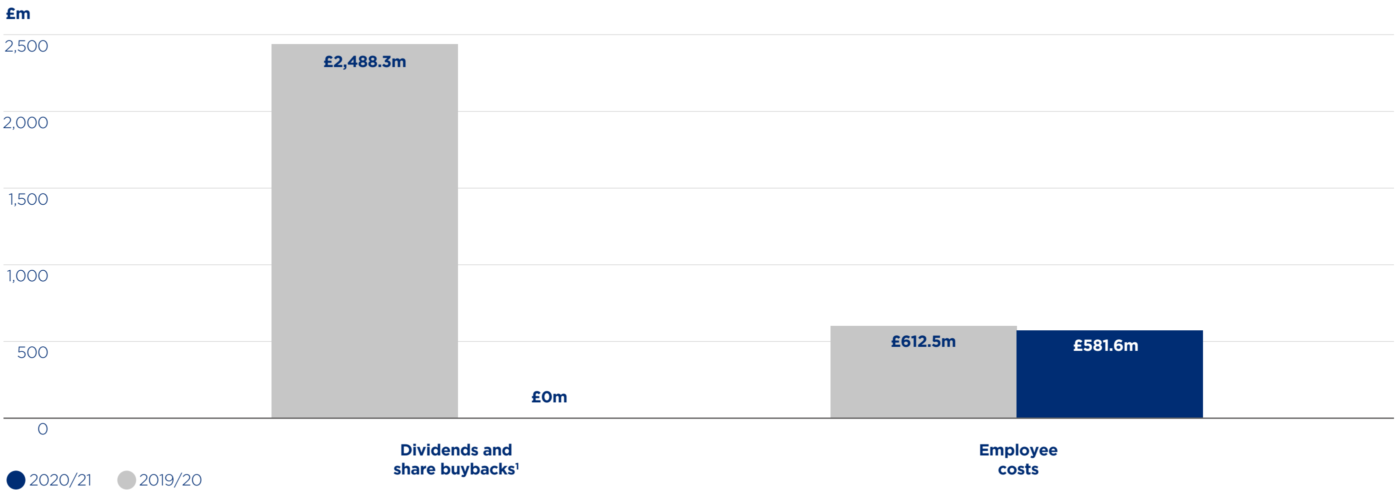
Restricted Share Plan
Approximately 45 employees, including the executive directors, participate in the Restricted Share Plan. This scheme is not available to the wider employee population, although the Sharesave scheme provides employees with a form of long-term incentive.

Pension
Like all employees, the executive directors are entitled to participate in the Company's pension scheme. The scheme is a defined contribution scheme. Employees below the executive level are able to choose a contribution rate of between 5% and 10% and have this matched by the Company. Employees who do not choose to participate may be automatically enrolled with contributions in line with the automatic enrolment regulations. Approximately 20 senior leaders, excluding the executive directors, receive between 10% and 20% of basic salary from the Company, which can be allocated to pension or taken as cash.

The policy for newly appointed executive directors is to provide a contribution of 10% of base salary that can be allocated to pension or taken as cash. The current executive directors receive a monthly amount in cash in lieu of pension contributions. This reduced from 25% for Alison Brittain and 24.17% for Nicholas Cadbury and Louise Smalley to 21.5% in May 2020. It will further reduce to 18% and 15% in May 2021 and 2022 respectively.

Relative importance of spend on pay

The graph below compares the change in total expenditure on employee pay during the year to the change in dividend payments and share buybacks.



1 The dividends and buybacks figure for 2019/20 includes the tender offer, which took place in July 2019.

Implementation of remuneration policy in 2021/22

Base salary
The executive directors waived their right to a salary review in 2020 due to the COVID-19 pandemic. They will each receive a 2% salary increase in May 2021 in line with the general increases in pay for salaried employees across the organisation. The base salaries of the executive directors with effect from 1 May 2021 will be as follows:

Director	**Base salary at 1 May 2021 £'000**	Base salary at 1 May 2020 £'000
Alison Brittain	**895**	877
Nicholas Cadbury	**608**	596
Louise Smalley	**402**	394

Benefits and pension
The benefits received by each executive director will continue to include family private healthcare, a cash allowance in lieu of a company car and cash allowances in lieu of pension.

Annual Incentive Scheme
To be eligible to receive incentive payments there are 'gateway' requirements relating to leadership behaviour. Any incentive payments will be at the discretion of the Remuneration Committee in the event that the health and safety score is red on the WINcard. The expectation is that our leaders' actions reflect Whitbread's values and code of conduct, including our approach to health and safety. Keeping our team and customers safe is not an incentive lever but a core responsibility that earns the right to achieve incentivised rewards. The Committee has the discretion to amend formulaic outcomes.

In the light of the impact of the COVID-19 pandemic on the business, and in particular the fact that many of the Company's hotels and restaurants are not currently operating, the Committee determined that WINcard team and customer measures will not be included within the incentivised framework for 2021/22. Instead, as it did for 2020/21, the Committee agreed that the 50% of the incentive not based on profit be allocated between efficiency and business objectives.

The measures and weightings for the 2021/22 annual incentive are therefore as follows:

Measure	Scope	Weighting
Profit performance	Group adjusted profit before tax	50%
Business objectives	See below	30%
Efficiency	Efficiency savings	20%

Financial measures

The targets of the two financial metrics, which make up 70% of the annual incentive, are considered by the Board to be commercially sensitive and, for that reason, are not disclosed in advance. The Committee intends to disclose the targets retrospectively in the 2021/22 report. As explained on page 89, recognising that there remains significant uncertainty because of the external environment, the profit target will be measured on a basis that adjusts for the level of actual sales. This enables the executives to be rewarded for delivery of what is in their control: profit conversion; and sales relative to the market, and eliminates the uncontrollable element of overall market demand, which will be driven largely by the lifting of restrictions on the hospitality sector. The profit measure will therefore be assessed in two parts. To assess profit conversion the first element measures the Whitbread profit against the expected profit given the actual Whitbread sales. Given the restrictions on trade during 2021/22 are uncertain this enables the profit target to be sales-adjusted and remain appropriate if restrictions are more/less onerous than expected.

To assess sales relative to market, the second element will measure Whitbread sales growth vs Market sales growth, using FY20 as a reference point, as a pre-COVID-19 reference point.

Business objectives

Each executive director also has business objectives linked to the Group's strategic priorities. They will be eligible to receive up to 30% of the maximum incentive opportunity based on the delivery of these objectives. Achievement of the approved objective outcomes has been aligned to a payment level that would be recognised as stretch performance. The objectives are quantifiable and linked to the business plan and future financial performance.

The table below shows a summary of the individual strategic growth objectives for each of the executive directors, together with details on which of the three strategic priorities (see pages 18 and 19) each objective is linked to:

Objectives	Strategic priority
Alison Brittain	
Manage the impacts of the pandemic, to include financing options, health and safety, reopening plans, cost efficiencies and the launch of a new brand marketing campaign	**1,2,3**
Premier Inn growth and optimisation, to include the opening of new hotels, the refurbishment of existing hotels, the addition of new sites to the pipeline and the continuation of new product trials such as Premier Plus rooms	**1**
Growth of the German business, integration of acquired hotels and delivery of the commercial strategy	**2**
Group projects to include a full technical review of all commercial and data systems and a number of ESG matters such as accelerated carbon reduction targets and progress on diversity and inclusion	**1,2,3**
Nicholas Cadbury	
Growth of Premier Inn in the UK and management of the discretionary cost base as the business reopens	**1**
Growth of the German business to include a review of the market for appropriate mergers and acquisitions (M&A) opportunities and a review of the operational cost model in order to maximise long-term margin opportunities	**2**
Capital structure and capital allocation projects, to include the finalisation of the pension triennial review and embedding the Green Bond framework into the Company's capital discipline	**3**
Property optimisation to include an update to the UK network plan and the delivery of property cost savings	**1**
Group projects including the delivery of a secure payments system programme in the UK and Germany	**3**
Louise Smalley	
Growth and optimisation to include plans for the post-pandemic operation of the Support Centres in the UK and Germany, the maintenance of overhead cost efficiency discipline and the development of a training and communications programme to reboot sites on reopening to accelerate recovery	**1,2**
Simplification, savings and service through technology, to include a review of the HR core IT platform for the UK and Germany.	**3**
Creating the conditions to attract and hire diverse talent, to include the production of an ethnicity pay gap report and the launch of the Gender Network	**3**

The strategic growth objectives have been designed to incentivise the executive directors to steer the Group through the current crisis, both operationally and financially, and to put it in a strong position to meet its strategic priorities as we reopen.

Cash awards will be made in May 2022, with deferred equity issued in April or May 2022 and due to vest in 2025, with no further performance conditions applying.

Restricted Share Plan
It is anticipated that the executive directors will receive awards under the RSP in May 2021. These will be based on 125% of salary for Alison Brittain and 110% of salary for Nicholas Cadbury. Louise Smalley will be retiring on 31 August 2021 and, as such, will not be eligible to receive an RSP award.

The awards will be subject to two underpins and, subject to these underpins being met, are expected to vest in 2024, after which they will be subject to a two-year holding period.

The first of the underpins will be a balanced overall assessment of performance and delivery against strategic priorities. The Committee will determine whether the underpin has been met based on the Group's underlying performance and delivery against its strategic priorities over the performance period that will drive long-term shareholder value. In doing so, the Committee will take into account factors it considers to be appropriate in the round. Such factors may include the Group's financial performance, balance sheet strength, market share, response to the COVID-19 pandemic and recovery of shareholder value and performance against environmental, social and governance priorities. The default should be that the underpin will be met in the absence of clear evidence of management failure or significant underperformance. If there is evidence of clear management failure or significant underperformance, the underpin will not be met.

The second underpin will be a cumulative cost efficiency saving of £60m over the three-year performance period.

In setting this underpin, the Committee is conscious that the environment remains highly unpredictable. Under the plan rules and approved policy, the Committee may amend an underpin if it is no longer suitable, so long as the new condition is not materially easier or more difficult to achieve than when the award was initially granted. It would be our intention to monitor changes in the external environment and their effect on this underpin, and to consider adjustment if the Committee judges that the underpin is no longer operating as intended.

Chairman's fee
Adam Crozier's fee as Chairman was set at £400,000 when he was appointed to the position in March 2018, with the fee to be reviewed annually. Adam indicated that he did not wish to receive an increase in 2019 and, due to the COVID-19 pandemic, again waived his right to an increase in 2020 as well as agreeing to a temporary 20% reduction in his fee. The Chairman received a 2% increase in his fee with effect from 1 March 2021, taking his annual fee to £408,000.

Non-executive director fees
The base annual fee for non-executive directors increased on 1 March 2021 by 2% to £62,425. The fees for the chairmanship of the Audit Committee and the Remuneration Committee are unchanged at £20,000. The fee for the Senior Independent Director remains at £15,000 and the fees for membership of the Audit and Remuneration Committees are unchanged at £5,000.

Statement of shareholder voting
The current remuneration policy was put to shareholders for approval at a general meeting in December 2019 and, at the annual general meeting in 2020, the advisory resolution to approve the annual report on remuneration was put to shareholders. Both resolutions were passed.

The voting results were as follows:

Resolution	For	Against	Total	Withheld
Remuneration policy	64,495,817 (70.5%)	27,038,317 (29.5%)	91,534,134	178,635
Annual report on remuneration	107,891,324 (83.2%)	21,786,928 (16.8%)	129,678,252	12,389,877