



2019
Annual Report
and Accounts

PageGroup

PAGEGROUP
CHANGES LIVES
for
PEOPLE
through creating
OPPORTUNITY
to reach
POTENTIAL



CONTENTS

STRATEGIC REPORT

Chairman's Introduction	1
Overview	3
Business Model	5
Strategic Review	9
Diversification	17
KPIs	19
Q&A with Steve Ingham, CEO	23
Culture & Employee Engagement	25
Regional Perspectives	35
Risk Management	37
Principal Risks and Uncertainties	39
Stakeholder Engagement	44
Review of the Year	46

CORPORATE GOVERNANCE

Chairman's Introduction to Corporate Governance	51
Our Board of Directors	53
The Executive Board	57
Corporate Governance Report	58
Nomination Committee Report	63
Audit Committee Report	65
Directors' Remuneration Report – Annual Statement	70
Directors' Remuneration Report	72
Directors' Report	95
Directors' Statements of Responsibility	97

FINANCIAL STATEMENTS

Independent Auditor's Report	98
Consolidated Income Statement	103
Consolidated Statement of Comprehensive Income	103
Consolidated and Parent Company Balance Sheets	104
Consolidated Statement of Changes in Equity	105
Statement of Changes in Equity – Parent Company	106
Consolidated and Parent Company Cash Flow Statements	107
Notes to the Financial Statements	108

ADDITIONAL INFORMATION

Shareholder information and advisers	135
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We are one of the world's **best known** and **most respected** specialist recruitment consultancies. We deliver recruitment services to clients through a network of **137 offices** across **36 countries**. Our Vision is to increase the scale and diversification of PageGroup by organically growing existing and new teams, offices, disciplines and markets.

OUR STRATEGY

We have established three categories into which we have grouped each of our geographical markets based on criteria including the size of the opportunity and the potential for future growth.



OUR BRANDS



Where we operate

36 Countries across the world

Headcount
7,698

Offices
137



HIGHLIGHTS

Gross Profit
£855.5m

+5.0%*

2018: £814.9m

Operating Profit
£146.7m

+2.2%*

2018: £142.5m

Basic Earnings Per Share
32.2p

-0.9%*

2018: 32.5p

Conversion
rate**

17.1%

2018: 17.5%

Ordinary and
Special Dividend

26.43p

2018: 25.83p

% Non-UK
Gross Profit

84.2%

2018: 83.0%

* in constant currency at prior year rates ** Operating Profit as a percentage of Gross Profit



CHAIRMAN'S INTRODUCTION

2019 Performance

We entered 2019 against heightened macro-economic uncertainty and geopolitical instability, with Brexit in the UK and the impact of trade tariffs in Mainland China. Trading conditions deteriorated during the year, exacerbated by social unrest in Hong Kong and Chile, and a weakening macro-economic climate in Continental Europe. These unexpected and volatile market forces led to lower than expected results, although we ended the year slightly ahead of the prior year.

Despite the challenging conditions, the Board is pleased with the results for the year. Overall the Group delivered record gross profit, up 5.0% in constant currencies to £855.5m, with operating profit up 2.2% to £146.7m.

Our largest region, Europe, Middle East and Africa grew gross profit 7%, with an excellent performance in Germany, up 20%, despite weaker economic conditions. France, the largest country in the Group, impacted by the 'gilet jaunes' protests and political unrest, grew 4%. Asia Pacific was flat, impacted by trade tariffs in Mainland China and social unrest in Hong Kong. The Americas was our strongest performing region and grew 14%, with two of our Large, High Potential markets, the US and Latin America, growing 17% and 14%, respectively. Finally, the UK declined 2% as the uncertainty surrounding Brexit continued to impact market sentiment.

Despite the challenges encountered during the year, we continued our strategy of investing in our Large, High Potential markets and in markets where we saw the greatest opportunities for growth.

These results demonstrate the flexibility and resilience at the core of our business model, together with the tenure and experience of our executive leadership team who have successfully guided the business through a challenging year. These results would also not have been achieved without the high levels of dedication from our talented staff, who have once again embraced the rapid pace of technological change, as we continue to innovate to stay ahead of the market.

Dividends

We paid over £42m in ordinary dividends in 2019 and returned over £40m to shareholders by way of a special dividend. We have now paid special dividends totalling £190m in the last 5 years. We generated cash from operations of £157.1m in 2019 and ended the year with cash of £97.8m and a level of distributable reserves that support more than three times this annual dividend.

Given this cash position, levels of distributable reserves and our results for the year, we propose to increase the final dividend to 9.4p. When taken

together with the interim dividend paid in October of 4.3p, this is a total dividend of 13.7p, an increase of 4.6% on 2018. This ordinary dividend of 13.7p is covered 2.4 times by earnings, with a yield of 2.6%. If the special dividend is taken into account, using the year end share price of 523.0p, the yield increases to 5.1%.

Board

Earlier in the year Steve Ingham, Chief Executive Officer, was involved in a serious skiing accident. Kelvin Stagg, Chief Financial Officer, managed the business during the period of his recovery, and as a Board, we were pleased to welcome Steve back to the business during the second half of the year.

I remain committed to ensuring the composition of the Board is both effective and well balanced. It is vital that the Board possess the correct skills and knowledge to drive the business through cycles and deliver our business strategy. A diverse Board is also important to maximise creativity, innovation and breadth of experience.

We support the requirement of the Hampton-Alexander review regarding the gender balance of UK Boards and have surpassed the requirement to have 33% female representation on our Group Board. However, with 100% male representation on our Executive Board there is still further work to do. This has arisen from our culture of promoting internally and will take time to change, however we have implemented various initiatives to address this. During 2019, in addition to our Women@Page network and our successful maternity coaching plan, part of the remuneration scheme for all of our Managing Directors was linked to gender balance.

One of our main priorities going forward is talent development across all levels of the business and making sure that succession plans are in place to produce future leaders and representation at Board level. The development of our senior management team is of particular focus and we have mentoring and coaching plans in place, along with our Executive leadership programme, to ensure that there are adequate development and training opportunities for the potential leaders of tomorrow.

There have been no changes to the composition of the Board during the year. Full details of the work of the Board and subjects discussed in the year are set out in the Corporate Governance Report.

Culture, purpose and stakeholder engagement

PageGroup's purpose is to change lives for people through creating opportunity to reach potential. We are committed to providing professional success for our clients, candidates and staff and this is underpinned by our values of passion, determination, working as a team while enjoying what we do and making a difference.

Following the issuance of the new UK Corporate Governance Code, we have reviewed our procedures to ensure a greater emphasis is given to the concerns of our stakeholders and our workforce. During 2019 a new culture framework was implemented that defines and measures our culture and assesses its customer and employee centricity. A culture & engagement team was set up that possesses a wide range of knowledge and skills including talent development, diversity & inclusion, internal communications and operations. The Board then worked closely with the team to create an approach to assess our culture and ensure the employee voice is heard in the Boardroom.

Our employee engagement survey, 'Have Your Say', was carried out in the second half of the year, with a record response rate of 85%. This, along with other initiatives such as the inclusion of Board members on our global communication network, Yammer, has given the Board valuable insight into employee views and opinions.

The success of the Board's Diversity and Inclusion agenda is demonstrated by the attainment of several awards, including the BITC Gold Award and the Inclusive Top 50 Employers award. Diversity & Inclusion was one of the highest scoring areas on our 'Have Your Say' survey, with 83% of employees giving a favourable response. Our initiatives are embedded globally at all stages of the employee lifecycle, with dedicated content on inclusion included at our Global Directors Academy.

During the year we have made further progress on our gender diversity agenda, with growth in our global female mentoring programme. We have seen significant improvements in retention of women in leadership roles, with female directors increasing from 27% to 30% over the last twelve months.

In a world where the consumer voice is increasing via social media and online reviews, customer centricity is essential to maintain our competitive edge, uphold our reputation and enable our business to thrive. As a Board we regularly monitor and assess the views of both candidates

and clients so that procedures and system innovations can be made to ensure we continue to provide a high quality service.

The Board also acknowledges the growing public interest surrounding climate change during the year. Whilst our environmental impact is considered to be small, we already have many initiatives in place such as reducing and minimising energy consumption and business travel, recycling waste and cycle to work schemes. As a Board, we are mindful that there are ongoing developments that could be made in this area, so that we can further minimise and mitigate our environmental footprint.

Looking ahead

As we enter 2020 there are signs of improving political stability in the UK following the December election, although the ongoing uncertainty surrounding Brexit still exists. There are also initial indications of a trade tariff agreement being reached between Mainland China and the US.

However, the emergence of COVID-19 has created even greater global uncertainty in the trading conditions we face for the year ahead. We are working with local management to co-ordinate updates and guidance to our employees, including travel advice and the use of home working in badly affected locations. It is too early to estimate the impact of COVID-19 on the Group's operations.





We remain committed to investing in our Large, High Potential Markets and other areas where we see the greatest potential for growth. We will also continue to strive to achieve our Vision of £1bn of gross profit, £200-250m of operating profit and 10,000 headcount.

With the rapid development of technologies over recent years, we have already embraced a great deal of change. Going forward we will continue to develop and implement new and innovative technologies to continue to provide a first class service to our customers and retain our position as a global recruitment leader.

Finally, we recognise that our continued success is reliant upon the valuable contributions and continued support from our outstanding people. On behalf of the Board I would like to say thank you to all of our people for their excellent achievements throughout the year.

David Lowden
Chairman

OVERVIEW

	 Financial	 Strategic	 People	 Operational
P5	Highly profitable	Sustainable organic growth	Team-based service delivery	Strong brands
Business Model	Maintain a strong balance sheet Highly cash generative	Diversification to mitigate cyclicality by geography, brand and discipline Focus on operational efficiency	Talent and skills development/retention	Effective use of technology
P9	Long-term investment into core markets:	To be the leading specialist recruiter in each of the markets in which we operate	Career development structure	Assurance of a quality service
Strategy	Large, High Potential; Large, Proven; and Small and Medium, High Margin		Training Global mobility	Effective recruitment process
P37	Macro-economic exposure Foreign exchange translation risk	Shift in business model Delivery of operational efficiencies	People development Attraction and retention	Technology; systems transformation and change; data security; brand reputation; financial management and control; fiscal and legal compliance
Risks				
P19	Gross profit growth Gross profit diversification	Fee earner headcount growth	Employee satisfaction survey	Measurement performed at a granular level
KPIs	Perm:Temp ratio Cash Earnings per share	Gross profit per fee earner Fee earner:operational support staff ratio Conversion rate	Management experience	D&I review ratings
P70	EPS growth: three year cumulative PBT performance Comparator gross profit growth	Strategic targets Systems and innovation	Leadership and people development Retention/succession	Cost and financial management Risk management and internal controls IT strategic development
Remuneration				
P16	Maintain a strong balance sheet Maintain core ordinary dividend	Return surplus cash to shareholders by special dividends and/or share buybacks	Ensure dividends are paid at sustainable levels such that investment in the business and its people is maintained	First use of cash is to satisfy operational and investment needs, as well as to hedge liabilities under the Group's share plans
Dividend Policy				

A MESSAGE FROM STEVE



I would like to welcome you to our Strategic Report, where I will outline our strategic framework and business model.

I will then take you through how we approach investment in our markets and the relationship to our strategic plan. I will also outline our Vision for the Group, as presented at our Investor Afternoon in May 2018.

Following on from this, I will take you through the source of our competitive advantage, together with how we see current market dynamics.

We continue this year to relate how we measure performance, through our KPIs – both financial and non financial – with associated risks. These risks then link directly to the four elements (financial, strategic, people and operational) of the performance criteria in our current executive share plans.

Steve Ingham
CEO PageGroup

BUSINESS MODEL

Strategic framework

PageGroup is focused on delivering against **three key objectives** to achieve its Strategic Vision and deliver sustainable financial returns.

These are to:

1

Look for organic, high margin and diversified growth

Organic, high margin and diversified growth

Our business model is centred around organic and diverse growth. The key elements are derived from our team-led approach as set out on page 12, with great value placed on structured career development and the value that experienced management brings to the business.

PageGroup's diversification strategy has led to a well-balanced business profile and mitigation of exposure to any one geographic area, brand or discipline. In 2007 our Non-UK businesses represented 61% of our business. Over a decade later this has increased to 84% as we have invested heavily in our Large, High Potential markets.

Through global diversification, we have a clear Strategic Vision: to be the leading specialist recruiter in each of the markets in which we operate. Our presence in major global economies provides the greatest potential for long-term growth in gross profit at attractive conversion rates.

PageGroup's historical success in each of our markets has helped identify which geographies will likely produce high-margin growth, with the greatest potential for long-term success. Our background is in permanent recruitment, but 25% of the business is now in the temporary market, with this being dependent on local culture and market conditions. Our service offering covers a broad set of disciplines and specialisations, solely within professional and clerical recruitment.

2

Position the business to be efficiently scalable and highly flexible to react to market conditions

Efficiently scalable and highly flexible

Our ability to respond quickly to changes in market conditions is critical to managing the business efficiently through economic cycles.

We ensure that we always have the ability to flex our capacity up and down, while maintaining a core presence in each market to service clients with excellence and retain management experience.

Our team-based structure and profit share business model is highly scalable. The small size of our specialist teams also means that we can increase our headcount rapidly to achieve growth. When market conditions tighten, these teams then reduce in size largely through natural attrition. Consequently, our cost base will be reduced in a slowdown.

Having invested years in training and developing our highly capable management teams, our objective is to ensure we retain this expertise within the Group. By following this course of action, we typically gain market share during downturns and position our businesses for market-leading growth when economic conditions improve.

Our global footprint requires high levels of operational efficiency in order to achieve this strategic objective. Our focus on Shared Service Centres has delivered greater economies of scale and greater efficiencies. It has driven consistency, increased flexibility and improved the quality of service provided to our operational business. Collectively these Shared Service Centres allow us to be more agile, reduce our fixed costs and remove constraints on how fast we can react to changing market conditions.

3

Nurture and develop our people, driving our meritocratic growth model

Developing our people

We recognise that it is our people who are at the heart of everything we do, particularly as an organically grown business.

The recruitment, retention and development of talent is fundamental in our ability to achieve long-term sustainable organic growth. Our meritocratic culture and the experience gained throughout a consultant's career is valued greatly and, as such, our management team has some of the longest tenure and experience in the industry.

The mobility and loyalty of our people enables Senior Management to react to market conditions and ensure we allocate resources efficiently to achieve the greatest returns. Internal moves also ensure that best practice knowledge is shared throughout countries and across disciplines.

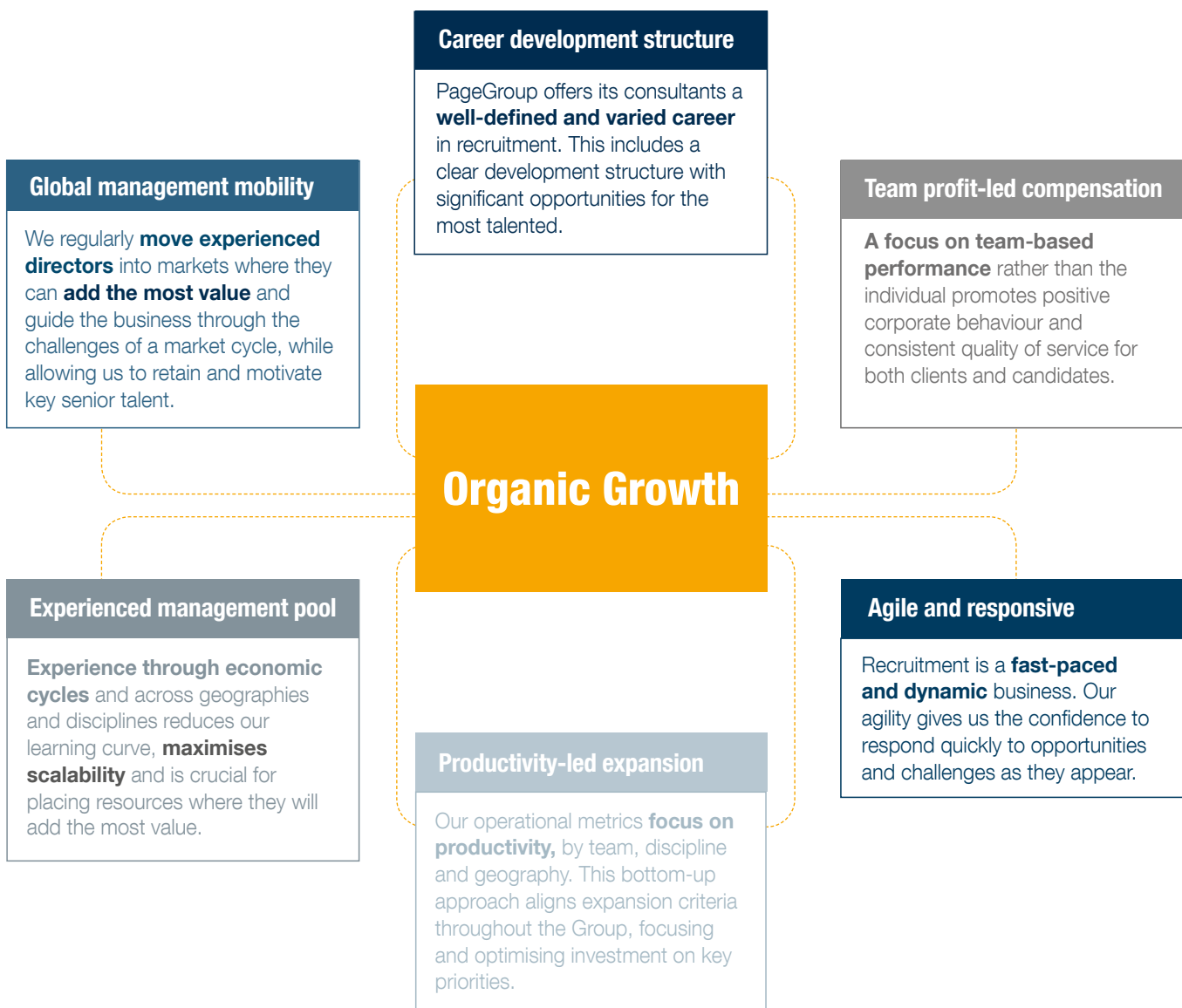
We create worldwide opportunities and clear career paths for our consultants on their journeys to become Senior Managers or Executive Board members.

Our strategy

The Group's strategy aims to expand and diversify the business organically by professional disciplines, brands and geographies, with the objective of being the leading specialist recruitment consultancy in each of our chosen markets.

A focus on organic growth

PageGroup's business model has proved itself both through economic cycles and as the business has expanded into a global enterprise. At its core is a focus on organic growth.



BUSINESS MODEL

What we do

PageGroup is a worldwide leader in specialised recruitment. We have over 40 years recruitment experience and deliver recruitment services to clients across 36 countries through our network of 137 offices.

Discipline expertise

We've developed PageGroup's reputation as a global recruitment leader through our focus on specialist areas of the market, replicated across our international network. Within our four broad discipline categories, we operate across 14 specialist discipline teams. We then specialise further within these (e.g. digital marketing within marketing) to ensure we provide expert recruitment services to our clients.

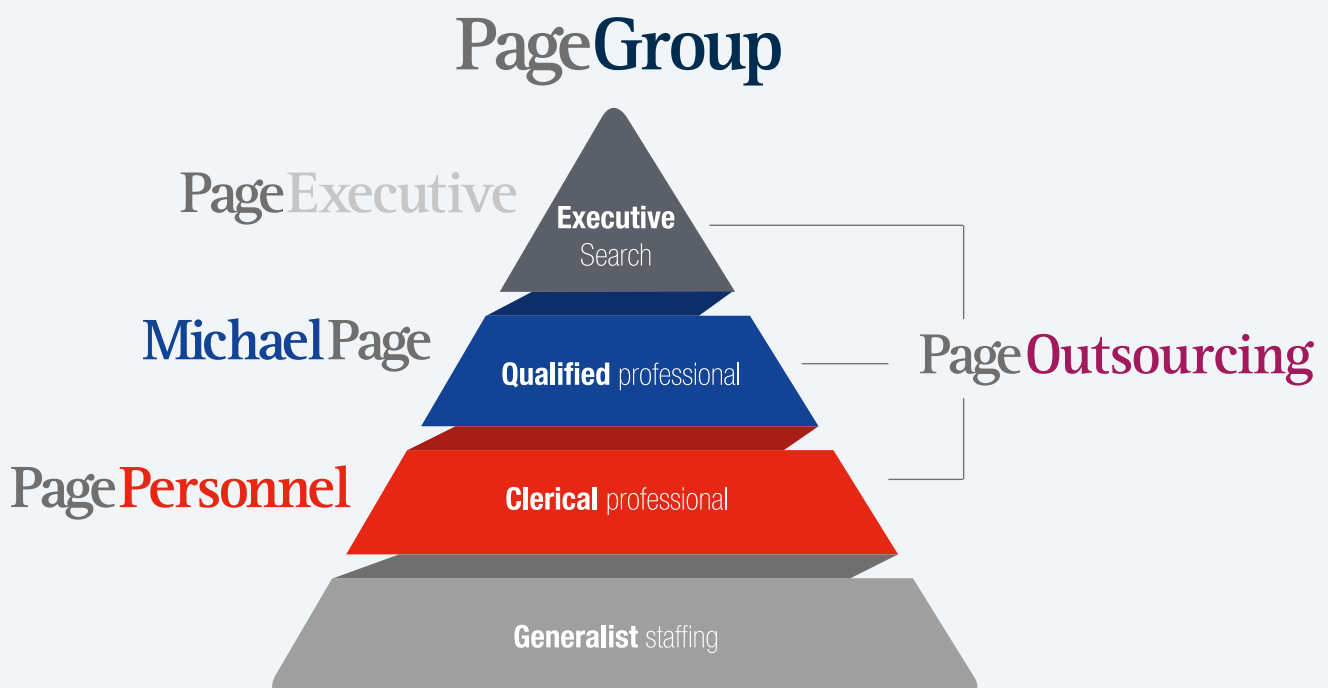
Geographic reach

Our substantial and well-balanced business reaches across all regions, including Latin America and Asia. Our global model allows us to source candidates from domestic and international markets and provide a comprehensive service to both local and multinational clients.

Perm and temp mix

PageGroup is the international market leader for permanent recruitment in the majority of the countries in which we operate. We also have a substantial and growing temporary recruitment business in markets where temporary placements for professionally qualified candidates are culturally accepted.

Our brands



STRATEGIC REVIEW

How we categorise our markets

In 2013, PageGroup categorised each of its geographic markets around the globe based on criteria such as the potential for future growth. This growth potential was assessed on a combination of expectations for economic growth, size of the existing PageGroup operations relative to the market, and competitive landscape.

The outcome was three categories (as set out in the table to the right), into which the 36 geographical markets in which we operate were placed. Five markets were identified as Large, High Potential markets. These include the large economies of the US, Germany and Greater China, together with the regions of Latin America and South East Asia. Typically under-developed from a recruitment perspective, each satisfied key criteria, including:

- Positive PageGroup track record;
- Ability to adapt PageGroup culture to local culture;
- Ability to hire and retain local consultants;
- Ability to roll-out disciplines and open offices;
- Attractive conversion rate potential; and
- Large-scale economies.

Six historically successful geographies were categorised as Large, Proven, reflecting the fact that PageGroup had, within the last economic cycle, operated substantial businesses in each.

Finally, the remaining businesses were categorised as Small and Medium, High Margin. This reflects the fact that each individually will not have the scale or potential to be a significant contributor to gross profit. However, they each offer the prospect of attractive margins and include countries with some of the highest fee rates and conversion margins in the Group. Within this category are two markets – Japan and India – that have the medium-term potential to achieve Large, High Potential status.

Investment approach

Investment in the business has been focused on developing the long-term sustainability of the business and is supported by significant balance sheet strength and cash flow generation. This market categorisation provides an investment framework for the business. Investment comes in a range of forms including headcount, new offices and infrastructure, marketing spend and minimum levels of market presence through the economic cycle.

CATEGORISATION	<h2>Large, High Potential</h2> <p>Substantial, high-potential markets for recruitment. Typically under-developed, but where PageGroup has a successful track record, and confidence in its ability to successfully scale operations.</p>
EXAMPLES	<p>Germany, Greater China, Latin America, South East Asia and the US.</p>
INVESTMENT APPROACH	<p>Sustained investment through cycle – adding headcount/offices/disciplines.</p>
STRATEGIC VISION	<p>Create a market leading network of offices, management and headcount. c. 40% of Group gross profit/fee earners; 20% conversion rates.</p>
2019 RESULTS	<p>Gross profit growth of 9% for the year, despite challenging trading conditions in Greater China, where gross profit declined 10%. Strong growth in Germany +20%, Latin America +14% and the US +17%. Represents 35% of Group gross profit (2018: 33%).</p>
2020 PLAN	<p>Continue investment in new headcount and management team, whilst improving conversion rates and productivity.</p>

		CATEGORISATION	EXAMPLES	INVESTMENT APPROACH	STRATEGIC VISION	2019 RESULTS	2020 PLAN
<h2>Large, Proven</h2> <p>Large markets in which PageGroup is already proven with a strong track record and a significant presence.</p>	<h2>Small and Medium, High Margin</h2> <p>Have been, or could be, significant profit contributors for PageGroup, but each not likely to be in excess of 300 fee earners.</p>						
<p>UK, France, Australia, the Netherlands, Italy and Spain.</p>	<p>Japan, Middle East, Africa, India, Canada, Turkey and other European countries.</p>						
<p>Investment reflects gross profit growth and market conditions.</p>	<p>Respond to market conditions, focus on high margin opportunities.</p>						
<p>Collectively return to 2007 peak levels of operating profit and conversion rates; equivalent to c. 45% of Group gross profit/fee earners.</p>	<p>Investment responsive to market conditions. Expected to represent c.15% of Group gross profit/fee earners; 30% conversion rates.</p>						
<p>Gross profit growth of +3% for the year, despite Brexit related uncertainty in the UK, where gross profit declined 2.4%. Stronger growth in Italy +10% and the Netherlands +7%.</p>	<p>Gross profit growth of 3% for the year. Tough trading conditions in the Middle East and some European countries. Strong growth in Belgium +13%, India +32% and Japan +11%.</p>						
<p>Continue to drive future growth through existing capacity, as well as improving conversion rates and productivity.</p>	<p>Continued focus on growth and improving our conversion rates and productivity.</p>						

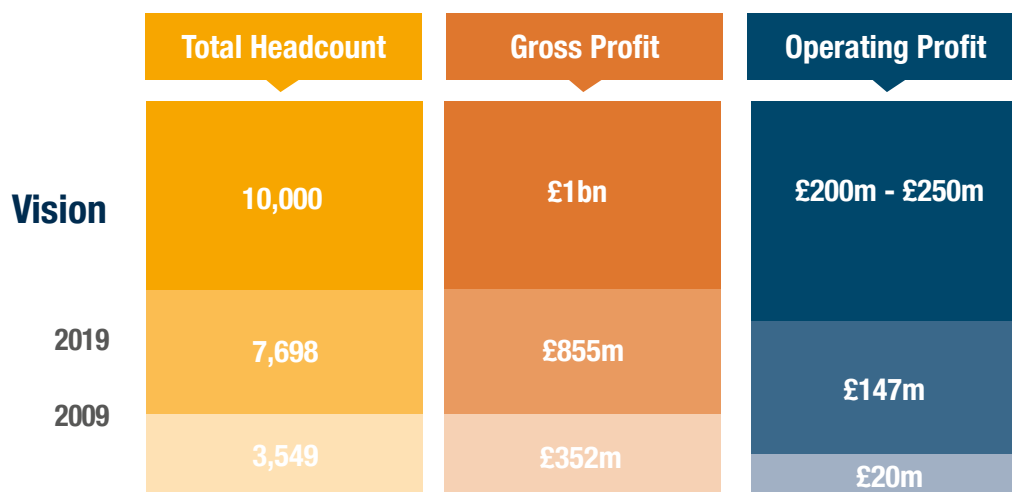
STRATEGIC REVIEW

Page Vision



At our Investor Afternoon in May 2018, we outlined our updated Vision for the Group. This Vision remains consistent – to increase the scale and diversification of PageGroup by organically growing existing and new teams, offices, disciplines and markets. In numbers, our Vision is to deliver Group gross profit of a billion pounds, which, depending on how fast we get to that figure, will generate operating profit of between £200m - £250m. To deliver these results, at 2018 productivity, we will require a total Group headcount of 10,000. We believe that with our focus on operational support, we are now better placed to improve our fee earner to operational support staff ratio. The work we have done to standardise and simplify our support functions will enable us to grow our fee earner headcount without a corresponding increase in our support headcount and consequently, we believe that we can achieve a ratio of 82:18.

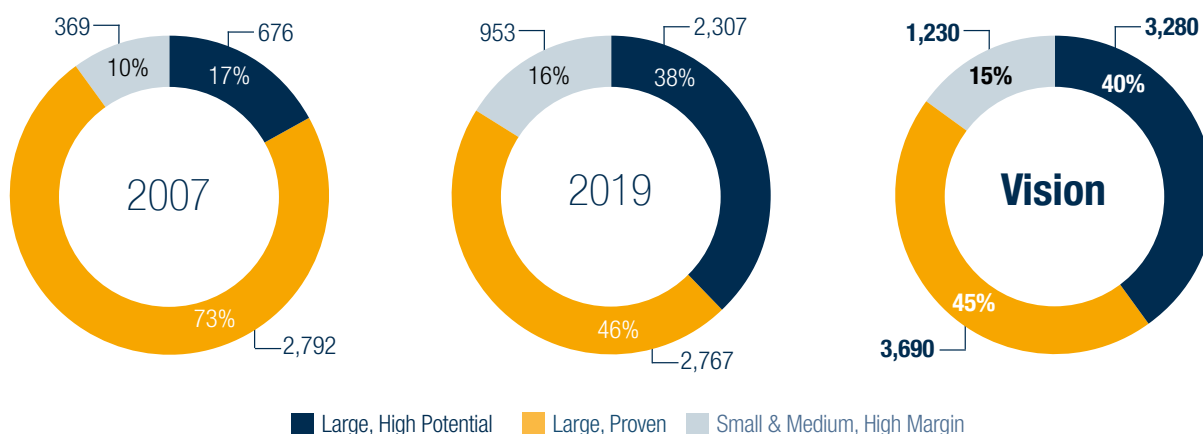
Aiming to double Operating Profit



Over the last few years we have made significant progress against our Vision in terms of gross profit, operating profit and total headcount. In line with our strategy we have made considerable progress in growing our Large, High Potential markets, which delivered a record year, collectively. Overall, these markets grew 9% in constant currency compared to the prior year.

During 2019 we have continued to invest in markets where we saw the greatest opportunities for growth, such as Germany and the US. Going forward, we will continue to focus on driving profitable growth, while progressing our strategic investments to achieve our new Vision for the Group.

Investing in Large, High Potential market fee earners



Our competitive advantage

Our true competitive advantage is the combination of these three factors and the balance we have achieved in the business over the past 43 years. We generate funds through fees earned for placing candidates in permanent and temporary roles.

Brand

We deliver specialised sector experience operated via four key brands: Page Executive, Michael Page, Page Personnel and Page Outsourcing supported by supplementary brands throughout our international locations.

The first class reputation of our brands gives high quality candidates assurance to place key decisions on their future in our hands. Our superior level of expertise and the knowledge of our consultants inspires trust and assurance of quality service, for both clients and candidates enabling our brands to outperform other recruitment businesses.

Scale

Our scale enables PageGroup to commit to markets through economic cycles, which combined with our strong financial standing has given clients confidence to build lasting relationships with us. Temporary staff also derive comfort from our financial strength that their services will be paid for.

The breadth of our client base, even in our new markets, gives us the ability to offer diverse expertise across a wide range of complementary specialisms and geographies, enhancing our offering to the market and the candidate pools we can access.

Our scale has facilitated us building an unrivalled skillset with high levels of experience, which is available to clients of any size and across all sectors in which we operate.

Culture

PageGroup's culture is unique in the sector and sets us apart from the competition. Our global culture delivers a consistent approach both internally and externally, whilst remaining accepting of each of our markets local characteristics.

A diverse team brings different perspectives and insight to our business and our promotion of diversity and inclusion ensures we add value to the markets we recruit into on behalf of our clients. We work closely with our clients to source and recruit from a diverse talent pool to provide them with the best possible candidate.

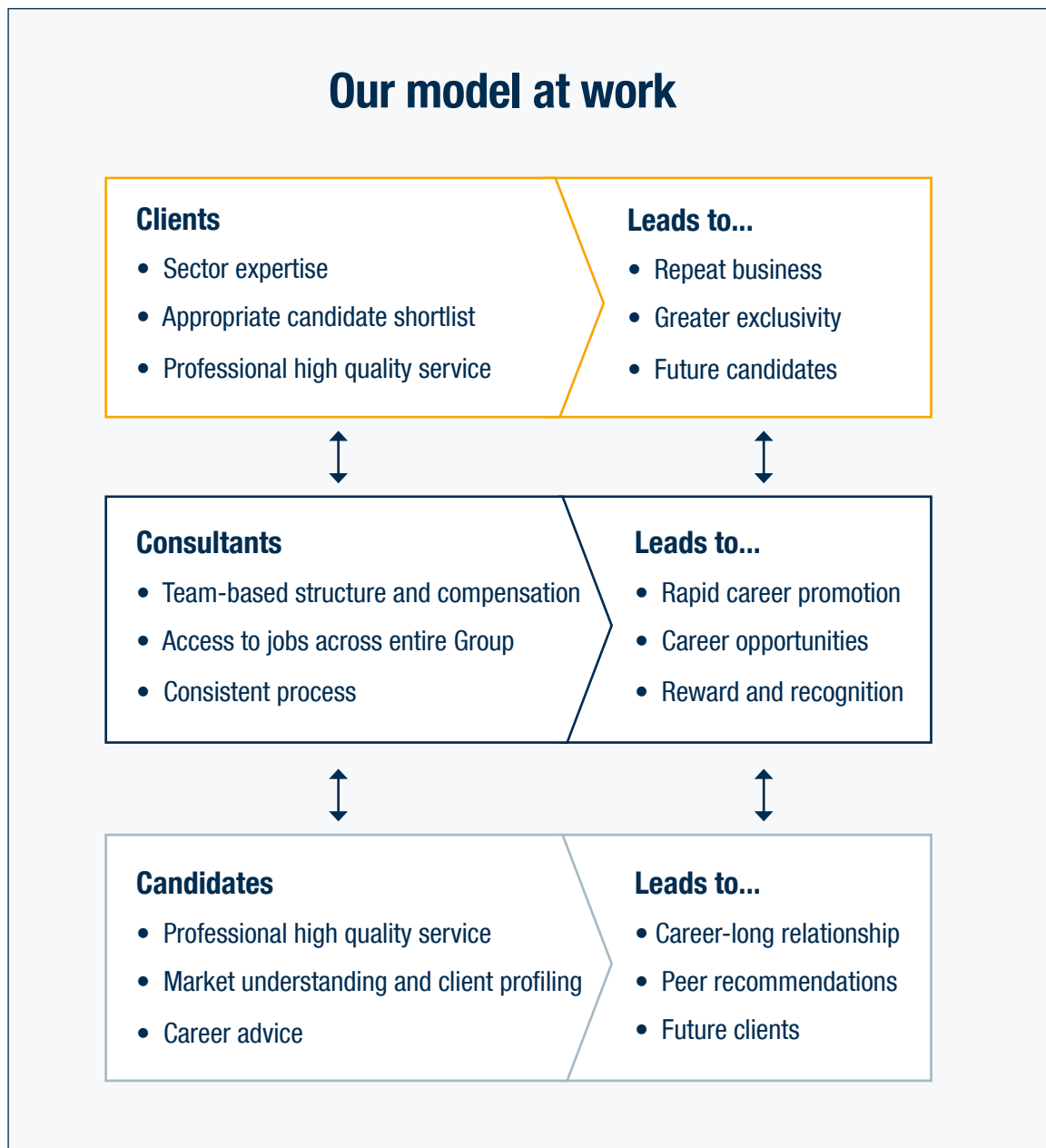
We have ingrained values of how to do business ethically and to make long-term decisions. Our purpose and our values that are the key to our success are set out on page 25.

STRATEGIC REVIEW

Our value proposition

Our value proposition is based around expertise and specialism and for this to be delivered in a consistent manner, supported by high quality processes.

When these elements are brought together, the potential for a successful outcome for both client and candidate is maximised. Such successes enhance our reputation, brings greater repeat business and turns candidates into clients and vice-versa.



Market dynamics

The professional recruitment sector has always been highly sensitive to fluctuating economic conditions and is strongly influenced by client and candidate confidence. Market liquidity can change rapidly, whether in terms of availability of jobs and candidates, or candidate confidence in taking the next step in their career.

It can also be localised, whether by geography or discipline, and differ between temporary and permanent placements in the same market.

In a number of geographic regions, such as Latin America or Greater China, our potential markets are very large, yet relatively immature. This provides not only significant market share opportunities, but also business development challenges. New markets can take time to crack, but the advantages of being an early participant and building scale can be considerable.

As well as the influence of the general macro-economic environment on business activity, there are a number of market-based drivers which can materially impact PageGroup's financial performance. These are split into elements which affect market liquidity and those which influence gross profit and consultant productivity. It is the nature of the professional recruitment market that strong market conditions will see drivers in both elements align, and this can have a dramatic impact on PageGroup's overall performance and conversion margins.

Market liquidity	Gross profit and productivity
<p>IMPACT Candidate availability</p> <p>Often highly discipline/geography-specific, especially at midpoints in the cycle as client confidence grows. This is a key driver of most other elements, as the quality of a recruiter is most clearly demonstrated through their ability to source difficult-to-find candidates.</p> <p>IMPACT Candidate confidence</p> <p>A major influence on market liquidity where macro-environment is sufficiently stable, candidates will look to progress their careers, which helps to drive job liquidity.</p>	<p>IMPACT Fees/rates</p> <p>Group average historically moves within a 10% range over the cycle (19.5%-22%).</p> <p>IMPACT Wage inflation</p> <p>Reflects level of candidate shortage and liquidity within a particular discipline or geography, plus macro-economic conditions.</p> <p>IMPACT Time to hire</p> <p>As candidates become scarcer, companies reduce the number of interviews and shorten the decision making process in order not to lose preferred candidates.</p>
<p>FINANCIAL IMPACT</p> <p>Mainly visible through improvement in gross profit, a buoyant market helps to drive consultant productivity.</p>	<p>FINANCIAL IMPACT</p> <p>Notable influence on both gross profit and also conversion rate. Productivity, especially in permanent recruitment, is significantly enhanced as these market drivers positively align.</p>

STRATEGIC REVIEW

Innovation and technology

The digital revolution has transformed the recruitment market. The impact of technology on behaviours and expectations of both clients and candidates, continues to grow at pace. Our Innovation approach is focused on how best to acquire, engage and nurture customers to build long-term relationships.

In our operational business, we are utilising technologies such as Salesforce and

Thunderhead to engage with customers throughout their journey. Our use of these technologies has resulted in click-through rates twice the industry average.

Our internal Business Technology function focuses on designing, implementing and exploiting scalable global systems. By improving our processes and tools we empower consultants to be more productive.

The use of technology allows us to leverage growth in the business and improve our conversion rate.

The online presence behind our reputable brands, gives high quality candidates confidence to place key decisions on their future in our hands.

During 2019 we have seen **strong growth** in our candidate sourcing:

Our websites and mobile apps have never been so popular...

Engaging with our customers at scale, with precision and with relevancy, using market-leading customer engagement technology



Delivering exceptional customer experience, regardless of the device our customers prefer to use

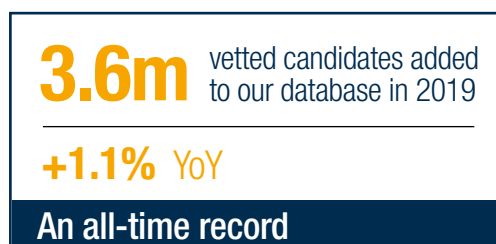
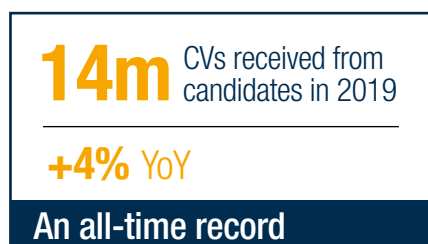
Mobile has overtaken desktop as the most popular device to browse our jobs online

Candidates are increasingly likely to apply to jobs on their mobile device



This is leading to the greatest ever rate of growth in our candidate database

All the more impressive given the backdrop of candidate shortages in most major markets





Capital Allocation Policy

The Group's strategy is to operate a policy of financing the activities and development of the Group from our retained earnings and to maintain a strong balance sheet position. We first use our cash to satisfy our operational and investment requirements and to hedge our liabilities under the Group's share plans. We then review our liquidity

over and above this requirement to make returns to shareholders, firstly by way of ordinary dividends.

Our policy is to grow the ordinary dividend over the course of the economic cycle, in line with our long-term growth rate; we believe this will enable us to sustain the level of ordinary dividend payments during

a downturn as well as increasing it during more prosperous times.

Cash generated in excess of these first two priorities will be returned to shareholders through supplementary returns, using special dividends or share buybacks.

DIVERSIFICATION

Recruitment activity is dependent on economic cycles. By being more diverse, the dependency on individual markets and disciplines is reduced, making the Group more resilient.

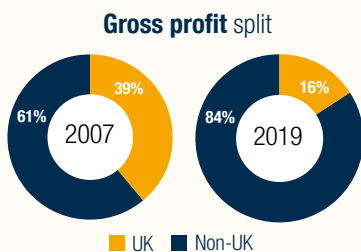
2019 has been a challenging and volatile year with Brexit in the UK, trade tariff uncertainty and social unrest in Greater China, alongside weaker macro-economic conditions in Continental Europe. Our well diversified business is now better positioned than previous downturns to face adverse economic and market movements.

We are now less dependent on our Large, Proven markets, such as the UK and have greater opportunities in the large economies such as Greater China and South East Asia, where we are highly profitable. In 2007, our Large, High Potential markets, with then just under 700 fee earners, represented 17% of Group gross profit. We have invested heavily in this category, and today it has over 2,300 fee earners, representing 35% of the Group gross profit, highlighting the success of our diversification strategy.



GEOGRAPHIES

Our **reliance on the UK** is less, minimising the severity of Brexit



We have **increased** our geographical diversification from: **25 countries** in 2007 > **36 countries** in 2019

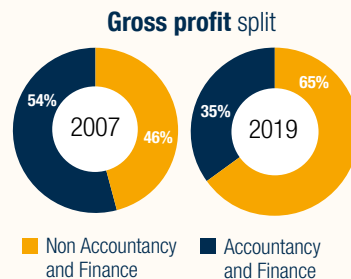
In line with our strategy to invest in our **Large, High Potential markets** we have opened several new countries within this category.

Since 2007: Chile, Malaysia, Colombia, Indonesia, Peru, Vietnam and Thailand

Looking ahead, we will continue to invest in new markets where we see the greatest potential for future growth

DISCIPLINES

We have **increased** our discipline diversification



Our diversification strategy in the US away from Financial Services has been **particularly successful**.

US Non-Financial Services **gross profit:**
 2007 **53%** | 2019 **88%**

Our Technical disciplines including Engineering and Property & Construction have a compound annual growth rate of:

12% over the last 12 years

With the **advancement in digital technologies** our Technology discipline has been a focus in many countries, with **gross profit growth** of:

130% over the last seven years



BRANDS

In 2007 **Page Personnel** operated in just

8 countries with a fee earner headcount of **873**

In 2019 **Page Personnel** now operates in

15 countries with a fee earner headcount of **1,872**

In Germany we have invested heavily in our contracting brand **Michael Page Interim**, which is mainly Technology focused

and grew **38%** in 2019 and now represents **22%** of Germany.

Our **Page Executive** brand was **introduced** into France in 2005, with typical margins above those of Michael Page and Page Personnel. In 2019, our Page Executive brand **now operates across 24 countries.**

Our newest brand Page Outsourcing represents a great opportunity for the Group to accelerate growth across all segments of the market.

KEY PERFORMANCE INDICATORS

We measure our progress against our strategic objectives using the following key performance indicators:

Financial

Gross profit growth (%)*

2019	5.0
2018	15.9
2017	9.8
2016	3.0
2015	4.4

How measured: Gross profit growth represents revenue less cost of sales expressed as the percentage change over the prior year. It consists principally of placement fees for permanent candidates and the margin earned on the placement of temporary candidates.

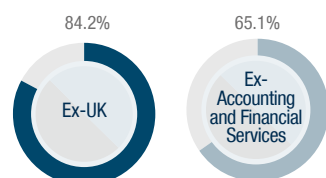
Why it's important: This metric indicates the degree of income growth in the business. It can be impacted significantly by foreign exchange movements in our international markets. Consequently, we look at both reported and constant currency metrics.

How we performed in 2019: Gross profit increased 5.0% in both constant currencies and reported rates. This was a slowing from the 15.9% in constant currencies in 2018.

Relevant strategic objective: Organic growth.

* Increase in gross profit in constant currency over the prior year

Gross profit diversification (%)



	2015	2016	2017	2018	2019
Ex-UK	72.7	76.4	80.2	83.0	84.2
Ex-Finance	60.4	61.6	63.3	65.2	65.1

How measured: Total gross profit from: a) geographic regions outside the UK; and b) disciplines outside of Accounting & Financial Services, each expressed as a percentage of total gross profit.

Why it's important: These percentages give an indication of how the business has diversified its revenue streams away from its historic concentrations in the UK and from the Accounting & Financial Services disciplines.

How we performed in 2019:

Geographies: the percentage increased to 84.2% from 83.0% in 2018, demonstrating a high degree of diversification. This reflects relatively stronger trading in the majority of our overseas businesses, with more challenging conditions in the UK due to Brexit related uncertainty.

Disciplines: the percentage decreased slightly to 65.1% (2018: 65.3%), impacted by tougher trading conditions in our Marketing, Sales and Retail discipline category.

Relevant strategic objective: Diversification.

Basic earnings per share (p)

2019	32.2
2018	32.5
2017	26.5
2016	23.1
2015	21.3

How measured: Profit for the year attributable to the Group's equity shareholders, divided by the weighted average number of shares in issue during the year.

Why it's important: This measures the underlying profitability of the Group and the progress made against the prior year.

How we performed in 2019: The Group saw a 0.9% fall in Basic EPS to 32.2p, due to an increase in the effective tax rate from 27.1% to 28.3%.

Relevant strategic objective: Sustainable growth.

Cash (£m)

2019	97.8
2018	97.7
2017	95.6
2016	92.8
2015	95.0

How measured: Cash and short-term deposits

Why it's important: The level of cash reflects our cash generation and conversion capabilities and our success in managing our working capital. It determines our ability to reinvest in the business, to return cash to shareholders and to ensure we remain financially robust through cycles.

How we performed in 2019: Cash increased to £97.8m (2018: £97.7m). This was after dividend payments of £83.5m (including a special dividend of £40.7m).

Relevant strategic objective: Sustainable growth.

Ratio of permanent vs temporary placements

Gross profit	2015	2016	2017	2018	2019
Permanent	76	76	75	76	75
Temporary	24	24	25	24	25

How measured: Gross profit from each type of placement expressed as a percentage of total gross profit.

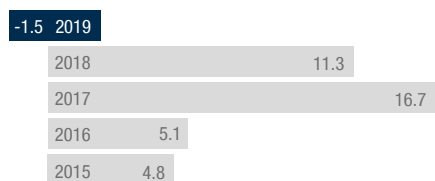
Why it's important: This ratio reflects both the current stage of the economic cycle and our geographic spread, as a number of countries culturally have minimal temporary placements. It gives a guide as to the operational gearing potential in the business, which is significantly greater for permanent recruitment.

How we performed in 2019: The ratio decreased slightly to 75:25 (2018: 76:24), with stronger growth in temporary recruitment due to the macro-economic uncertainty in a number of our markets.

Relevant strategic objective: Diversification.

Strategic

Fee earner headcount growth (%)



How measured: Number of fee earners and directors involved in revenue-generating activities at the year end, expressed as the percentage change compared to the prior year.

Why it's important: Growth in fee earners is a guide to our confidence in the business and macro-economic outlook, as it reflects our expectations as to the level of future demand for our services above the existing capacity currently within the business.

How we performed in 2019: Fee earner headcount declined by 89, or -1.5% in the year, resulting in 6,027 fee earners at the end of the year. Our fee earner headcount reduced in markets where we saw more challenging trading conditions, such as Greater China and the UK. However, we continued to invest in markets where we saw the strongest growth such as Germany, India and the US.

Relevant strategic objective: Sustainable growth.

Gross profit per fee earner (£'000)



How measured: Gross profit divided by the average number of fee-generating staff, calculated on a rolling monthly average basis.

Why it's important: This is our indicator of productivity, which is affected by levels of activity in the market, capacity within the business and the number of recently hired fee earners who are not yet at full productivity. Currency movements can also impact this figure.

How we performed in 2019: Productivity increased 1.5% to £140.4k (2018: £138.3k). This was as a result of our focus on productivity through our COO office, offset by more challenging trading conditions in a number of the Group's key markets.

Relevant strategic objective: Organic growth.

Fee earner:operational support staff ratio

	2015	2016	2017	2018	2019
Fee earner	77	77	78	79	78
Support	23	23	22	21	22

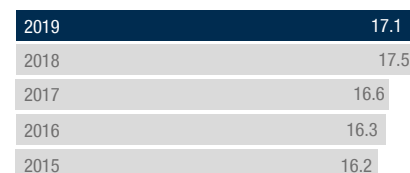
How measured: The percentage of fee earners compared to operational support staff at the year end, expressed as a ratio.

Why it's important: This reflects the operational efficiency in the business in terms of our ability to grow the revenue-generating platform at a faster rate than the staff needed to support this growth.

How we performed in 2019: The ratio decreased to 78:22 from 79:21 in 2018. This was driven by a decline in our fee earner headcount of 89, in response to the more challenging trading conditions in a number of our markets. Our operational support staff headcount increased by 15 to support a number of strategic transformation programmes. A number of these programmes came to an end in the year, with a reduction of 37 operational support staff in Q4.

Relevant strategic objective: Sustainable growth.

Conversion rate (%)



How measured: Operating profit (EBIT) expressed as a percentage of gross profit.

Why it's important: This reflects the level of fee-earner productivity and the Group's effectiveness at controlling costs in the business, together with the degree of investment being made for future growth.

How we performed in 2019: The Group's conversion rate decreased to 17.1% (2018: 17.5%), due to more challenging trading conditions seen across a number of the Group's markets, many of which normally have the highest conversion rates in the Group.

Relevant strategic objective: Sustainable growth.

KEY PERFORMANCE INDICATORS

People

Employee index

How measured: A key output of the employee surveys undertaken periodically within the business.

Why it's important: A positive working environment and motivated team helps productivity and encourages retention of key talent within the business.

How we performed in 2019: We recorded an 83% positive score for employee engagement in the latest Employee Survey in 2019. This was a combination of questions, including: how valued our people felt; how proud they were to work for PageGroup; and the level of trust and recognition they received for their work.

Relevant strategic objective: Sustainable growth.



Management experience



How measured: Average tenure of front-office management measured as years of service for directors and above.

Why it's important: Experience through the economic cycle and across both geographies and disciplines is critical for an organic cyclical business operating across the globe. Our organic business model relies on an experienced management pool to enable flexibility in resourcing and senior management succession planning.

How we performed in 2019: The average tenure of the Group's management increased from 12.0 years to 12.5 years, with a particular increase in EMEA.

Relevant strategic objective: Talent and skills development.

GHG Emissions

Total GHG emissions

Total energy-derived emissions (CO₂e tonnes)

Source of emissions	2018	2019
Direct GHG emissions	1,879	2,054
Indirect GHG emissions	5,396	4,413

How measured: Direct and Indirect GHG emissions calculated in line with the UK Government's 2019 DEFRA reporting standards. Principally based on data from a sample of our offices, covering 70% of the Group by headcount, and extrapolated for the Group as a whole.

Why it's important: The emissions calculations look at the CO₂e impact of our operations in absolute terms.

How we performed in 2019: Direct GHG emissions relating to the combustion of fuel increased by 9.3% to 2,054 tonnes CO₂e, while Indirect GHG emissions, through the purchase of energy such as electricity, decreased by 18.2% to 4,413 tonnes.

Relevant strategic objective: Sustainable growth.

Intensity values of GHG emissions

CO₂e tonnes per 1,000 employees

	2018	2019
Energy-derived emissions	922	827

How measured: Intensity values for GHG emissions are based on property and vehicle energy-derived emissions per 1,000 headcount. Headcount is viewed as being the most representative metric for PageGroup's activity levels and is unaffected by issues such as business mix or foreign exchange variations.

Why it's important: Intensity values help to normalise the GHG metrics and place them in the context of the Group's changing business profile, particularly in terms of increases in headcount. It helps to identify where progress has been made on emission reduction.

How we performed in 2019: Energy-derived emissions were reduced by 10.3% compared with 2018, largely due to a decrease in headcount, along with changes in fuel sources and improvements in office energy efficiencies.

Relevant strategic objective: Sustainable growth.

2018 Direct and Indirect GHG emissions were originally reported as 1,882 and 5,379 respectively. These have been restated to reflect the latest DEFRA fuel conversion rates in 2019. The 2018 intensity value of energy-derived emissions has been restated from 920 to 922 on the same basis. The source of data and calculation methods year-on-year are on a consistent basis. The movements in KPIs are in line with expectations.

Greenhouse Gas Emissions (“GHG”)

In line with the requirements of The Companies Act 2006 (Strategic Report and Directors’ Report Regulations), PageGroup reports on all direct greenhouse gas (GHG) emissions (relating to the combustion of fuel and the operation of any facility, together with any fugitive emissions); and indirect GHG emissions (through the purchase of electricity, heat, steam or cooling).

Since 2014, we have gathered energy data from our major offices. This is in conjunction with our environmental policy that focuses on implementing efficiency measures in our offices to reduce energy consumption and carbon emissions. We have continued to enhance the quality of our data collation process and this is reflected in some amendments to the previous years’ figures reported. As with 2018, fugitive emissions are not reported as the Company is not responsible for maintenance of air conditioning in any of its offices.

The Company’s total 2019 emissions from energy and fuel used in its properties and vehicles, together with comparable data for the previous 4 years, are reported below. This is the first year we have reported our emissions data covering a 5 year period.

Total energy derived emissions (tonnes CO ₂ e) properties and vehicles					
Source of emissions	2015	2016	2017	2018	2019
Direct GHG emissions (relating to the combustion of fuel and the operation of any facility)	2,303	1,830	1,824	1,879	2,054
Indirect GHG emissions (through the purchase of electricity, heat, steam or cooling)	4,909	4,615	4,881	5,396	4,413
Total emissions	7,212	6,445	6,705	7,275	6,467

Emissions have been calculated in line with the 2019 DEFRA reporting standards, and calculated using 2019 DEFRA conversion factors for fuels, gases and UK electricity, and International Energy Agency (IEA) conversion factors for non UK electricity generation.

Emissions derived from property energy consumption directly under the Company’s control have been calculated by using a sample of offices across the world (including the entire UK business). This year we were able to increase the sample with improved data collection processes in a number of countries. The offices sampled now represent over 70% of the global headcount in 2019. The emissions for the remaining offices were calculated by extrapolating headcount. Emissions derived from property energy consumption amounted to around 69% of total emissions.

Emissions from fuel consumed by Company owned or leased vehicles in 2019, were calculated using the fuel consumed by the company car fleets in a sample of countries (UK, Germany, Italy, France, Netherlands and Poland) representing around 42% of the Company’s global car fleet. This is a much larger sample than in 2018 and considerably bigger than prior to 2017 when this calculation was based only on the German Company car data. In 2019, the Company’s global car fleet was just under 1,600 vehicles (around 12% increase on prior year). Some of the increase in vehicles is due to improved reporting from countries who had previously not provided data, as well as an increase in existing fleet size. The mix of vehicles has continued to change with hybrid and the first electric vehicles

now making up a proportion of the fleet. The total vehicle emissions for the global fleet were calculated by first extrapolating the total diesel and petrol consumptions per vehicle from the sample across the entire fleet and then calculating the resulting emissions.

This is the first year we are reporting on total global energy as well as for our UK operation. Our total global energy consumption was 37,839,199 kWh with UK energy consumption representing 9.8%.

The intensity values are based on emissions derived from property energy and vehicle fuel per 1,000 employees in the headcount. This factor was chosen as being most representative of the Company’s activity levels, and being unaffected by issues such as business mix or foreign exchange variations.

Energy derived emissions – CO ₂ e tonnes per 1,000 employees				
2015	2016	2017	2018	2019
1,304	1,065	993	922	827

2019 emissions intensity improved by 10.3% compared with 2018. In part this was due to the change in vehicle fuel mix, with a wider range of countries providing data on fuel consumption. In 2018 and prior years, diesel vehicles represented approximately 96% of the known vehicle fuel. With an increase in countries providing fuel data, diesel fuel now represents around 73% of vehicle fuel. As petrol has a lower emissions factor than diesel, this has contributed in part to the reduction in emissions. In addition, this year for some of the counties reporting for the first time, electricity data shows increased efficiency per head.

The Company continues to relocate to more energy efficient offices. One of these office relocations has led to the elimination of natural gas usage that has reduced the Company’s overall gas usage by around 50%, with a direct contribution to reducing emissions. This initiative is in line with PageGroup policy and the company continues to seek and implement energy saving and environmentally responsible initiatives wherever possible. As well as emissions from properties and vehicles, this includes implementing efficiencies to conserve natural resources and reduce carbon emissions; taking reasonable steps to reduce pollution and waste; recycling unavoidable waste as far as is practicable; promoting sustainable procurement processes with our staff and supply chain; and ensuring compliance with all applicable environmental legislation. Various parts of our business also continue to benefit from the use of energy efficient printers and the use of dedicated recycling bins which are placed throughout our offices.

See other initiatives in our culture section page 31.

Q&A WITH STEVE INGHAM, CEO



How are you using technology to adapt to changes in the recruitment market?

We are using technology to create a connected customer experience. It's about using the right platforms and tools to identify our customers, learn as much about them as we can and engaging proactively to nurture that relationship on an on-going basis.

We have strategic partnerships with all the key recruitment sector players in candidate acquisition such as LinkedIn, Seek and Zhaopin. Our global scale and capability allows us to work closely with traditional digital giants such as Microsoft, Facebook, Baidu, WeChat and Google.

A key element of our strategy is Mobile, with just over half of traffic coming through mobile devices. Five years ago, we were the first recruitment business to create

a responsive website that adjusts to whichever device people use to access it. Using native mobile technology on our apps such as thumbprint logon, facial recognition and push messaging, we have seen customers spending more time and coming back more frequently. We want to ensure that interactions between customers and ourselves are convenient whenever they exist to reflect people's changing work habits.

Our CRM email campaigns, powered by Salesforce, gives customers a personalised experience more commonly associated with large-scale, e-commerce businesses. We know where each of our customers are on their journey and based on their interactions we deliver personalised communications and opportunities to provide them with the best next step in their career.

What is the impact of Brexit on PageGroup anticipated to be, and how will you minimise any disruption?

Clearly in the UK we have seen the uncertainty caused by Brexit weigh on both client and candidate confidence. Michael Page, which is more focused on senior opportunities, was impacted to a greater extent and declined -4% in 2019. However, Page Personnel fared better and grew 2%, a record year.

As the UK enters the next stage of Brexit negotiations following its withdrawal from the EU, we will monitor candidate and client confidence. If negotiations progress well, then it is possible delayed decisions by businesses could be released, with pent up demand flowing into the market.

It's also important to note how diverse we are now as a Global business. The UK represents just 16% of the Group, down

from 39% in 2007 and our UK business itself is more diverse than ever. There are also opportunities to roll-out further disciplines under our lower salary level Page Personnel brand.

We have established, mature businesses, in all major European economies. If there are cross-border job flows in either direction, then we have consultants ready to help facilitate this.

What is your outlook and biggest challenge for 2020?

As we exited 2019, many of our regions were impacted by heightened macro-economic and political uncertainty. In EMEA we saw social unrest in France and weakening macro-economic data from Germany. Trade tariff uncertainty continued to impact Greater China, particularly affecting our large international clients, and social unrest in Hong Kong caused widespread disruption and weighed heavily on market sentiment. In the Americas we experienced a weak financial services sector in New York and saw social unrest in Chile.

As we enter 2020, with the issues experienced in 2019 remaining, we also see additional challenges ahead. Our Australian business has been affected by the devastating wildfires. The UK continues to be impacted by Brexit related uncertainty following the exit from the European Union in January. The emergence of COVID-19, particularly in Mainland China, Hong Kong and Singapore, but having a wider global impact, has created even greater uncertainty in the trading conditions we face for the year ahead.

“As we exited 2019, many of our regions were impacted by heightened macro-economic and political uncertainty.”

However, we remain committed to our strategy of continued investment in our five Large, High Potential markets of Germany, Greater China, Latin America, South East Asia and the US, as well as those markets where we see good conditions for growth such as India and Japan.

Our flexible business model enables us to react quickly to changes in market conditions. We can grow our headcount rapidly in a strong market, or, in these more challenging conditions, use our staff attrition to adjust our headcount lower,

focusing on productivity and conversion.

In tougher trading conditions, it's also not just about controlling headcount and costs, but getting the best out of our people. Our two Chief Operating Officers are reviewing all aspects of our business from how we hire, our use of technology and our business practices to ensure we are maximising the time consultants spend on recruiting.

We are clear market leaders in many of our markets, with a highly experienced senior management team, which, we believe, positions us well to take advantage of all opportunities during 2020.

Our Vision remains to reach a headcount of 10,000, gross profit of £1bn and operating profit of £200m-£250m.

You have paid special dividends over the past five years. Do you expect this to continue?

We operate a highly cash generative business model, with high levels of cash conversion. We have a clear capital allocation strategy, with three defined uses of cash. We first use our cash to satisfy our operational and investment requirements, and to hedge our liabilities under the Group's share plans. We then review our liquidity over and above this requirement to make returns to shareholders, firstly by way of ordinary dividend.

Our policy is to grow this ordinary dividend over the course of the economic cycle, in line with our long term growth rate. We believe this enables us to sustain the level of ordinary dividend payments during a downturn, as well as increasing it during more prosperous times. The nature of our business is that our working capital position unwinds over a number of years allowing us to sustain dividend payments should we experience sustained tough market conditions.

Cash generated in excess of these first two priorities will be returned to shareholders through supplementary returns, using special dividends or share buybacks. Since our flotation in 2001, we have returned just under £1 billion to shareholders with just under half of this through supplementary returns.

In 2019, after consultation with our shareholders, we made a supplementary return of 12.73p per share. We will continue to monitor our liquidity in 2020 and will make returns to shareholders in line with the above policy.

What are the career progression opportunities at PageGroup and how do you invest in our leaders of the future?

We are an organic people focused business and our people are at the centre of all that we do. Recruiting and retaining the best talent will allow us to effectively deliver our Vision. We have a transparent and meritocratic culture. Many of the management team and myself as CEO, started as consultants, demonstrating the significant opportunities that we can offer. One of our KPIs is length of service of senior management, which is currently an average of 12.5 years, demonstrating that we are creating the right environment for people to grow as individuals and further their careers.

We invest a significant amount of time and resource in succession planning at all levels of the business. We offer a competitive remuneration package, run executive coaching schemes, internal and external mentoring programmes, personal development planning, a Global Directors Academy and an Executive Leadership programme. Our employees recognise the value this adds to their careers. In our most recent Global Employee Engagement survey they told us that availability of career opportunities at PageGroup was well ahead of other similar companies.

“We are an organic people focused business and our people are at the centre of all that we do.”

Two years ago we rolled out our digital-learning platform, BOOST!, to enable our people to learn in a virtual environment. This enables them to develop their skills and capabilities at a pace and time that suits them.

Diversity and Inclusion is key to our culture and success as a business. Understanding the values and cultural differences of our employees helps them reach their potential, as we build a stronger more successful business. Our internal programmes such as Women@Page, Ability@Page and Pride@Page, ensure everyone's voice is heard and an equal opportunity is given to all. Our international mobility programme continues to be a success, with individuals at all levels travelling across the globe to find new opportunities and ways to further themselves.

CULTURE & ENGAGEMENT FRAMEWORK

Culture – our approach

PageGroup is a people business focussed on a culture that puts our people and customers at the heart of everything we do.

Defining and measuring our culture and ensuring we are listening to our employees has been a key priority for the Board during the year. In 2019 we took the opportunity to formally develop a culture and engagement framework designed to ensure we can measure our levels of employee and customer centricity. We established a culture & engagement team, drawing on a broad knowledge and skills from across the business including, talent development, diversity & inclusion, internal communications and operations.

The Board worked closely with the team to create an approach that ensures and demonstrates the importance of hearing our employees' voice in the Boardroom as well as articulating and monitoring our culture.

The purpose of the framework is to demonstrate our culture and how it centres around the voice of our people and our customers. It also includes measures of success to help us drive continuous improvement and, where appropriate, meaningful change.

The Culture & Engagement Framework

The framework is structured into 5 pillars that highlight our focus on our people, our customers and society as a whole.

The pillars were established by asking representatives from across the business what they felt was at the heart of our culture. The Board and culture & engagement team used that feedback to create a framework drawing together:

Our purpose – the reason we are in business

Our values – the way we behave and what sets us apart from our competition

Our culture – our business is about people and how we support and listen to them, both our own people and our customers

Innovation – which enables us to stay ahead, lead our industry and expand our culture

Our measures – to keep us focussed and on track

OUR PURPOSE

What we do every day

PAGEGROUP

CHANGES LIVES

for PEOPLE

through creating

OPPORTUNITY

to reach

POTENTIAL

OUR VALUES

Reflected in everything we do, setting us apart from our competition

WE MAKE A **DIFFERENCE**

WE ARE **PASSIONATE**

WE VALUE **DETERMINATION**

WE WORK AS A **TEAM**

WE **ENJOY** WHAT WE DO

OUR CULTURE

PageGroup is all about people

OUR PEOPLE

Career progression

Transparent and meritocratic career paths

Talent development

Industry-leading training

Diversity & Inclusion

A culture of inclusion

Giving back to others

Changing lives in the communities where we live and work

Rewards & Wellbeing

Celebrating success; fostering a high trust, high performance culture

OUR CUSTOMERS

Customers at the centre of our business

Aiming to be the most customer centric recruiter

Leveraging technology

Improving our customer experience

Innovative approaches

Providing a more effective service

Building relationships

A personal, professional service creating the opportunity for candidates and clients to reach their potential

INNOVATION

Staying ahead – leading our industry

OUR PEOPLE & OUR CUSTOMERS

A key enabler:

Creating new opportunities to engage with people through key life moments;

having valuable conversations – more frequent and more relevant;

Building lasting relationships with our clients, candidates and consultants;

Improving processes and tools to support consultant productivity;

Setting us apart from the competition and delivering an excellent experience for our customers and our people.

OUR MEASURES

Keeping us on track, focused on continuous improvement

OUR PEOPLE

- ✓ Employee voice
- ✓ Retention
- ✓ Career progression & mobility
- ✓ Talent Development
- ✓ Diversity & Inclusion
- ✓ Changing lives, giving back to others
- ✓ Rewards & Recognition
- ✓ Wellbeing
- ✓ Environment

OUR CUSTOMERS

- ✓ Engaging our customers – NPS, customer satisfaction and loyalty
- ✓ Retaining our customers – repeat business, PSAs
- ✓ Innovation

EXTERNAL RECOGNITION

- ✓ Public Commitments
- ✓ Awards

CULTURE & ENGAGEMENT FRAMEWORK

OUR PURPOSE

PageGroup's purpose was launched globally at the end of 2017 with ongoing activation and communication. Our employee survey in October 2019 confirmed that 91% of our people are aware of our purpose, with 87% seeing how it links to their role, overall the highest scoring question in the employee survey.

PAGEGROUP
CHANGES LIVES
for
PEOPLE
through creating
OPPORTUNITY
to reach
POTENTIAL

OUR VALUES

We have always lived by our **strong values**, which we refreshed and relaunched in 2018, with nearly 80% of our people agreeing that our values match the culture of PageGroup.

WE MAKE A **DIFFERENCE**

WE **ENJOY** WHAT WE DO

WE VALUE **DETERMINATION**

WE WORK AS A **TEAM**

WE ARE **PASSIONATE**

Our purpose and values resonate strongly with our people and we believe that is vital for our on-going success. It sets expectations for how we behave, helping everyone understand, enjoy and care about all aspects of our business, while providing a clear, solid foundation for delivering exceptional customer service. When we asked our employees to describe PageGroup in any three words, many of the top words spontaneously given reflected our purpose and values.

HAVE YOUR SAY – OUR EMPLOYEE ENGAGEMENT SURVEY

What 3 words would you use to describe PageGroup?



Employees who commented 5,057

OUR PURPOSE

OUR VALUES

OUR CULTURE

Our people and customers

The insight we have into our culture demonstrates that we have created an environment where developing our people and achieving results for our customers is paramount. Equally important is the health and wellbeing of everyone at PageGroup, our support for society as a whole and the environment. Details of some of our key cultural highlights are below.

Our people have told us that talent development is key for them and 80% of them feel they are given the opportunity to improve their skills. Our online learning portal (Boost!) supports our integrated learning model with over 1,800 pieces of content supporting our blended learning strategy. During 2019 we had over 89,000 log-ins accessing that content. Our Global Director Academy takes place twice a year, actively supporting inclusion with a ratio of 50:50 male:female. We offer a

range of international opportunities with 52 international moves made in 2019 alone.

Giving back to others has always been part of our culture. Worldwide we help change lives through a variety of charities within our communities by donating money, time and expertise. Across our regions activities include providing CV and recruitment advice to students and disadvantaged members of society, alongside charity-supporting events and donations. Examples include our partnership with Great Ormond Street Hospital in the UK, support for Smart Works in the UK, Action against Hunger in Spain, the Children Are Us Foundation in Taiwan, The Smith Family supporting school children in need in Australia, and the 'Al Wifak' Association providing Iftar during Ramadan.

Fundraising across the world has included charity runs, dedicated dress-up days in the office and Movember, and our people have spent time supporting community initiatives including beach clean-ups and helping provide food for those in need.

Wellbeing is a clear priority for us and our people supported that view with 41% telling us in our employee engagement survey, "Have Your Say" that their employer helping with work-life balance is the biggest factor in improving productivity and performance. Globally our leadership teams have signed a dynamic working charter which supports flexible working, and across the world we have a variety of employee assistance programmes in place alongside benefits supporting health and wellbeing.

Our employees are encouraged to be active, and their efforts are supported and recognised – they share and celebrate their achievements through our global internal social network, Yammer. PageGroup has also supported local communities and the interests of our employees by sponsoring local sporting teams such as the Singapore Sharks AFL Youth Team, and the Thailand Women's Cricket Team.



“Yesterday PageGroup Rotterdam joined the Harbour run. Proud of all runners who did a great job. Work and Sport together :)”



IT Liping Tao – June 12 at 11:43 AM

Hello, everyone.

Last Friday Michael Page Suzhou and Shanghai attended the largest Dragon Boat Race in Mainland China! This was our second consecutive year to participate in this exciting event. |

Our mixed team raced in the amazing Jinji lake in the Suzhou Industrial Park together with another 65 teams from China and abroad, including many professional teams. It was a great experience for our both offices to get together and fight together.

MP Team impressed the whole multi-thousand audience and the Committee not only by Team Work and Passion for Success but also by Fun and loud 'We Are The Champions' around the lake area. As a result we won 'The Most Entertaining and Energetic Team' trophy.

It was absolutely amazing and great fun - looking forward to next year race in Suzhou!

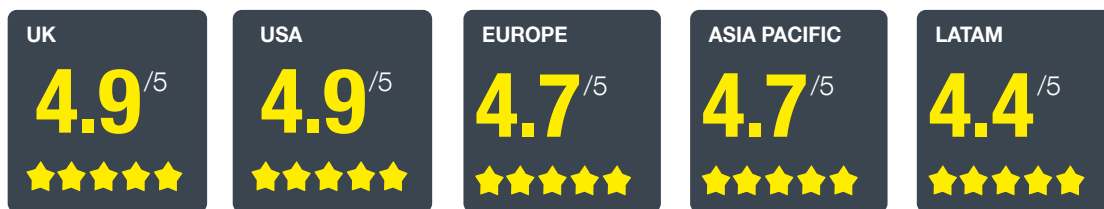
Thanks to all team members to spend their time on training and race as well as support team on the race day.

One Team One Dream!

CULTURE & ENGAGEMENT FRAMEWORK

Engaged employees are the foundation from which we deliver the best results for our customers and we believe customer satisfaction and loyalty are a strong indicator of a strong and successful culture. We are passionate about listening to our customers (clients and candidates), and we measure customer satisfaction in each market. At the heart of our customer engagement are processes that create a smooth, friction-free experience for our clients and candidates. We work with systems that help us engage with our customers depending on where they are in their recruitment journey and anticipate their next steps so that we can give them the best possible outcome.

PageExecutive MichaelPage PagePersonnel



2019 customer rating highlights from our review platforms Feefo and Google Reviews across countries within our regions.

What our customers have said about our service

“

Excellent service start to finish. Provided good prep ahead of interviews and was given a number of great opportunities.

”
UK

“

Excellent service, very organized and with very friendly staff.

”
Spain

“

The best recruitment agency I have ever worked with. They are very efficient, have a very good candidate database, and have the best recruiters! All the employees I hired through Michael Page are proved to be very good employees!

”
Hong Kong

“

They understand what exactly a candidate needs and is looking for.

”
India

“

Provided a great range of candidates for a role we had been struggling with. Kept me updated throughout the process and had the details I needed on hand.

”
UK

INNOVATION

Embedding innovation in our culture is key to continuously improving our customer experience and the working life of our people.

Our people are at the heart of what we do, with online innovation groups open to all, allowing them a voice in how we use new technologies to improve our productivity and customer experience.

The scale of our business brings opportunity both in terms of infrastructure and investment to bring in the best of new technology from outside recruitment.

We have led the recruitment sector in our application of technologies focused on our ongoing relationship with customers – our connected customer experience.

Giving our candidates a more relevant online experience makes them more likely to trust us with their job search. Using Thunderhead AI technology, we create a personalised experience across web and email, and Jobmatch helps deliver them the most relevant jobs and deliver the most relevant candidates to our consultants. We already led the

industry in mobile technology before last year launching our mobile app. It uses native technology to deliver an enhanced experience and more efficient relationship with our temporary workers enabling them to carry out basic admin tasks on the app. Our most significant innovations are now centred on the new operating system we are rolling out to our consultants. The driving principle of the system is enabling a step change in our service to both candidates and clients.

OUR MEASURES

Employee and workforce voice

Under the fifth pillar of our culture framework we collate and monitor data from a variety of sources. Listening to our people has always been an important part of our culture. Our most recent all employee survey (Have Your Say) in October 2019 had an 85% response rate. We had an employee engagement score of 83% and 88% of people said they were proud to work at PageGroup.

Our Have Your Say survey is such a valuable part of our framework for listening to our employees that in 2019 we took the decision to make it an annual survey (having previously been every two years). Our people know their voice has been heard and acted upon through active communication of both the survey results and the outcomes of action plans that are created collaboratively immediately after the results are shared.

As well as our survey, we listen to our people every day in a variety of ways. Our primary internal communication channel is Yammer – a global, collaborative work-based social network that promotes open and honest communication and effective knowledge management and retention. All our employees, including our leadership teams, share best-practice, their stories of success and personal journeys.

Our extensive use of Yammer helps bring to life global campaigns, including support for International Women's Day, World Mental Health Day and Pride Month, and actively encourages our employees to join in the conversation – and they do.

During 2019 we saw over 100,000 posts on Yammer, with nearly 350,000 likes and 75,000 comments, demonstrating true engagement and collaboration across all our regions. All our employees are on the network, including all Board members who can see our culture in action and are able to comment and post in real time.

This is in addition, of course, to regular team meetings, one-to-one meetings with managers, and twice-yearly formal discussions focusing on career and development opportunities for all our people.

When considering the Code's requirements on effective workforce engagement, rather than adopt one of the three specified engagement methods set out in the Code, the Board felt that it, as a whole, should be responsible for the organisation's culture. The Board also felt that engagement would be most effective with each Director having a role to play in understanding the views of our employees and acting upon them.

Supporting the Board is the combination of information and results from our measurements it receives through our culture and engagement framework, with the twice-yearly Board sessions that are dedicated to reviewing the measures. The insights the Board gathered from the 2019 culture work has helped inform its principal decision making, for example, it approved a more robust exit interview programme and more frequent pulse surveys as part of a continuous listening strategy to be implemented within the business to give even greater insight into our culture and in respect of workforce related issues such as reasons for leaving.

The Board considers that these alternative arrangements allow for effective engagement with the workforce as all members of the Board are involved in the engagement process and gain different insights and perspectives from a range of employees.

Our Non-Executive Directors attended our leadership conference, giving them an opportunity to meet and engage with our people from across the world. This engagement helps inform the Board's view of our culture and Board members discussed their insights from the conference at the following Board meeting. Further, our Non-Executive Directors attend specific company events throughout the year – Angela Seymour Jackson has been a panel member and spoken at numerous internally organised high profile events focused on nurturing female talent. Sylvia Metayer engaged directly with our Head of Diversity & Inclusion to arrange presentations and gain greater insight into our approach to inclusion. Opportunities like these ensure that our Non-Executive Directors are available to our workforce and provide another avenue by which to gain insight into our culture. It also assists our Non-Executive Directors to assess the extent to which our talent development programmes and diversity initiatives are working and feed these back to the Board.

The Board is pleased with cultural activity during 2019 and is committed to continuing progress, particularly in the area of diversity and inclusion. For greater insight, see our details of our focus on Diversity & Inclusion on page 33.

CULTURE & ENGAGEMENT FRAMEWORK

OUR MEASURES

The environment and sustainability

We aim to be a business that all our stakeholders are proud to be associated with and minimising our impact on the environment plays an important role in that. In 2019 we continued to manage and minimise the impacts resulting from operating our business. As a service

organisation, our environmental impacts are small compared with many other businesses and we have processes in place to monitor and report on our greenhouse gas emissions. Our impact is predominantly through energy consumption and business travel. See pages 21 and 22 for GHG reporting for 2019.

Across our regions we have a strong focus on reducing waste, for example eliminating

the use of plastic cups in the UAE; giving employees in Barcelona reusable coffee cups; and in France people have been encouraged to reduce waste, e.g. removing disposable cutlery, recycling waste, printing fewer documents, and not using plastic bags. In the UK, cycling to work is actively encouraged through our cycle-to-work scheme.

UK



Reducing plastic usage globally



FRANCE



DUBAI OFFICE

Saving almost 7,500 plastic glasses from going into the trash by the end of the year!

#PLASTICFREEJULY



BEGREEN

OUR MEASURES

External recognition & awards

During 2019 we continued to win awards recognising our work and culture.

Europe	USA
Asia Pacific	UK
Latam	MEA

We signed a number of pledges and charters demonstrating our commitment to inclusion in the workplace.

CULTURE & ENGAGEMENT FRAMEWORK

OUR MEASURES

Diversity and Inclusion



Diversity and inclusion is key to our culture and the success of our business. It is not just an item on our to-do list. At PageGroup it's an inherent part of our culture and our business. We are a people business – the people who work here, the companies we do business with, the candidates whose lives we change for the better on a daily basis, and the communities and individuals we help as we give back to others.



It's in our DNA to focus on people, constantly looking for ways to improve – and that begins with our employees. Our purpose states that 'PageGroup changes lives for people through creating opportunity to reach potential'.



Understanding the values and cultural differences of our employees helps them reach their potential as we build a stronger, more successful business. A business which reflects society and the clients and candidates whose lives we change.

Since focusing on our D&I strategy, we have seen progress internally with greater numbers of women in management roles and a positive return rate in respect of maternity returners, 86.8% in 2018. We have also received more positive employee engagement scores demonstrated throughout our global employee survey.

Gender diversity

Board Directors & Officers		
		
2019	5 (56%)	4 (44%)
2018	5 (56%)	4 (44%)

Senior Management		
		
2019	323 (70%)	140 (30%)
2018	312 (73%)	118 (27%)

Other employees		
		
2019	3,760 (45%)	4,581 (55%)
2018	3,426 (46%)	4,022 (54%)

We have seen PageGroup positioned as an employer of choice with our people telling us they like working at PageGroup because, as well as clear career paths and progression, we're passionate about the things they care about. Our approach aims to value and encourage every employee to bring their true self to work. We are proud to say that diversity and inclusion is an area where sentiment is strongest in our employee survey. In 2019 it was the third highest scoring category at 82% favourable and there was a +5 point increase over 2017 in answer to the question 'At PageGroup, all employees, regardless of their differences, are treated fairly'.

HOW DO WE SUPPORT INCLUSION ACROSS PAGEGROUP?

We pride ourselves on leading from the front and are fully committed to supporting and promoting an inclusive culture and working environment where all our employees feel valued and heard. The framework supporting inclusion at PageGroup includes:

Support networks: Ability@Page, Age@Page, Parents@Page, Pride@Page, Unity@Page, Women@Page: These **are dedicated networks** run by our employees and supported by the business.

International Women's Day: activities included senior leaders sharing their support and commitments, events with guest speakers, and personal stories from women across PageGroup.

Embedding D&I throughout our employee lifecycle: from attracting employees and on-boarding through to career management, succession planning, recognition/reward, performance management and employee communication and engagement.

Dynamic Working: We understand the need to be flexible in our approach to working and have implemented a dynamic working charter to ensure we are focused on creating a modern work environment that places performance, not presenteeism first.

Global mentoring programme for women: a pivotal part of our Women@Page strategy to support, develop, advance and retain talented women

Health and Wellbeing Week including World Mental Health Day with personal, powerful and inspiring stories shared from every region. In our "Have Your Say" survey, health and wellbeing saw a +6 point net difference when compared to our previous survey.

On-going global communication programme: we share career journeys which demonstrate the success of 'people like me' (A Woman's Journey) – 55 stories shared across all regions during 2019.

Pride Month: our LGBT community and allies all sharing messages of support and sharing photos from events, spreading the message of acceptance without exception.

Three global D&I campaigns a year with high levels of engagement, driving increased membership of our support networks.

Leadership training focused on inclusion: our Global Director Academy has dedicated content on what inclusive leadership means at PageGroup.

Managing Directors Reward: our Managing Directors' annual performance objectives take into account progression in diversity and inclusion.



HOW DO WE SUPPORT INCLUSION ACROSS PAGEGROUP?

We aim to support our employees balance the demands of work and family through a range of policy changes, initiatives and programmes to support both mothers and fathers.

Parenting seminars – allows parents (and partners) across all our regions globally to dial in via webinars – topics such as “Technology Matters – how to keep your kids safe online” and “Emotions Matter – how to listen so your kids talk”.

New Parents and Pre/Post Maternity Workshops – where our parents from across the business can ask questions, and share experiences – we want to ensure everyone is aware of all the resources available to them to make sure they feel fully supported.

Real People/Real Stories Campaign – our fathers and mothers sharing their personal stories of being able to combine a fulfilling career with an engaged family life – building a network of ‘visible role models’.

Work+Family Space Portal - includes free Emergency Back-Up Child/Elder Care, access to resources and an ‘ask an expert’ resource.

Initiatives such as **‘Bring your kids into Work’** days – across all regions globally.

Affiliation with the P3 network - for our LGBT parents, or parents of LGBT children.

Signing the Working Forward Pledge – supporting pregnant women and new parents at work.

PUBLICLY DEMONSTRATING OUR COMMITMENT

We appreciate the importance of publicly stating our commitment to our Inclusion agenda so our clients, employees, suppliers and society can assess our approach to diversity and inclusion matters. We have committed to a variety of initiatives and been accredited in various ways:

We are a **Global Stonewall Diversity Champion**.

We have joined **the Valuable 500** – a global movement putting disability inclusion on the business leadership agenda and celebrating those who are already committed to inclusion.

We have received the **BITC Gold Award** and been awarded the **Inclusive Top 50 Employers** award, a list of UK based organisations, that promote inclusion across all protected characteristics, throughout each level of employment within their organisation.

We have signed the **Social Mobility Pledge** and signed the **Race at work charter**.

Looking ahead

We appreciate that we must keep pushing our diversity and inclusion agenda forward and monitor our progress given that inclusion is such an important part of our culture. In 2020 we will be focused on ensuring we continue to support the initiatives we have implemented while driving accountability within the business for further positive change.

REGIONAL PERSPECTIVES

EMEA

What are your priorities for 2020?

We remain mindful of the increased macro-economic and political uncertainty experienced by a number of our markets across the region as we enter 2020.

We will, however, look to invest in markets where we see good growth, such as our Technology focused Interim business in Germany.

We will also seek to drive improvements in fee earner productivity, in order to maximise the return on our significant fee earner headcount investment, which increased by just under 25% in the past three years.

How did you deliver against your 2019 priorities?

We delivered our fifth consecutive record year with overall growth of 7.0% and 9 of our countries in the region had record years. France and Germany, together representing half of the region by gross profit, grew 4% and 20% respectively.

Across the region, headcount increased marginally by 18 (+0.5%). We invested in markets where we saw growth, such as Germany, but managed our headcount through natural attrition where we saw more challenging conditions.

This record performance, led to an increase in our operating profit from £85.6m in 2018 to £90.3m in 2019, which represents a consistent conversion rate of 21.6% (2018: 21.7%).

Asia Pacific

What are your priorities for 2020?

In our two Large, High Potential markets of Greater China and South East Asia, we expect the more challenging market conditions to continue. The impact of the COVID-19 virus and the duration of any further trade tariff uncertainty or social unrest remains unclear.

We will continue to drive investment in India and Japan, two markets which have the potential to be Large, High Potential markets in the future.

How did you deliver against your 2019 priorities?

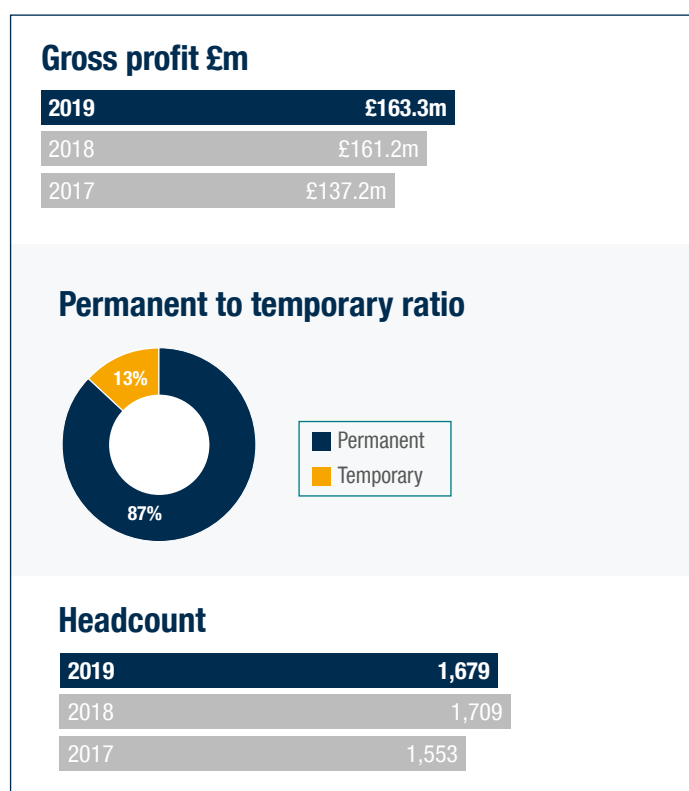
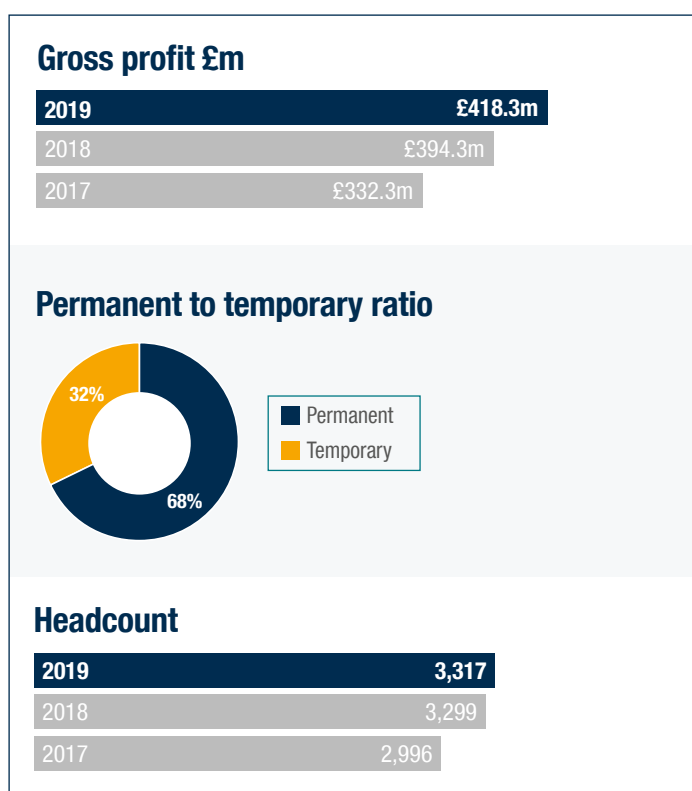
Asia Pacific gross profit declined by -0.3% compared to the prior year. Greater China declined by 10% with confidence impacted by the continuing trade tariff uncertainty, as well as the social unrest in Hong Kong.

South East Asia had a record year, up 6%, with strong performances in our newer countries such as Indonesia, Thailand and Vietnam, offset by tougher trading conditions in Singapore, which was impacted by the trade tariff uncertainty.

India, where we now have around 160 fee earners, grew 32%, a record year. Japan, grew 11%, also a record year, despite tougher trading conditions in the second half of the year, particularly amongst our international clients.

Australia grew 3%, with tougher trading conditions in New South Wales.

Headcount declined by 30 (-1.8%) as increases in India and Japan were offset by a decrease in Greater China, in response to the tougher trading conditions.



The Americas

What are your priorities for 2020?

In North America, we will continue our strategy of diversification, with particular focus on our regional offices, which now account for over half of gross profit. There are significant opportunities for expansion, particularly in our Technical and Property & Construction disciplines nationwide.

In Latin America, where we are continuing to see an emerging temporary market, we will invest in our fee earner headcount to increase our already market leading position.

How did you deliver against your 2019 priorities?

The Americas continues to be our fastest growing region, up 13.8%, with both North and Latin America having record years.

In the US, one of our Large, High Potential markets, our strategy of diversification continues, with particularly strong performances from our regional offices in Boston, Chicago, Houston and Los Angeles.

Latin America, another of our Large, High Potential markets, delivered a record year, up 14%. Brazil grew 14%, with Mexico, our largest country by fee earner headcount in Latin America, delivering growth of 20%. Elsewhere, the other four countries in the region grew 10% collectively, despite tougher trading conditions in Chile, as a result of the political and social unrest.

Fee earner headcount increased by 34 in the year, mainly into our US and Mexico businesses.

UK

What are your priorities for 2020?

We expect Brexit related uncertainty to continue in 2020 as the UK negotiates a new relationship with the European Union. We will continue to respond to market conditions as they develop. With our flexible business model, we are able to manage our headcount, and therefore our cost base, through natural attrition. Conversely, we can increase headcount rapidly should market conditions improve.

We will look to increase fee earner headcount in disciplines and offices where we see opportunities for growth.

How did you deliver against your 2019 priorities?

The UK experienced challenging trading conditions throughout 2019 due to Brexit related uncertainty.

Our Michael Page business, which was impacted by lower senior candidate confidence, declined -4%. However, our Page Personnel business, fared better and grew 2%, delivering a record year.

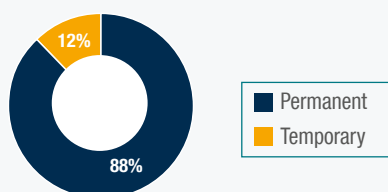
During the year, our fee earner headcount reduced by 86 (8.6%), in response to the challenging market conditions.

Operating profit increased by £3.9m to £17.3m, which represents a conversion rate of 12.8% (2018: 9.7%). Given the more challenging trading conditions, we reduced our fee earner headcount to increase our focus on productivity and therefore improve our conversion rate.

Gross profit £m

2019	£138.8m
2018	£121.0m
2017	£101.3m

Permanent to temporary ratio



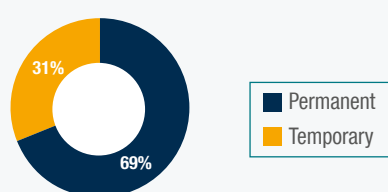
Headcount

2019	1,376
2018	1,328
2017	1,093

Gross profit £m

2019	£135.1m
2018	£138.4m
2017	£140.8m

Permanent to temporary ratio



Headcount

2019	1,326
2018	1,436
2017	1,407

RISK MANAGEMENT

Principal risks

The Group recognises that the effective management of risk is key to achieving our objectives.

A Groupwide risk review process is in place which identifies the principal risks that could impact our business and determines the mitigating actions required to ensure that these risks are controlled to an acceptable level. Our agreed level of risk appetite, approved by the Board, guides the level of acceptable risk.

Risk management is an integral part of our business, forming part of our strategy review, our business plans and the delivery of our daily activity.

Our risk process is supported by risk registers that are maintained locally at country and process level and consolidated twice a year. This is then combined with a top-down review of risks conducted with senior management. The summarised output is formally reviewed by the Executive Board and the Audit Committee on behalf of the Board.

In the intervening periods the risks associated with changes in either the external environment or internal operations are discussed as part of our ongoing business reviews and are responded to accordingly.

In key risk areas we also have compliance teams whose role it is to ensure we comply with processes on an ongoing basis. These are in IT security, revenue recognition, project management and regional legal teams.

Our Internal Audit programme of activity aligns the provision of assurance to the controls that mitigate the principal risks identified from this process.

Our risk management process categorises our principal risks into Strategic, Financial, People and Operational.

Within this process we assess all risks that could have a significant impact on the ability of the business to deliver its short-term plans and medium and long-term strategy. This includes reviewing for any emerging risks.

The Executive Board and the Board continue to focus on Strategic, People and Financial risks. For these, we disclose KPIs which we use to monitor the risk impact, and the rewards and incentives we apply to ensure effective management.

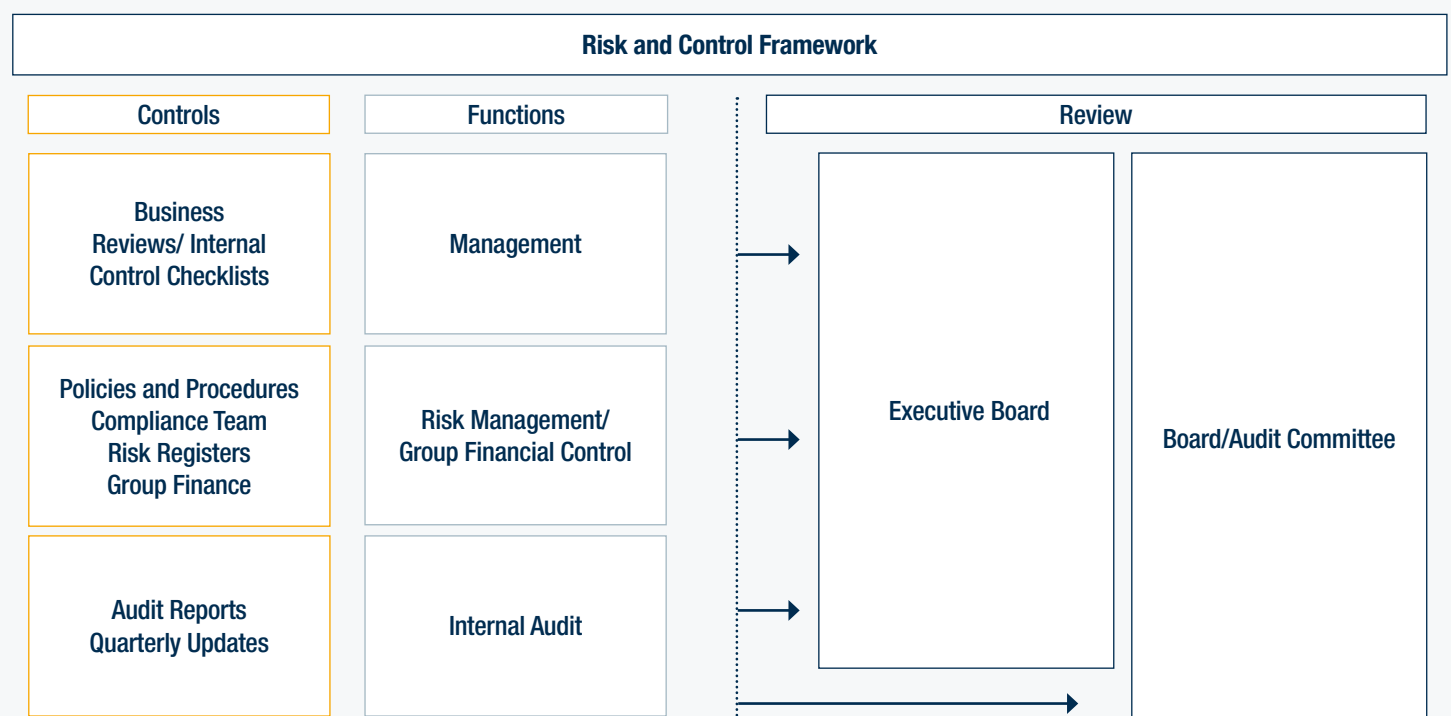
See strategic framework on page 9.

Our Operational risks are those that the Executive Board have agreed can be managed by our people on a day-to-day basis. These are included within our risk registers and are reviewed by the Board on an exceptions basis.

The risks around cyber security and compliance with Data Protection legislation are such exceptions which are reviewed at Board level on an ongoing basis.

Our risk evaluation includes matters relating to all our key stakeholders and encompasses considerations of governance, social, environmental and legal requirements.

Our Risk and Control Framework



Risk appetite and net risk levels

Recruitment is inherently sensitive to the economic environment and thus financially dependent on the economic cycle.

PageGroup operates in this environment with a low risk appetite, seeking to mitigate its strategic risks, maintain a strong financial position and only taking the operational risks it has the experience and capability to manage.

Our growth model is organic, rolling out the proven disciplines for our brands to a wide geographic spread. We drive this by developing and promoting our people from within the business, ensuring consistency of model and business culture across the Group.

We continue to focus on the services we provide to our clients and candidates ensuring quality engagements in a manner that meets both their needs and expectations and our targets for process efficiency.

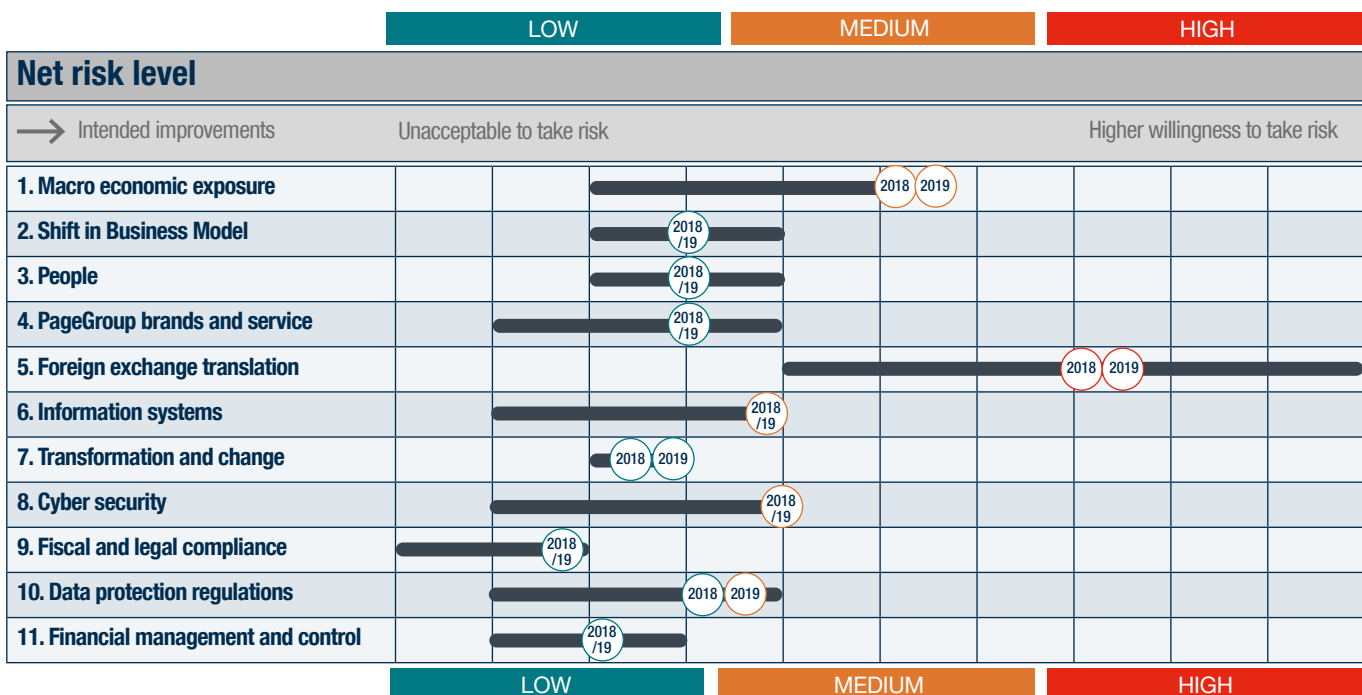
We maintain a strong sales driven, meritocratic culture with a commitment to operating in an ethical, legal and sustainable manner.

We will always operate a conservative financial position with a strong balance sheet, reflecting the degree of operational gearing inherent in the business.

This measured approach to taking risk ensures we are best placed for success globally.

Risk categories

Strategic	People	Operational	Financial
<ul style="list-style-type: none"> Shift in business model Transformation and change PageGroup brands and reputation 	<ul style="list-style-type: none"> People attraction, development and retention 	<ul style="list-style-type: none"> Information systems Cyber security Fiscal and legal compliance Financial management and control Data protection regulations 	<ul style="list-style-type: none"> Macro-economic exposure Foreign exchange – translation risk



— Risk appetite range 2019 PageGroup actual net risk assessment

PRINCIPAL RISKS AND UNCERTAINTIES

The Board's view of direction of travel of gross risk:



Similar to prior year



Lower than prior year



Increased since prior year



Strategic Risks

Shift in Business Model

The emergence of new technology platforms and providers offering HR solutions and consulting may lead to increased competition and pressure on margins which may adversely affect the Group's results if it is unable to respond effectively.

We fail to take advantage of technology opportunities to support our drive on productivity and customer and candidate experience.



Actions to mitigate risk

- We actively monitor developments in new technologies and their use in the recruitment sector.
- As well as our ongoing day-to-day interaction with clients and candidates we conduct formal surveys through our Exact Target programme which we have standardised across the Group to understand how candidate and client needs are developing.
- We have established an innovation infrastructure with Executive Board Governance and regional innovations groups embedded globally. These teams continually generate ideas that are evaluated and those that pass our criteria are developed and piloted through an externally managed innovations lab. The team is focused on driving both productivity and provision of new services (link to Brands and services risk).
- We partner with the large media providers, such as LinkedIn and Facebook, to ensure that we use this form of media effectively to enhance our value to clients. All consultants are trained in utilising the benefits of social media in their day-to-day activity.
- We train our consultants in the use of the new technologies to enable them to resource candidates for our clients at an overall cost that they cannot match.
- Our Global IT strategy and organisation structure enables us to act rapidly in rolling out new technologies across the Group.
- We are driving improved quality and use of data including accessibility to enable greater insights. Improvements in data, tools and processes will enable increased sales performance.

Transformation and change

The Group continues to invest in new systems and processes. These are required to support our capabilities to continue to deliver appropriate services to our clients and candidates in a cost effective, flexible manner.

These investments bring inherent change risks of quality, cost or time.

Having delivered a Global Finance System, Shared Service Centres and transformed our IT capability into a global service, the key programme in progress is the change of our global front end systems which commenced in 2019 and has so far been successfully implemented in two countries.



Actions to mitigate risk

- We have a COO function that ensures effective Governance of our programmes which are reviewed by our Executive management team on a regular basis to ensure delivery to plan.
- This is supported by a Group Programme Management Office, PMO, which defines policies and processes to deliver programme change activities.
- We establish and resource business change programmes for each of our major initiatives. Each has a dedicated management team working across all areas of the business to ensure effective planning implementation and decision making. A team led by experienced operations personnel has been established to lead the change to our front end systems.
- We support our programmes with third party systems implementation expertise.
- We have selected best in class software that has a global capability and can be rolled out to all our operating units.
- A global finance structure with Global Process Owners, shared service centres and a technical Hub has been established to ensure our processes support the Global Finance System across all regions.

PageGroup brands and services

As the way clients and candidates source information changes, the awareness of the PageGroup brand and services for clients and candidates could deteriorate.

The quality and relevance of service we provide to both clients and candidates, could have a significant impact on how our brand is viewed.

An event such as a failure to comply with legislation, or other regulatory requirements, or confidential data lost or stolen could cause reputational damage to the Group. Use of new social media network sites has increased the speed of communication and reach, increasing the impact of any such event.

Incidents such as the outbreak of the COVID-19 virus could impact on our ability to deliver services to our clients and candidates.



Actions to mitigate risk

- We actively monitor media online through Brandwatch to identify where there are unusual references to the PageGroup, Michael Page, Page Personnel, Page Executive and Page Outsourcing trademarks.
- Our marketing strategy recognises the need to engage with candidates and clients using the latest media available in a way that reflects changing behaviours. We conduct ongoing surveys of clients and candidates to ensure that we understand requirements and can adapt our processes and procedures accordingly.
- Our innovations process enables ongoing development of our proposition from idea generation and piloting through to industrialisation, which is effective at filtering innovations to focus on higher quality ideas.
- We have a programme of activity which ensures that we communicate effectively the Page brands, keeping awareness high among both current and potential clients and candidates.
- We train our consultants to use new media effectively, making the channels available to them as part of their day-to-day activity.
- We have centralised and developed a comprehensive brand management policy which includes key areas such as social media, data protection and information security.
- We are supported by external advisers who provide ongoing advice on the protection and management of our brand.
- We have in place a tested incident response process with clear escalation and activity guidelines to ensure any incidents are managed effectively.



People

People attraction, development and retention

PageGroup needs to hire, train and retain a large number of appropriately skilled people across the Group to achieve its vision.

The factors that motivate, encourage and enable individuals to perform to their best have and will continue to evolve with an emphasis on work life balance, flexibility and the working environment.

Diversity is a key enabler to any successful business. A lack of diversity in our people will impact on the achievement of our objectives.

Our biggest challenge is still to address attrition levels during the first year of training.

The wellbeing of our people is an important aspect of our business. The recent outbreak and uncertainty around the COVID-19 virus has put this clearly into focus.



Actions to mitigate risk

- We promote the Group's purpose through our value proposition to ensure we can attract the right quality of individual and retain our current people.
- We continue to make significant investment in HR resources at Group and Regional levels. These all support our HR programmes which are focused on addressing issues around attraction, development and retention.
- We are also addressing issues such as work-life balance, flexible working, benefits schemes and equality that are seen to have a positive impact on employees. Our Page programmes covering these areas have been rolled out around the Group. We conduct exit interviews to ensure that we are aware of any underlying issues that need to be addressed.
- We have invested in online learning capabilities. BOOST!, our Global training application is incorporated into a blended learning experience for our people.
- We have a truly Global talent, succession and development process that ensures a strong talent pipeline and addresses any gaps at senior management level.
- We have Group-wide initiatives which look at the issues around achieving diversity. These are part of our wider PageGroup programmes which combined will ensure we create an open environment where working practices suit and encourage diversity in all its aspects.
- We conduct regular employee surveys, the latest in 2019. This helps us to see how our people view working at PageGroup and provides feedback to enhance areas we do well and address areas for improvement.
- We have in place both a Group-wide health and safety policy, which places the health and safety of our people and the wider community involved with Page at the heart of our business. It also defines operational requirements which when combined with a tested incident response process enables us to effectively manage incidents which impact on our personnel.



Operational Risks

Information Systems

Our systems are an integral part of our operations. A major loss of systems' capability would have a high impact on our performance, impacting the quality of service we provide to clients and candidates and our ability to deliver our financial performance.

Failure of our IT systems to adapt to levels of business activity could result in lost opportunity during periods of rapid expansion or excessive costs during periods of contraction.

The move to the delivery of IT as a flexible service increases our reliance on third party vendors for service delivery. Should one of these vendors fail we are at risk of a service disruption.

Our systems must be able to adapt to the evolving technologies around Cloud to allow faster implementation of innovation or we could miss business opportunities.



Actions to mitigate risk

- We have aligned our IT management structure to meet business requirements with a focus on demand management and the processes to manage the delivery of IT change.
- We have increased the quality of support services implementing self service capabilities, simplifying and standardising our technology including the user desktop experience.
- Focus is given to programmes delivering the greatest benefits with greater engagement with business users to ensure that we build relevant IT systems.
- We have transitioned our activities to a Cloud based service model providing scalable and resilient services.
- Our central procurement team, in addition to supporting management in commercial negotiations, ensures that relationships with third parties are appropriately defined and managed. This includes strategic reviews, service delivery, compliance and process resilience.



Operational Risks

Cyber Security

Confidential, sensitive and personal data is held across the Group. Failure to secure and handle this data properly could result in loss of data or impairment of data quality, exposing the Group to loss of business, financial penalties and/or reputational damage.

The business relies on the use of systems to operate our activities effectively – any unauthorised access to these systems could disrupt their operation.

Our migration to a Cloud based service model, significant use of digital communications and the developing social media environment has increased the Group's exposure to external threats. We operate in an external environment that is seeing an increase in number and sophistication of cyber attacks from sources including organised crime and nation states.



Actions to mitigate risk

- We have information security policies in place for the management of confidential, sensitive and personal data. Security risks are identified through a structured process of assessment and a programme of remediation activities is executed with activities prioritised according to the associated level of business risk.
- We have a dedicated Global Information Security team that ensures our information remains protected. This includes ensuring appropriate multi-layered protection at network and system levels, and regular monitoring and third party testing of our capabilities. The team comprises Security Operations, Security Architecture and Information Security Management. The team deals with IT security matters and works directly with suppliers and key business stakeholders to ensure everyone across the business protects the data of our Group, our clients and our candidates.
- We have technical security protections in place that mitigate the risks posed by the use of modern communications media, Cloud services and mobile devices. The threat landscape is under constant review to ensure our technology provides the right level of protection.
- Supplier contracts are negotiated and reviewed to ensure data protection and IT security obligations are included as a standard requirement.
- New IT projects and initiatives are reviewed for security risk, to ensure new technologies are adopted safely.
- Security vulnerabilities are assessed regularly and the remediation of identified risks and alerts is tracked to conclusion. Regular security assurance checks take place across all regions and penetration testing is undertaken by specialist third parties.
- The Board and Audit Committee reviews data security on a regular basis and receives updates on the status of our security programme.
- We run an employee security awareness programme which includes training and security simulations.

Fiscal and legal compliance

The Group operates in a large number of legal jurisdictions that have varying legal, tax and compliance requirements. Any non-compliance with either client contract requirements or legislation and regulatory requirements could have an adverse effect on the Group's brands or financial results.



Actions to mitigate risk

- The General Counsel & Company Secretary and local legal and compliance teams are advised by leading external advisers, as required, with regard to changes in legislation that affect the Group's business, including employment, legislation, tax and corporate governance.
- Our staff receive induction training and regular updates regarding the Group's policies and procedures and compliance with relevant legislation covering, for example, discrimination, anti-bribery and corruption, sanctions and pre-employment checks.
- The Group has central tax and treasury functions, which support the management of the Group's tax and cash compliance including sanctions.
- The Group tax function regularly monitors transfer pricing requirements and developments to ensure that appropriate actions are being taken and appropriate documentation is being maintained to meet local reporting and compliance requirements.
- The Group holds all normal business insurance cover including employers' liability, public liability and professional indemnity insurance.
- Sales and procurement contracts include clauses to ensure the Group's rights are protected. All non standard contracts are legally reviewed and where appropriate approved by senior management.

Financial management and control

Failure to maintain adequate financial and management processes and controls could lead to either poor quality management decisions or errors in the Group's financial reporting.



Actions to mitigate risk

- The Group has in place financial policies and procedures which are reviewed on a regular basis.
- Regional and local finance teams ensure that Group reporting adheres to these policies as well as ensuring local statutory requirements are met. The Group Finance function reviews submissions to ensure policies are adhered to.
- Monthly management information is produced that supports effective financial management
- The Group operates regional shared service centres under a Global reporting structure which, as well as driving efficiencies, enables more effective control of activities through common processes and segregation of control activities.
- The Finance Structure supports local, regional and Group management structures.
- There are compliance teams located in each region that support the local, regional and Group management in ensuring revenues are appropriately recognised.
- Internal Audit regularly review local and regional financial controls and report on the results to the Executive Board and the Audit Committee.



Operational Risks


Data Protection Regulations

A Global operating business which relies on effective management of data needs to ensure it complies with the varying legislative requirements. These requirements have evolved significantly.

New European data protection legislation which came into force in May 2018 increased data governance and management requirements significantly, as well as increasing the potential penalties for non compliance or data breaches.

Legislation introduced in June 2017 in the People's Republic of China, requires data of Chinese citizens to be held and processed in Mainland China.

Change proposals are in process in countries such as Brazil which will continue to change the requirements on how business processes are operated.

Failure to maintain compliance in this changing environment could lead to increasing levels of penalty, legal consequences and reputational damage. 

Actions to mitigate risk

- A data protection office has been created with resources at Group and regional levels to ensure that processes continue to deliver against compliance requirements.
- The Group has engaged with external specialist providers of DPO services in each region to support our processes and ensure they continue to meet good practice requirements.
- A review of our processes and procedures in China has been conducted with the support of a third party specialist consultancy to validate compliance with an action plan in place to address any deficiencies.
- A Privacy Director has been recruited to support local management in developing plans to address new requirements in Brazil and the USA.
- Policies and processes such as crisis management, change management, contracts, third party service providers and HR and payroll policies have all been updated to reflect the additional requirements from data protection legislation.



Financial Risks

Macro-economic exposure

Recruitment activity is driven largely by economic cycles and the levels of business confidence. Businesses are less likely to need new hires and employees are less likely to move jobs when they do not have confidence in the market, so leading to reduced recruitment activity.

A substantial proportion of the Group's profits arise from fees that are contingent upon the successful placement of a candidate. In these cases if the client cancels the assignment at any stage in the process, the Group receives no remuneration.

The Geopolitical tensions around trade tariffs between the US and China continue to drive uncertainty into the Global economy.

In the UK, Brexit continues to create uncertainty, causing a nervous trading environment impacting on the performance of the economy.

The outbreak of the COVID-19 virus which has already impacted economic activity in China could have further significant impact on the economies in which we operate. 

Actions to mitigate risk

- We continue to diversify our business in terms of geography, and our historic reliance on the UK. We now operate in 36 countries with 84% of the Group's gross profit being generated outside of the UK.
- We also look for opportunities to diversify through the brands and disciplines in which we operate. We have increased the number of disciplines we support and continue to roll these out through our current office network. We have established 4 brands to address the different levels of the recruitment market, the clerical professional sector, the qualified professional market and the executive market, as well as project or volume recruitment
- We have also diversified our offering through the mix of permanent and temporary recruitment that we offer to the market. Temporary recruitment now represents over a quarter of the Group, and we are seeing new temporary markets start to emerge in places such as Asia and Latin America, where historically for cultural reasons one did not exist. The temporary business tends to be more resilient in times of economic downturn.
- We have also diversified by focusing on the local, domestic markets in which we operate. When we first enter a market, our brand awareness is stronger with multinational clients.
- We continue to focus on our cost structures, ensuring that costs are variable to levels of demand. As well as our variable operational staffing costs, our move to an IT service based model with our transition to the Cloud, enhances this capability. Our regional Shared Service Centre approach to support activities also gives us greater flexibility in resource allocations.

Foreign exchange translation

The majority of the Group's operating profit is derived from operations outside of the UK, so material changes in the strength of Sterling against the Group's main functional currencies could have an adverse effect on the Group's reported Sterling profits in the financial statements. The main functional currencies in addition to Sterling are the Euro, Australian Dollar, Swiss Franc, Chinese Renminbi, Hong Kong and US Dollars. 

Actions to mitigate risk

- We do not hedge our exposure to foreign exchange translation risk, instead focusing on ensuring the market adjusts correctly for any impact.
- We repatriate funds converting them to Sterling to fund returns to shareholders. Our Group Treasury function takes a lead role in the management of our cash resources.
- We have a negligible amount of cross border trading activity, so the impact on transactions is limited.

PRINCIPAL RISKS AND UNCERTAINTIES

Going concern

In adopting the going concern basis for preparing the financial statements for accounting purposes under International Accounting Standard 1 “Presentation of Financial Statements”, the Directors have considered the business activities of the Group as well as the principal risks and uncertainties as set out on pages 39 to 42. Based on the Group’s level of cash, the level of borrowing facilities available, the geographical and discipline diversification, the limited concentration risk, as well as the ability to manage the cost base, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these accounts. As a result, the going concern basis continues to be appropriate in preparing the financial statements.

Viability statement

Assessing the prospects of the Company

Our strategy and the key risks we face are described on pages 9 to 16 and 38 to 42. A full business forecasting process is performed on a quarterly basis, with a full budget for the following year created during October and November, being presented to the Board in December. The Board reviews the Group’s strategy and approves an annual Group budget. Performance is then monitored by the Board through the review of monthly reports showing comparisons of results against budget, quarterly forecasts and the prior year, with explanations provided for significant variances. Discussion around strategy is undertaken by the Board in its normal course of business, as well as at an annual dedicated strategy day.

We also prepare longer-term projections which drive our Strategic Vision. These are typically three years. Our Strategic Vision provides a clear vision for the Group, aligns the Group to one clear culture, provides

clarity on investment priorities, branding, belief in achievable goals, and clarity on the goals for our financial vision.

The period over which we confirm longer-term viability

Within the context of the above, in accordance with provision 31 of the 2018 revision of the UK Corporate Governance Code, the Board has assessed the viability of the Group. Given the inherent uncertainty involved, the period over which the Directors consider it possible to form a reasonable expectation as to the Group’s longer term viability is the three year period to 31 December 2022. This period has been selected as it is short enough to present the Board and, therefore, users of the Annual Report with a reasonable degree of confidence, while still providing an appropriate longer-term outlook. While the Board has no reason to believe the Group will not be viable over a longer period, the Board has taken into account the short-term visibility inherent in a recruitment business with a permanent recruitment bias.

Stress testing

The forecasting and budgeting process is also supported by scenarios that encompass a broad range of potential outcomes. These scenarios are designed to explore the resilience of the Group to the potential impact of the significant risks as set out on pages 39 to 42, or a combination of those risks. We considered cyber incidents, disintermediation by way of innovation, changes in technology, movements in foreign exchange rates, and a global downturn, which included modelling of the impact of global incidents such as COVID-19. We have assumed that, as in the past, as downside risks materialise our headcount will flex through natural attrition in line with the drop in gross profit, such that the impact on operating profit is partially mitigated.

The scenarios were designed to be severe, but plausible and were modelled individually

and in combination. In each case, the Group remained viable throughout. However, it is considered extremely unlikely that this combination of events would ever occur. Controls are also in place, where possible, to mitigate the impact of these scenarios and these are described on pages 39 to 42.

Various events may also alert the Main and Executive Boards to a potential threat to viability for example, a drop in GDP in a particular country may lead to a reduction in gross profit growth rates. We consider that this stress testing based assessment of the Group’s prospects is reasonable in the circumstances given the inherent uncertainty involved.

Confirmation of longer-term viability

The Directors confirm that their assessment of the principal risks and uncertainties facing the Group was robust.

Based upon the robust assessment of the principal risks and uncertainties facing the Company and the stress testing based assessment of the Company’s prospects, all of which are described above, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2022. However, we operate in an environment of limited visibility, dependent upon confidence in the global marketplace. Further weakness in the macro-economic outlook may cause us to adapt our strategy during the three-year period in response, leading to a re-evaluation of additional risks involved which might impact the business model.

Compliance with Section 414 of the Companies Act 2006

We have complied with the requirements under the provisions of The Companies Act 2006 contained in Sections 414CA and 414CB of the Companies Act 2006. The relevant references can be found below:

Description	Page
Business Model	5
Non-financial Key Performance Indicators	19-22
Description and management of principal risk and impact of business activity	37-42
Employees	25-34
Social and community	25-34
Respect for human rights	25-34
Anti-corruption and anti-bribery	61 and 69
Environmental matters	21-22 and 31

STAKEHOLDER ENGAGEMENT

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision-making.

In particular, section 172(1) states that regard should be had to the long term consequences of decisions, the interests of the company's employees, the need to foster the company's business relationships with suppliers, customers and others, the impact of the company's operations on the community and the environment, and the desirability of the company maintaining a reputation for high standards of business conduct.

Consideration of stakeholders' interests has always been integral to the work of the Board and in its decision making. The Board understands that providing global recruitment services touches many people's lives. It also understands the importance of ensuring it has an effective engagement framework to capture feedback on the business's impact. With this in mind, in 2019 the Board took the opportunity to formalise its approach to

stakeholder engagement and adopted a stakeholder engagement policy. The policy sets out its understanding of the Company's key stakeholders, their interests and how it seeks to engage with them.

The Board has had guidance on stakeholder issues and briefings from the General Counsel & Company Secretary and it has introduced a requirement that papers on topics which may impact stakeholder groups should seek to set out stakeholder interest matters wherever relevant.

The following describes how the directors have had regard to the matters set out in section 172(1) of the Companies Act 2006. This section of the strategic report and the pages to which it refers, comprises the Company's section 172(1) statement together with the statements as to how the directors have engaged with employees and had regard to their interests and how the directors have had regard to the Company's business relationships with customers, suppliers

and other external stakeholders.

During the year the Board reviewed and assessed who they considered to be the Company's key stakeholder groups. These are identified below together with the reasons why each stakeholder group is considered key.

Clients & Candidates: the success of the business depends on offering first class recruitment services and solutions to our customers.

Investors: providing returns to those who invest in the Company ensures our sustainability.

Employees: we are a people business and delivering the best service possible can only be achieved through having an engaged workforce.

Suppliers: our business needs responsible business partners with expertise in areas outside of recruitment.

Communities & Government: having a positive impact on society is inextricably linked to our culture.

Our commitment to our stakeholders

 Investors Look for investment growth and want confidence their investment is under sound stewardship.	 Clients & Candidates Rely on us to provide world class specialist recruitment services and solutions to help drive their business and careers forward.	 Employees Want to work in a supportive, inclusive culture where they experience real opportunities for development and a long and rewarding career.
 Communities & Government Need businesses that have a positive impact.	 Suppliers Seek strong and enduring partnerships based on fair terms.	

Mechanisms of Engagement & Feedback

 Investors AGM Investor Roadshows Consultation programmes Communications and publications – regular investor report provided to Board	 Communities & Government Review of CSR activity as part of culture review Annual consideration of tax strategy & modern slavery policy Regular updates to the Board on regulatory engagement	 Employees Have Your Say & glassdoor surveys @Page networks Yammer Board attendance at senior leadership conferences, office visits and company events Speak up helpline
 Clients & Candidates Customer satisfaction surveys Market deep dive presentations	 Suppliers Key Supplier relationships update Review of modern slavery policy and anti-bribery and corruption arrangements	

REVIEW OF STAKEHOLDER ENGAGEMENT

Clients & Candidates

- The Board reviews summary reports on client satisfaction surveys such as Feefo ratings and Net Promoter Scores. The Group's Marketing Director and Chief Operating Officer regularly attended Board meetings and strategy sessions to discuss feedback from clients and enabled review of initiatives designed to aid understanding of our customers' needs. This engagement has helped the Board prioritise investment in new technologies.
- To ensure it has up to date knowledge of market trends and economic factors, each year the Board identifies markets or regions it wishes to engage in deep dive sessions. In 2019 sessions on LATAM, India and Japan occurred and has resulted in assisting the Board making the key decisions in terms of location strategy and market focus.

Investors

- Quarterly reports are provided to the Board on shareholders' feedback.
- An extensive programme of investor engagement has occurred. In 2019, nine roadshows were undertaken. The Chief Executive Officer, Chief Finance Officer and Investor Relations team have also met with a number of shareholders over the course of the year.
- The Chairman has written to all of our largest shareholders and held individual meetings by way of follow up where shareholders are available.
- An extensive shareholder consultation exercise was undertaken across the shareholder base to gather views on the remuneration policy review. In total we engaged with investors that represent over two-thirds of our shares in circulation, and three key shareholder bodies.
- All of these engagement activities give rich feedback to our Board on investors' views on strategy and governance matters and has helped inform its decision making in many ways such as retention of the Group's remuneration structure and on-going commitment to the Group's Vision.

Employees

- Board members dedicated considerable time in the year to overseeing implementation of a robust culture framework and ensuring the employee voice is heard in the Boardroom.
- Our Non-Executive Directors gain insights into our workforce in a number of ways, including attendance at various Company events.
- Principal decision-making which took account of employees' interests included investing in a new operating system for consultants and undertaking to implement a more robust exit interview programme.
- Feedback from our all employee survey helped contribute to the new operating system being rolled out to consultants to consultants (see details on page 30) and insights from our employees contributed to the decision to launch a new exit interview programme.
- The Board is apprised of all calls to our "Speak Up" helpline and reviews the work undertaken in response to any calls received.

- Further discussion of Board engagement with our people is set out on page 30.

Communities & Government

- The Board strongly supports CSR and fundraising activity which is carried out around the world.
- Areas considered as crucial to the conduct of the Group's business in the wider community such as modern slavery and the Group's tax strategy are discussed at the Board or its Committees on an annual basis.

Suppliers

- Relationships with key suppliers are regularly discussed in Board meetings as seen this year with the quarterly updates the Board received on progress of the Global Finance System roll-out, which included details of the key supplier relationship.
- To ensure fairness and best practice for our suppliers the directors oversaw the roll-out of a refreshed anti-bribery and corruption policy and training programme.

- The Board consider it important to pay suppliers promptly. Our UK trading company's latest payment practice reporting shows that the average time taken to pay invoices is 2 days and 98% of invoices are paid within 30 days.

Case Study: Capital Allocation

Special Dividend

The Board declared a dividend of 26.43p for the year, of which 12.73p was a special dividend. This was a principal decision of the Company during the year. In determining whether to approve the special dividend the Directors considered a number of factors. The Directors considered the long-term success of the Company and the interests of the company's other stakeholders before approving the special dividend. The Board's consideration of those issues included a review of the Group's cash position, investment projects, history of returns, consensus for dividend per share, our competitors return rates and the appropriate allocation method i.e. special dividend vs. share buyback. It considered the Group's strong cash position net of investment and took account of on-going costs including employee and supplier costs and proposed investment into the business and its people. The Board concluded that payment of the dividend would benefit shareholders as a whole while ensuring the Company had appropriate resources to support other key stakeholder groups.

REVIEW OF THE YEAR

Financial summary	2019	2018	Change	Change CC*
Revenue	£1,653.9m	£1,549.9m	+6.7%	+7.0%
Gross profit	£855.5m	£814.9m	+5.0%	+5.0%
Operating profit	£146.7m	£142.5m	+3.0%	+2.2%
Profit before tax	£144.2m	£142.3m	+1.4%	
Basic earnings per share	32.2p	32.5p	-0.9%	
Diluted earnings per share	32.2p	32.4p	-0.6%	
Total dividend per share (excl. special dividend)	13.70p	13.10p	+4.6%	
Total dividend per share (incl. special dividend)	26.43p	25.83p		

*At constant currency – all growth rates in constant currency at prior year rates unless otherwise stated

At constant exchange rates, the Group's revenue increased 7.0% and gross profit increased 5.0% for the year ended 31 December 2019. At reported rates, revenue increased 6.7% to £1,653.9m (2018: £1,549.9m) and gross profit increased 5.0% to £855.5m (2018: £814.9m).

The Group's revenue mix between temporary and permanent placements was 61:39 (2018: 59:41) and for gross profit our permanent to temporary ratio was 75:25 (2018: 76:24). Revenue from temporary placements comprises the salaries of those placed, together with the margin charged. This margin on temporary placements increased slightly to 21.1% in 2019 (2018: 21.0%). Overall, pricing remained relatively stable across all regions, although a stronger

pricing environment was experienced in markets and disciplines where there were increased instances of candidate shortages.

Our Large, High Potential markets category increased gross profit by 9% in constant currencies and achieved a record gross profit of £298.1m, now representing 35% of the Group. This was achieved despite the tougher trading conditions in Greater China, due to trade tariff uncertainty in Mainland China and social unrest in Hong Kong. Excluding Greater China, growth was 16%.

Total Group headcount decreased by 74 in the year to close at 7,698. This comprised a net decrease of 89 fee earners (-1.5%) and an increase of 15 operational support staff (+0.9%). Our

fee earner headcount responded to the increasingly tough market conditions seen as the year progressed, with macro-economic uncertainties in many of our markets. Our operational support headcount increased to support our strategic transformation projects, although many of these came to an end towards the end of the year, with a net reduction of 37 in Q4. As a result of these movements, our fee earner to operational support staff ratio was 78:22 (2018: 79:21). In total, administrative expenses increased 5.4% to £708.8m (2018: £672.4m). The Group's operating profit from trading activities totalled £146.7m (2018: £142.5m), an increase of 2.2% in constant currencies and 3.0% in reported rates.

Regional reviews

Gross profit		Reported			CC
Year-on-year	% of Group	2019 (£m)	2018 (£m)	%	%
EMEA	49%	418.3	394.3	+6.1%	+7.0%
Asia Pacific	19%	163.3	161.2	+1.3%	-0.3%
Americas	16%	138.8	121.0	+14.7%	+13.8%
UK	16%	135.1	138.4	-2.4%	-2.4%
Total	100%	855.5	814.9	+5.0%	+5.0%
Permanent	75%	643.8	621.7	+3.5%	+3.3%
Temporary	25%	211.7	193.2	+9.6%	+10.4%

REVIEW OF THE YEAR

Europe, Middle East and Africa (EMEA)

EMEA	Gross profit (£m)		Growth rates	
(49% of Group in 2019)	2019	2018	Reported	CC
Gross profit	418.3	394.3	+6.1%	+7.0%
Operating profit	90.3	85.6	+5.5%	+6.5%
Conversion rate (%)	21.6%	21.7%		

Market presence

EMEA is the Group's largest region, contributing 49% of the Group's gross profit in the year. With operations in 17 countries, PageGroup has a strong presence in the majority of EMEA markets and is the clear leader in specialist permanent recruitment in the two largest, France and Germany. Across the region, permanent placements accounted for 68% and temporary placements 32% of gross profit.

The region includes four of our Large, Proven markets, France, Spain, Italy and the Netherlands, across which there is a broad range of competition. EMEA also includes Germany, one of the Group's Large, High Potential markets, which has low penetration rates (markets where less than 30% of recruitment is outsourced) and significant

growth potential, particularly in temporary recruitment. In addition, there are markets such as Poland, Turkey and Africa, which are less developed, with limited competition, but are increasingly looking for professional recruitment services.

Performance

In 2019, the EMEA region saw market conditions deteriorate as the year progressed, despite this, 9 countries delivered record gross profit for the year. In constant currencies, revenue increased 9.0% on 2018 and gross profit increased by 7.0%. In reported rates, revenue in the region was up 8.1% to £861.8m (2018: £797.4m), and gross profit increased 6.1% to £418.3m (2018: £394.3m).

Our largest businesses in the region, France

and Germany, together representing half of the region by gross profit, grew 4% and 20% respectively, for the full year in constant currencies. Michael Page Interim in Germany, which is mainly focussed on technology and where we continue to invest heavily in temporary and contracting recruitment, grew 38%. Elsewhere we saw good growth in Benelux of +9%, Italy +10% and Spain +5%, despite macro-economic uncertainty across the region.

The Middle East and Africa, which represented 4% of the region, grew 1%, with tougher trading conditions in Africa.

2019 operating profit increased 5.5% to £90.3m (2018: £85.6m), with the conversion rate broadly flat at 21.6% (2018: 21.7%). The region has the highest conversion rate in the Group, though was slightly moderated by more challenging macro-economic conditions as the year progressed.

Headcount across the region increased by 18 (+0.5%) to 3,317 at the end of 2019 (2018: 3,299). We continued to invest in markets where we saw growth, such as Germany, offset by managing down our headcount where we saw more challenging conditions.

Asia Pacific

Asia Pacific	Gross profit (£m)		Growth rates	
(19% of Group in 2019)	2019	2018	Reported	CC
Gross profit	163.3	161.2	+1.3%	-0.3%
Operating profit	19.8	26.8	-26.0%	-28.7%
Conversion rate (%)	12.1%	16.6%		

Market presence

Asia Pacific represented 19% of the Group's gross profit in 2019, with 76% of the region being Asia and 24% Australasia. Other than in the financial centres of Hong Kong, Singapore and Tokyo, the Asian market is generally highly under-developed and offers attractive opportunities in both international and domestic markets at good conversion rates. Two of our Large, High Potential markets, Greater China and South East Asia, are in this region. With a highly experienced management team, over 1,300 staff and limited competition, the size of the opportunity in Asia is significant. Across Asia, driven by cultural attitudes towards white collar temporary recruitment, permanent placements accounted for 94% and temporary placements 6% of gross profit.

Australasia is a mature, well-developed and highly competitive recruitment market.

PageGroup has a meaningful presence in permanent recruitment in the majority of the professional disciplines and major cities in Australia and New Zealand. Page Personnel has a growing presence and significant potential to expand and grow market share.

Performance

In Asia Pacific, in constant currencies, revenue increased 1.7% and gross profit decreased by -0.3%. In reported rates, revenue increased 2.5% to £273.4m (2018: £266.7m), while gross profit rose 1.3% to £163.3m (2018: £161.2m).

In Asia, representing 14% of the Group, gross profit declined -1%. Greater China declined -10% with trade tariff uncertainty impacting confidence, as well as social unrest in Hong Kong. South East Asia was up 6% on the prior year, with strong performances in our newer countries of Indonesia, Thailand and Vietnam, offset by tougher trading conditions in Singapore, which was impacted by the

contagion from trade tariff uncertainty. India, where we now have around 160 fee earners, delivered a record year with growth of 32%. Japan, where we invested heavily in fee earners, saw growth of 11% and delivered a record year. This was despite tougher trading conditions in the second half of the year, particularly amongst our international clients. Australia grew 3%, with tougher trading in New South Wales.

Operating profit decreased -26.0% to £19.8m (2018: £26.8m), with the conversion rate down at 12.1% (2018: 16.6%). Operating profit and conversion rate in the region were impacted by our continued investments in the two large, high potential markets, as well as investments in new offices in Bangalore and Canberra, the Nikkei market in Japan and new disciplines in Page Personnel Australia. Operating profit was also impacted by tougher trading conditions as a result of the trade tariff uncertainty in Mainland China, which also affected other markets in Asia, as well as the social unrest in Hong Kong.

Headcount across the region declined by -30 (-1.8%), ending the year at 1,679 (2018: 1,709). Our fee earner headcount in Greater China decreased in response to the tougher trading conditions, but we continued to invest elsewhere, particularly in India and Japan.

The Americas

Americas (16% of Group in 2019)	Gross profit (£m)		Growth rates	
	2019	2018	Reported	CC
Gross profit	138.8	121.0	+14.7%	+13.8%
Operating profit	19.3	16.7	+15.2%	+8.1%
Conversion rate (%)	13.9%	13.8%		

Market presence

The Americas represented 16% of the Group's gross profit in 2019, being North America (59% of the region) and Latin America (41% of the region). The US and Latin America are two of the Large, High Potential markets in our growth strategy. The US, where we have eight offices, has a well-developed recruitment industry, but in many disciplines, especially technical, there is limited national competition of any scale. PageGroup's breadth of professional specialisms and geographic reach is uncommon and provides a competitive advantage. Latin America is a highly under-developed region, where PageGroup enjoys the market leading position with around 800 employees in six countries and 13 offices. There are few international competitors and none

with regional scale. Across Latin America, permanent placements accounted for 87% of gross profit and temporary placements 13%.

Performance

In constant currencies, revenue increased by 18.9% and gross profit increased by 13.8%. In reported rates, revenue increased by 19.0% to £205.1m (2018: £172.3m) while gross profit increased 14.7% to £138.8m (2018: £121.0m).

In North America, our gross profit increased by 13% in constant currencies. The US grew 17%, despite a weaker financial services sector in New York. Our strategy of diversification continued, with particularly strong performances from our regional offices of Boston, Chicago, Houston, Los Angeles and Philadelphia. We increased our US fee earner

headcount by 14% compared to last year, as we continued to invest in this Large, High Potential market.

In Latin America, gross profit was up 14% year-on-year in constant currencies. Our business in Brazil delivered growth of 14%, with Mexico, our largest country in Latin America, delivering a record year, with growth of 20%. Elsewhere, the other four countries in the region, with a headcount of over 300, saw growth of 10%, collectively, despite tougher trading conditions in Chile in the second half of the year due to political and social unrest.

Operating profit increased 15.2% to £19.3m (2018: £16.7m), with a conversion rate of 13.9% (2018: 13.8%). The Americas was our fastest growing region. However, the conversion rate was broadly flat on the prior year as improvements in growth and productivity in most markets were offset by our continued investment in the two Large, High Potential markets in the region, as well as the challenging Financial Services market in New York and social unrest in Chile. Headcount across the region increased by 48 (+3.6%) in 2019 to 1,376 (2018: 1,328).

United Kingdom

UK (16% of Group in 2019)	Gross profit (£m)		Growth rate
	2019	2018	
Gross profit	135.1	138.4	-2.4%
Operating profit	17.3	13.4	+28.9%
Conversion rate (%)	12.8%	9.7%	

Market presence

The UK represented 16% of the Group's gross profit in 2019, operating from 26 offices covering all major cities. It is a mature, highly competitive and sophisticated market with the majority of vacant positions being outsourced to recruitment firms. PageGroup has a market leading presence in permanent recruitment across the UK and a growing presence in temporary recruitment. In the UK, permanent placements accounted for 69% and temporary placements 31% of gross profit.

The UK business operates under the four brands of Michael Page, Page Personnel, Page Executive and Page Outsourcing, with representation in 13 specialist

disciplines via the Michael Page brand. There remains opportunity to roll-out new discipline businesses under the lower salary-level Page Personnel brand, which now represents 26% of UK gross profit.

Performance

In the UK, revenue was flat on 2018 at £313.6m (2018: £313.5m), whereas gross profit declined -2.4% to £135.1m (2018: £138.4m), reflecting a slight swing to temporary recruitment as a result of the continued economic uncertainty.

The UK experienced challenging market conditions throughout the year due to continued Brexit uncertainty impacting candidate and client confidence. Page Personnel, which represents a quarter of

the UK, grew 2% and delivered a record year. Michael Page, which is focused on more senior opportunities and was impacted to a greater extent by the uncertainty, declined -4%.

Despite these challenging market conditions, operating profit increased 28.9% to £17.3m (2018: £13.4m) with the conversion rate increasing to 12.8% (2018: 9.7%). While some of the improvement in profitability was through tight control of our cost base, partly as a result of the reduction in headcount, our Customer First initiative that was implemented in 2018, also led to an increase in our conversion rate during the year. Customer First restructured the business, moving from operating on a discipline to a regional basis, to more closely align with our customers. This had the effect of increasing productivity and repeat business, a reduction in travel and drove a reduction in the UK management team.

Headcount decreased to 1,326 at the end of December 2019 (2018: 1,436). Our fee earner headcount reduced by 86 (8.6%) in response to the challenging trading conditions seen throughout the year.

REVIEW OF THE YEAR

Operating profit and conversion rates

The Group's organic growth model and profit-based team bonus ensures cost control remains tight. Approximately three-quarters of costs were employee related, including wages, bonuses, share-based long-term incentives, and training & relocation costs.

Depreciation and amortisation for the year totalled £57.5m (2018: £19.7m), the increase being due to £36.6m of additional depreciation as a result of IFRS 16. Amortisation relating to our operating system, PRS, was £6.2m (2018: £6.9m).

Our fee earner to operational support staff ratio was 78:22, as we reduced our fee earner headcount in response to the more challenging trading conditions seen across many of the Group's markets.

The Group's conversion rate for the year of 17.1% was a decline from 17.5% in 2018. This was due primarily to the tough trading conditions seen in a number of the Group's markets, many of which have the highest conversion rates in the Group.

In EMEA, conversion was broadly flat on 2018 at 21.6%. This was a combination of more challenging macro-economic conditions, offset by our continued focus on conversion. In the UK, the conversion rate increased from 9.7% to 12.8% as we managed our cost base in response to the continued Brexit uncertainty. In Asia Pacific, conversion fell to 12.1% (2018: 16.6%), mainly due to the tougher trading conditions as a result of the trade tariff uncertainty in Mainland China and social unrest in Hong Kong. The Americas' conversion rate was broadly in line with 2018 at 13.9%. This was our fastest growing region, benefiting from our investment in its two Large, High Potential markets.

A net interest charge of £2.4m was primarily due to an IFRS 16 interest charge of £2.0m. Excluding IFRS 16, the net interest charge of £0.4m reflected borrowing facility charges, partially offset by interest income, albeit in the continued low interest rate environment.

Earnings per share and dividends

In 2019, basic earnings per share decreased -0.9% to 32.2p (2018: 32.5p), due to an increase in the effective tax rate from 27.1% to 28.3%. Diluted earnings per share, which

includes the dilutive effect of share options, decreased -0.6% to 32.2p (2018: 32.4p).

The Group's strategy is to operate a policy of financing the activities and development of the Group from our retained earnings and to maintain a strong balance sheet position. We first use our cash to satisfy our operational and investment requirements and to hedge our liabilities under the Group's share plans. We then review our liquidity over and above these requirements to make returns to shareholders, firstly by way of an ordinary dividend.

Our policy is to grow this ordinary dividend over the course of the economic cycle, in line with our long-term growth rate. We believe this will enable us to sustain the level of ordinary dividend payments during a downturn as well as to increase it during more prosperous times.

Cash generated in excess of these first two priorities will be returned to shareholders through supplementary returns, using special dividends or share buybacks.

In line with the growth rates and increase in operating profits, a final dividend of 9.40p (2018: 9.00p) per ordinary share is proposed. When taken together with the interim dividend of 4.30p (2018: 4.10p) per ordinary share, this is an increase in the total dividend for the year of 4.6% over 2018 to 13.70p per ordinary share.

The proposed final dividend, which amounts to £30.2m, will be paid on 19 June 2020 to shareholders on the register as at 22 May 2020, subject to shareholder approval at the Annual General Meeting on 4 June 2020.

After consultation with our shareholders, we also paid a special dividend of 12.73p per share (2018: 12.73p per share) on 9 October 2019, totalling £40.7m. We will continue to monitor our cash position in 2020 and will make returns to shareholders in line with the above policy.

Cash flow and balance sheet

Cash flow in the year was strong, with £194.1m (2018: £131.7m) generated from operations. The closing cash balance was £97.8m at 31 December 2019, broadly in line with the prior year. The movements in the Group's cash flow in 2019 reflected the underlying trading conditions, with a £15.9m increase in working capital.

The Group had a £50m invoice financing arrangement, £30m revolving credit facility and £21m uncommitted overdraft facilities

to support cash flows across its operations and ensure rapid access to funds should they be required. None of these were in use at the year end.

Income tax paid in the year was £37.0m (2018: £41.0m) and net capital expenditure in 2019 was £24.6m (2018: £24.4m). Spending on software increased from 2018 as we completed the roll-out of our new Global Finance System and commenced the implementation of our new Customer Connect operating system. Spending on property, plant and equipment decreased, with no significant office moves in the year, as well as a reduction in our fee earner headcount.

Dividend payments were up on the prior year at £83.5m (2018: £81.3m). The generally lower share price in 2019 meant that there was a decrease in cash receipts from share option exercises, with £7.2m in 2019, compared to £26.9m in 2018. In 2019, £10.0m (2018: £11.6m) was also spent on the purchase of shares by the Employee Benefit Trust to satisfy future obligations under our employee share plans.

The most significant item in our balance sheet was trade receivables, which amounted to £271.1m at 31 December 2019 (2018: £288.2m), comprising permanent fees invoiced and salaries and fees invoiced in the temporary placement business, but not yet paid. Day's sales in debtors at 31 December 2019 were 52 days (2018: 54 days).

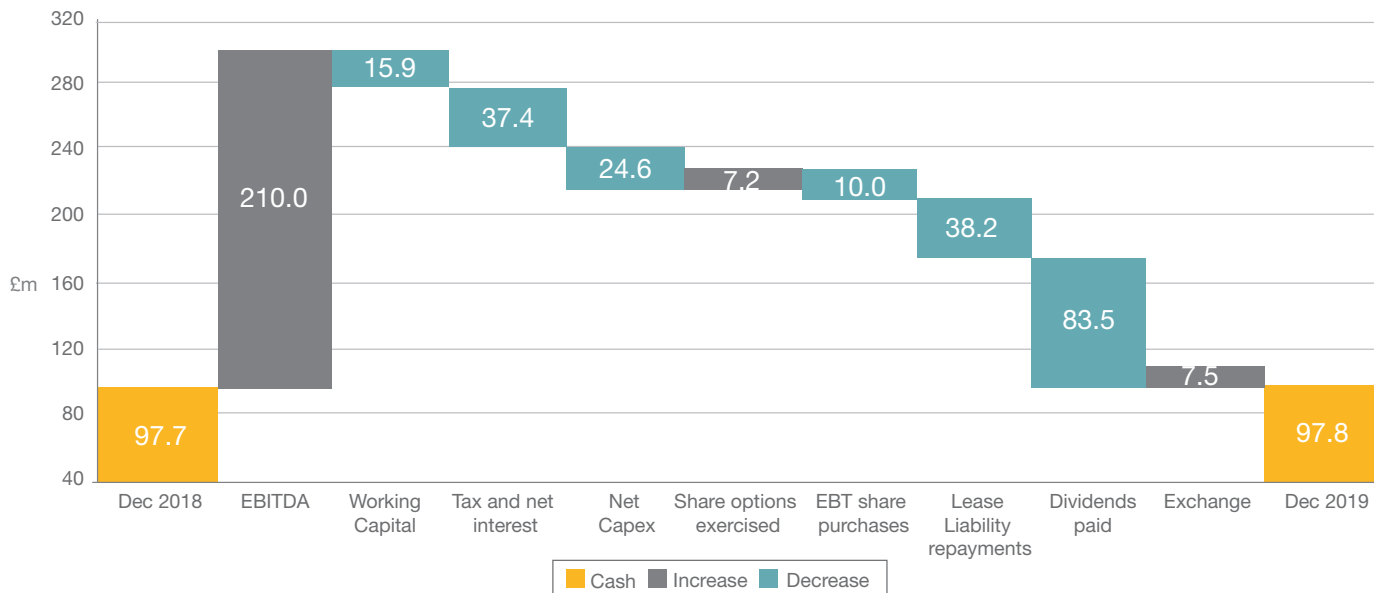
Foreign exchange

Foreign exchange had a negligible impact on the Group's results for the year. However, if 2019 results were restated at current exchange rates, this would reduce Group gross profit by c. £15m and operating profit by c. £3m. In addition, current rates also remain substantially below pre-Brexit levels.

IFRS 16 – Leases

The Group is reporting under the new accounting standard, IFRS 16, for the first time. Under IFRS 16, the straight-line rental expense of £38.5m has been replaced with a depreciation charge in respect of the right of use assets of £36.6m. This has resulted in an increase to EBITDA of £38.5m and an increase to EBIT of £1.9m. An interest charge in respect of the lease liabilities of £2.0m has also been recognised resulting in a decrease in Profit Before Tax of £0.1m.

Cash flow waterfall 2019



Taxation

The tax charge for the year was £40.8m (2018: £38.6m). This represented an effective tax rate of 28.3% (2018: 27.1%). The rate is higher than the effective UK rate for the calendar year of 19% (2018: 19%) principally due to the impact of higher tax rates in overseas countries and to a lesser extent disallowable expenditure. There are some countries in which the tax rate is lower than the UK, but the impact is small either because the countries are not significant contributors to Group profit, or the tax rate difference is not significant.

In 2019, the tax rate was impacted primarily by higher tax in overseas countries (+4.0%), tax on share-based payments (+0.8) and other permanent differences (+1.0%), principally employee related expenditure and entertainment expenses.

The tax charge for the year reflects the Group's tax strategy, which is aligned to business goals. It is PageGroup's policy to pay its fair share of taxes in the countries in which it operates and deal with its tax affairs in a straightforward, open and honest manner. The Group's

tax strategy is set out in detail on our website in the Investor section under "Responsibilities".

Share options and share repurchases

At the beginning of 2019 the Group had 10.6m share options outstanding, of which 4.3m had vested, but had not been exercised. During the year, options were granted over 1.9m shares under the Group's share option plans. Options were exercised over 1.7m shares, generating £7.2m in cash, and options lapsed over 0.5m shares. At the end of 2019, options remained outstanding over 10.3m shares, of which 4.2m had vested, but had not been exercised. During 2019, 2.2m shares were purchased for the Group's Employee Benefit Trust, and no shares were cancelled (2018: 2.2m shares were purchased and no shares were cancelled).

Audit tender

The Company last tendered its audit services in 2011. In accordance with good governance practices, this year the Company will undertake a competitive tender for its external audit services and

currently plans to announce the outcome of the process ahead of the Annual General Meeting on 4 June 2020.

Approved by the Board on 4 March 2020 and signed on its behalf by:

Kelvin Stagg

Chief Financial Officer

CHAIRMAN'S INTRODUCTION TO CORPORATE GOVERNANCE



David Lowden,
Chairman

Dear Shareholder,

On behalf of the Board, I am pleased to present the Company's Corporate Governance Report for the financial year ended 31 December 2019. Your Board continues to believe that sound governance, embedded across the Group, is fundamental to the long-term success and sustainability of the business.

Corporate governance

This Corporate Governance Report sets out how the Company has complied with the UK Corporate Governance Code 2018 (the "Code"). It also seeks to explain the work and activities of the Board, and the work of its Committees and details the annual evaluation process.

In 2019 the Board worked hard to ensure that the principles and provisions of the Code had been fully adopted across the business. The Board has also sought to build meaningfully upon the Company's corporate governance framework by ensuring the insights and results produced by the Code's changes are utilised in its decision making. The changes have undoubtedly supported the Board in its stewardship of the Company in the year under review and the Board is confident that this will continue in the future.

A summary of the corporate governance changes implemented due to the introduction of the updated Code together

with the key changes the Board has overseen via its Committees, can be found on page 59.

The Group's Main Board and Committee structure is outlined below. This framework underpins the Board's ability to set the overall strategic direction of the Group. It also supports its core values, policies and procedures, which in turn, creates a culture in which our business and employees can act effectively and with integrity, while driving profitable growth.

Board composition and activities

The Board regularly reviews its composition to ensure it can draw upon a wide range of skills and experiences to discharge its responsibilities and that it is well placed to respond to future challenges. The Board understands the importance of regularly refreshing its membership. The most recent additions to the Board were made in late 2017, with the appointment of Sylvia Metayer and Angela Seymour-Jackson. In 2019 there

Our Corporate Governance Framework

The Board

The Board's role is to provide entrepreneurial leadership of the Group within a framework of prudent and effective controls which enable risk to be assessed and managed. It has a formal schedule of matters reserved for its decision. **More details on pages 58 to 62.**

Nomination Committee

Responsible for ensuring that the Company has the executive and non-executive Board leadership it requires.
Details on pages 63 to 64.

Audit Committee

Responsible for the integrity of the Company's financial statements and performance, ensuring the necessary internal controls and risk management systems are in place and effective.
Details on pages 65 to 69.

Remuneration Committee

Responsible for the review, recommendation and implementation of the Group's remuneration strategy, its framework and cost.
Details on pages 70 to 94.



were no changes to the Board. The Board is confident that it has built a strong and well balanced team, able to assess the current environment in which the Group operates, and the Board's stability will help guide the business in the foreseeable future.

In addition to the focus on governance throughout the year, the Board's activities have focused primarily on implementing

the Group's strategy against a backdrop of more difficult economic conditions. It also sought to embed the Group's culture framework, monitor and progress our diversity and inclusion agenda and succession planning, and ensure all of our stakeholders are properly recognised and considered.

I hope you find our Corporate Governance Report informative. I will

be available at the 2020 Annual General Meeting to respond to any questions you may have on this Report.

David Lowden

Chairman

4 March 2020

Chief Financial Officer (CFO)

Responsible for managing the financial risks, reporting and planning of the Group.



Chief Executive Officer (CEO)

Key responsibility is to develop and deliver the Group's strategy within the policies and values established by the Board.



General Counsel & Company Secretary

Responsible for ensuring the Board complies with all legal, regulatory and governance requirements.

Executive Board

The Executive Board is chaired by the CEO and includes the CFO. The Executive Board is responsible for overseeing operations in our regions and for overseeing business operational functions Group-wide.

Details on page 57.

OUR BOARD OF DIRECTORS



David Lowden, Chairman

Date of Appointment:
Director
August 2012

Chairman
December 2015

Past Roles:

David was a member of the Board of Taylor Nielson Sofres plc, the marketing services business, from 1999 to 2009, becoming Chief Executive Officer in 2006. Before joining Taylor Nielson Sofres plc David held senior financial positions in Asprey plc, A.C. Nielsen Corporation and Federal Express Corporation. David was also Senior Independent Director and Chairman of the Remuneration Committee of Berensden plc from March 2010 until September 2017. From April 2011 to March 2019 he was a Non-Executive Director and Chairman of the Audit and Risk Committee of William Hill plc.

Other Current Appointments:

Non-Executive Director of Huntsworth plc with effect from 1 January 2019 and Chairman of the Board of Huntsworth plc and Nomination Committee with effect from 6 March 2019. Senior Independent Director from 1 January 2019 of Morgan Sindall Group plc.

Board Committees:

Nomination (Chairman)

Skills and Experience:

- Extensive experience in both general management and financial management
- Many years of operating within international businesses with cultural diversity
- Strong strategic understanding
- Proven ability for delivering shareholder value
- Strong financial, marketing and commercial skills
- Experienced non-executive in several sectors

Contribution:

The Company's long-term sustainability is safeguarded by having an effective chair of the Board and David Lowden successfully fulfils this role. His experience is significant having held senior non-executive and chair positions across a range of listed companies. The Board draws upon his experience and guidance regularly and his deep understanding of the business enables him to ensure the needs of the business are met across the range of strategic and governance matters affecting the Company.



Steve Ingham, Chief Executive Officer, Executive Director

Date of Appointment:
Plc Board
February 2001

Chief Executive Officer
April 2006

Past Roles:

Steve joined Michael Page in 1987 as a consultant with Michael Page Marketing and Sales. He was responsible for setting up the London Marketing and Sales business and was promoted to Operating Director in 1990. Having launched several new discipline businesses, he was appointed Managing Director of Michael Page Marketing and Sales in 1994. Subsequently Steve took additional responsibility for several businesses. He was promoted to the Board as Executive Director of UK Operations in February 2001 and subsequently to Managing Director of UK Operations in May 2005. Steve was appointed Chief Executive Officer in April 2006.

Prior to joining PageGroup Steve spent four years at Johnson Matthey in Sales and Marketing as a qualified metallurgist. From 8 January 2013 to 9 April 2019 he held the position of Non-Executive Director, Debenhams plc.

Other Current Appointments:

Member of the Corporate Partnership Board, Great Ormond Street Hospital.

Board Committees:

None

Skills and Experience:

- 33 years' service with the Group and recruitment industry
- 13 years as a CEO of a FTSE 250 public company, with strong IR skills, delivering shareholder value

- Strong entrepreneurial and strategic skills having initiated and grown many new global businesses
- Extensive experience in business development and account management
- Significant international experience including the emerging markets of SE Asia, China, Latin America and India
- Leadership of a global people business having seen PageGroup grow from 200 to approaching 8,000 employees
- Taken the Group through a restructure to ensure total global consistency of all operational support functions
- Experience in other sectors and industries having worked on the Boards of a major charity and retailer
- Awarded the Institute of Recruitment Professionals Lifetime Achievement Award in 2017

Contribution:

Steve Ingham's contribution is necessary to enable the Company to deliver its strategy to shareholders and its wider stakeholders. He has unparalleled understanding of the business, culture and future goals of the Company. These skills are gained by his extensive experience of working within the industry and for the organisation itself. He has 33 years' experience of the Company and the recruitment sector and has a strong record of delivering sustainable success for the Company over the last decade.



Kelvin Stagg,
Chief Financial Officer,
Executive Director
Date of Appointment:
June 2014

Past Roles:

Kelvin joined PageGroup plc in July 2006 as Group Financial Controller and Company Secretary. He was appointed Acting Chief Financial Officer in October 2013. He held the title of Company Secretary until December 2013. In June 2014 Kelvin was appointed Chief Financial Officer. Prior to joining the Group, Kelvin spent six years at Allied Domecq and three years at Unilever in a variety of finance functions. He has significant international experience and has high levels of compliance, change management, large teams and systems experience, across almost every finance discipline. He is a Chartered Management Accountant.

Other Current Appointments:

None

Board Committees:

None

Skills and Experience:

- More than ten years in the Group with a detailed knowledge of the Group's operations

- Extensive experience in finance, audit and risk management
- Significant international experience including roles in the UK, Continental Europe and Asia
- High levels of compliance, change management, large teams and systems experience, across almost every finance discipline
- Strong network of finance professionals

Contribution:

Kelvin Stagg is integral to the Company's long-term success as he manages the financial risks, reporting and planning of the business, contributes to the Company's strategy and oversees global delivery of all support services to the business including implementation of all large scale projects. He has extensive experience of managing multi-discipline areas and having been employed for over 13 years at the Company, he understands the operation of the business at all levels.



Simon Boddie,
Independent
Non-Executive
Director
Date of Appointment:
September 2012

Past Roles:

Simon qualified as a Chartered Accountant with Price Waterhouse. He was Group Finance Director of Electrocomponents plc from 2005 until 2015. Prior to that Simon held a variety of senior finance positions with Diageo over a 13-year career, latterly Finance Director of Key Markets.

Other Current Appointments:

Chief Financial Officer, Coats Group plc.

Board Committees:

Audit (Chairman), Nomination, Remuneration

Skills and Experience:

- CFO of FTSE 250 public company for over ten years
- Extensive experience in financial, audit and risk management
- Many years of operating within international businesses with cultural diversity

- Emerging markets experience
- Strong strategic and commercial understanding
- Broad industry experience, including consumer goods, distribution and manufacturing
- Proven ability for delivering shareholder value

Contribution:

Simon Boddie's contribution to the Board and the Audit Committee can be summarised by reference to his thorough understanding of financial matters facing large listed global entities. For over 10 years he has held executive director positions in global FTSE 250 businesses as a Chief Financial Officer and, as such, is ideally placed to ensure scrutiny and rigour in respect of financial reporting and internal and external controls.

OUR BOARD OF DIRECTORS



Michelle Healy,
Independent
Non-Executive Director
Date of Appointment:
October 2016

Past Roles:

Before joining Kerry Group plc, Michelle was Group People & Culture Officer for ISS World Services A/S. Prior to this she has held a number of senior executive roles including Director, Group Integrated Change Programme at SABMiller plc and General Manager UK & Ireland for British American Tobacco plc, having previously undertaken a number of senior HR roles within the Group. Michelle's executive career spans four global listed companies and she has lived and worked in nine countries across Europe and Asia.

Other Current Appointments:

Chief Human Resources Officer, Kerry Group plc

Board Committees:

Audit, Nomination, Remuneration

Skills and Experience:

- Extensive experience in global human resources leadership
- Extensive experience in leading and delivering

organisational change and transformation

- Breadth and depth of leadership experience in global listed businesses in service, consumer and business to business
- Strong strategic understanding
- Extensive experience in general management

Contribution:

The Company's long-term success is highly influenced by ensuring it has a well thought through human capital strategy. It recognises its people are at the heart of everything it does, particularly as an organically grown business. Michelle Healy offers the Board deep insight into its approach in this respect. She has held a number of senior HR leadership roles while also having run businesses at an operational level.



Patrick De Smedt,
Senior Independent
Director
Date of Appointment:
August 2015

Past Roles:

Patrick spent 23 years at Microsoft during which time he founded the Benelux subsidiaries, led the development of its Western European business and served as Chairman of Microsoft for Europe, Middle East and Africa. Since leaving Microsoft in 2006, Patrick has served on the boards of a number of European public and private companies. His previous appointments include, Non-Executive Director and Chairman of the Remuneration Committee of Victrex plc, Senior Independent Director and Chairman of the Remuneration Committee of Morgan Sindall plc and Chairman (Interim) KCOM Group plc. He has deep knowledge of international markets and information technology, and experience as a non-executive in diverse industry sectors.

Other Current Appointments:

Non-Executive Director of EMIS Group plc with effect from 1 January 2020 and Chairman of the Board of EMIS Group plc and Nomination Committee with effect from May 2020. Non-Executive Director of Kodak Alaris Holdings Ltd and Non-Executive Chairman of GCI Management Services Ltd.

Board Committees:

Audit, Nomination, Remuneration

Skills and Experience:

- Extensive experience of technology and customer services
- Experienced non-executive in several sectors
- Extensive experience in general management
- Many years of operating within international businesses with cultural diversity
- Proven ability for delivering shareholder value
- Leading and changing large businesses

Contribution:

Patrick De Smedt brings extensive understanding of technology to the Board, a key consideration for any company's long-term success. His experience at Microsoft and involvement with a range of technological industries in international markets is invaluable in the Board's decision making. He understands large-scale transformation projects and can assist the Board in determining the benefits and threats posed by technologies in the sector.



Sylvia Metayer,
Independent
Non-Executive
Director

Date of Appointment:
September 2017

Past Roles:

Sylvia has previously held a variety of finance and general management roles in companies operating in a number of sectors, including Mattel Inc., Vivendi SA, and Houghton Mifflin Harcourt & Co.

Other Current Appointments:

Chief Growth Officer of Sodexo SA leading strategy, digital, marketing and sales and member of the Sodexo Group Executive Committee. Trustee of the Quebec-Labrador Foundation and a member of the International Advisory Board of HEC Business School, Paris.

Board Committees:

Audit, Nomination, Remuneration

Skills and Experience:

- Extensive experience and understanding of international markets, including the USA, Europe, China, India, and South East Asia

- Extensive experience in general and financial management
- Leading and delivering change
- Finance, HR, IT and Supply Chain management
- Proven ability for delivering shareholder value
- Strong strategic understanding

Contribution:

Sylvia Metayer has significant experience working for international organisations in finance and general management leadership positions. Her guidance and observations on the demands and challenges in the various international markets in which the Company operates strongly supports the Company's expansion and its ongoing success. Further, her financial acumen adds additional strength and depth to the Company's strategic decision-making.



**Angela Seymour-
Jackson,**
Independent
Non-Executive Director

Date of Appointment:
October 2017

Past Roles:

Angela has previously held Executive Director roles with Aegon UK, RAC Motoring Services Limited and Aviva UK Limited, and was Senior Advisor to Lloyds Banking Group (insurance). Prior to that Angela held senior marketing roles with Bluecycle.com Limited, CGU Insurance plc, General Accident plc and the Norwich Union Insurance Group. Angela has also served as a Non-Executive Director of esure plc.

Other Current Appointments:

Deputy Chairman, Senior Independent Director and Chair of the Remuneration Committee at GoCompare.com Group plc; Non-Executive Director at Janus Henderson Group plc, Rentokil Initial plc and Trustpilot Limited.

Board Committees:

Audit, Nomination, Remuneration

Skills and Experience:

- Wealth of experience in service focused organisations
- Experienced executive and non-executive in several sectors
- Strong marketing and commercial skills
- Strong strategic understanding
- Member of the Chartered Institute of Marketing

Contribution:

Angela Seymour-Jackson has held numerous senior executive marketing roles and non-executive director appointments in highly regulated environments. She therefore provides key skills to the Board in respect of marketing and customer services which are significant areas of focus for the Company. Her experience in the highly regulated industries means that Angela makes a valuable contribution as Chair of the Remuneration Committee.



Kaye Maguire,
General Counsel &
Company Secretary

Date of Appointment:
October 2018

Past Roles:

Prior to joining PageGroup plc, Kaye spent over 9 years at Legal & General Group plc and held a variety of senior positions including Chief Resourcing & Legal Officer at Legal & General Investment Management Limited. Prior to this she worked as a solicitor for a number of top tier law firms including Hogan Lovells and Allen & Overy.

Skills and Experience:

- Over 16 years' experience in legal and company secretarial matters for public companies
- Extensive listed company, compliance, litigation and corporate governance experience
- Senior legal counsel experience in FTSE 250 companies across different sectors

THE EXECUTIVE BOARD



Steve Ingham
Chief Executive Officer,
Executive Director

See biography on page 53.



Gary James
COO & Executive Board Director,
Australasia

Gary joined Michael Page Finance in London in 1984. He was appointed director of Michael Page UK Sales and Marketing in 1994 and Managing Director of Michael Page UK Marketing in 1997. In 2002 he transferred to the USA on his appointment as Managing Director of our business in North America. He was appointed Regional Managing Director of the Asia Pacific region in August 2006. Since 2019 Gary has been responsible for the Group's global HR functions.



Patrick Hollard
Executive Board Director,
Latin America, Middle East and Africa

Patrick joined Michael Page in France in 1996, having worked previously for KPMG Peat Marwick. Prior to that, he had been Vice-President of AISEC International, the student-led organisation, from 1991 to 1992. Appointed director in 1999, he moved to Sao Paulo to launch Michael Page Brazil, and then launched offices in Mexico in 2006, Argentina in 2008, Chile in 2010 and Colombia in 2011. Appointed Regional Managing Director in 2007, he is now responsible for PageGroup's operations in Latin America, Middle East and Africa.



Kelvin Stagg
Chief Financial Officer,
Executive Director

See biography on page 54.



Anthony Thompson
Executive Board Director,
Asia

Anthony moved from South Australia to commence his Michael Page career in Hong Kong in 2001. He managed and established several disciplines and brands in Hong Kong and China and was appointed Managing Director, Hong Kong and Southern China in 2006. In 2012, he was appointed Regional Managing Director for Greater China with several offices established across China, Hong Kong and Taiwan. In 2015, Anthony moved to Singapore with additional responsibility for PageGroup in South East Asia which now encompasses offices in Singapore, Malaysia, Indonesia, Thailand and Vietnam. In 2016 he also became responsible for India. Anthony is currently responsible for PageGroup's operations in Asia.



Oliver Watson
COO & Executive Board Director,
North America

Oliver joined Michael Page in 1995 as a consultant in London. He was appointed director of Michael Page UK Sales in 1997 and then managing director in 2002. In 2006, he was appointed Regional Managing Director for Michael Page UK Sales, Marketing and Retail. In 2007, he launched Michael Page Middle East and has since developed our office network across the region. In 2009, he became Regional Managing Director for Michael Page UK Finance, Marketing and Sales, Middle East, Scotland and Ireland. He is now responsible for PageGroup's operations in, USA and Canada. In 2018 Oliver was appointed COO with responsibility for increasing productivity through innovation, technology and people. He is responsible for the Group's Global IT functions.

CORPORATE GOVERNANCE REPORT

The Board and its operation

The Board of PageGroup plc is the body responsible for the overall management and conduct of the Group's business, and agreeing its strategy. It has the powers and duties set out in relevant laws of England and Wales and in its Articles of Association.

The Board's role is to provide strategic leadership to the Group within a framework of prudent and effective controls which enables risk to be anticipated, assessed and managed. The Board is responsible collectively to the Company's shareholders for the long-term success of the Company and for ensuring the Company contributes to all its stakeholders and to wider society as a whole.

Composition of the Board

As at the end of the year under review the Board comprised the Chairman, the Chief Executive Officer, the Chief Financial Officer and five independent Non-Executive Directors. The biographies of each of the Directors and the contribution each Director makes to the Board can be found on pages 53 to 56.

The composition of the Board is kept under review to ensure it has at its disposal the necessary skills and experience to lead the Group. It also monitors the independence of the Directors. The Board considers all current Non-Executive Directors to be independent. In addition, the Board determined that David Lowden was independent at the time of his appointment as Chairman.

There is a clear division of responsibilities between the role of the Chairman and that of the Chief Executive Officer. While the Board is responsible collectively for the success of the Company, the Chairman manages the Board to ensure that the Company has appropriate objectives and an effective strategy. He ensures that there is a Chief Executive Officer with a team to implement the strategy and that there are procedures in place to inform the Board of performance against objectives. The Chairman also ensures that the Company operates in accordance with the principles of good corporate governance. The Chairman's other significant commitments are noted on page 53. The Board considers that these are not a constraint on the Chairman's agreed time commitment to the Company.

Patrick De Smedt, as Senior Independent Director, acts as an alternative channel of communication for shareholders. He also acts as a sounding board for the Chairman and serves as an intermediary for other Directors.

Steve Ingham, the Chief Executive Officer, has overall responsibility for the day-to-day management of the Group's operations. He develops the vision and strategy for the Board's review, implements the Board's strategy and chairs the Executive Committee (known within the Group as the "Executive Board") which executes the delivery of the annual operating plans. He also leads the programme of communication with shareholders.

Executive and Non-Executive Directors are equal members of the Board and have collective responsibility for Board decisions. The Non-Executive Directors bring a wealth of skills and experience to the Board and its Committees.

The Board has a formal schedule of matters reserved for its decision which include:

- Group strategy and corporate objectives;
- determining the nature and extent of the significant risks the Board is willing to take in achieving the strategic objectives of the Company;
- major changes to the nature, scope or scale of the business of the Group;
- corporate governance matters;
- approval of Nomination Committee recommendations on the appointment and removal of Directors and succession planning;
- changes to the Group's capital structure and approval of any business plan prior to a new entity being established in a new territory;
- financial reporting, audit and tax matters;
- material contracts and transactions not in the ordinary course of business;
- material capital expenditure projects;
- approval of the annual budget;
- obtaining major finance; and
- communications with stakeholders and complying with regulatory requirements.

Induction, training and information

Relevant training, advice and information is made available to Directors to enable the Board to function effectively and efficiently. This is achieved through a variety of means such as internal and external presentations from advisors and tailored guidance briefings circulated to Board members. As and when new Directors join the Board, the Chairman assisted by the General Counsel & Company Secretary are responsible for their induction. On appointment to the Board, each Director discusses with the Chairman and the General Counsel & Company Secretary the extent of the training required. A tailored induction programme to cover their individual requirements is then compiled. Elements of the programme consist typically of meetings with senior executives, site visits, attending internal conferences and consultant shadowing to understand the day-to-day activities of a recruitment consultant. In addition, information is provided on the Company's services, Group structure, Board arrangements, financial and environmental, social and governance information, detailed market presentations, and significant and emerging risks.

Directors update and refresh their knowledge and familiarity with the Group through site visits, participation at meetings with, and receiving presentations, from senior management. This is in addition to the access that every Director has to the advice and services of the General Counsel & Company Secretary. The General Counsel & Company Secretary is present at all Board meetings and is responsible to the Board for ensuring that Board procedures are complied with as well as advising the Board on new legislation and corporate governance matters. Board Committees and Directors are also given access to independent professional advice at the Group's expense if the Directors deem it necessary in order for them to carry out their responsibilities.

The Board operates an annual cycle of matters for its consideration, supplemented with strategic topics and governance matters. Governance matters are reviewed to ensure a strong link to strategy. Board agendas are also kept under continuous review to ensure any matter that requires escalation to the Board can be accommodated. For each Board and Committee meeting Directors

CORPORATE GOVERNANCE REPORT

receive a pack of relevant information on the matters to be discussed. The Board uses a third party board portal to distribute information quickly and securely. The Chief Executive Officer presents a comprehensive update on the business issues across the Group to the Board and the Chief Financial Officer presents a detailed analysis of the financial performance. The Board also receives at each Board Meeting an Investor Relations Report, including any feedback from investors and Investor Roadshows. Regional Managing Directors and other senior managers also attend relevant parts of Board meetings and the Board Strategy Day in order to make presentations on their areas of responsibility. All of the above gives a comprehensive view on the issues facing the business and enables robust review of the current and future performance of the Group.

Board activities

Culture and engagement: To ensure senior appointments are considered against a backdrop of the Company's purpose, culture, strategy and values all senior management promotions are discussed at the Board.

The Board commenced its formal work on culture in 2018 and embedded this throughout 2019. The five-pillar culture framework was discussed in depth at the Group's strategy day and results of the measures monitoring culture were considered at the end of the year. This enabled the Board to make decisions and consider actions in light of the information it received. In 2019, the review of culture prompted the Board to approve rolling out a more robust exit interview programme and adopt more frequent pulse surveys to monitor progress in areas of focus. Both steps aimed at gaining even greater insight into the culture of the company.

Financial Performance and Strategy: The Group's financial performance and year-to-go forecasts are considered at every Board meeting alongside the progress being made in various markets to ensure the Group's strategy is on track.

Compliance and Regulation: The Board received regular reports on compliance matters such as the Corporate Governance Code and related regulations and guidance. The Board prioritises data protection and information security matters and receives quarterly updates on the Group's data privacy compliance and any regulatory engagement across the world. It also reviews the company's cyber security maturity on a quarterly basis.

Change and Innovation: the Board understands the importance of monitoring the Group's large scale change projects. In 2019 it spent time understanding the Group's digital engagement strategy with a view to ensuring the Company remains at the forefront of innovation in the sector.

Board committees

The Board has three Board Committees, each of which regularly reports to the Board: the Audit Committee, Nomination Committee and Remuneration Committee. The Audit and Remuneration Committees are comprised solely of independent Non-Executive Directors.

The Nomination Committee is comprised of all Non-Executive Directors and is chaired by the Chairman of the Board who was independent on appointment. Details of the composition and activities of each Committee can be found in the respective reports of each Committee: Audit Committee Report on pages 65 to 69; the Nomination Committee Report on pages 63 to 64; and the Directors' Remuneration Report on pages 81 to 94.

Each Committee has clear terms of reference which are reviewed annually, copies of which can be found on the Company's website www.page.com. Each Committee also reviews its effectiveness and makes recommendations to the Board of any appropriate changes as and when required. The Chairman of each of the Board Committees will be available to answer shareholders' questions at the forthcoming Annual General Meeting.

The General Counsel & Company Secretary acts as secretary to each of these Committees and minutes of meetings are circulated to all Committee members and to all members of the Board unless it would be inappropriate to do so.

The Group also has an Executive Board which is chaired by the Chief Executive Officer. It comprises the Chief Financial Officer and other senior executives, biographies for whom can be found on page 57. The Executive Board usually meets four times a year and is responsible for assisting the Chief Executive Officer in the performance of his duties. These include the development and implementation of strategy, operational plans, policies, procedures and budgets. These activities are performed at a regional level by regional boards for each of the UK, North America, Continental Europe, Asia Pacific and Latin America, Middle East and Africa. Each regional board usually meets at least four times a year.

Compliance with the UK Corporate Governance Code

During the year ended 31 December 2019 and to the date of this document, the Company has complied with all of the provisions of the UK Corporate Governance Code 2018 (the "Code"). The Code is publicly available on the FRC website (www.frc.org.uk). In this Corporate Governance section, together with the Strategic Report on pages 1 to 50, the Directors' Remuneration Report on pages 70 to 94, the description of the work undertaken in respect to culture and engagement on pages 25 to 34 and 44 to 45 and the Directors' Report on pages 95 to 97, we describe how we have applied the principles of the Code.

While not an exhaustive list, a summary of key governance changes introduced in 2019 to ensure compliance with the Code include:

- Establishing a Culture Framework to enable the Board to assess, monitor and report on culture and ensure the employee voice is heard in the Boardroom;
- Adoption of a stakeholder engagement policy setting out the Company's stakeholders and principal means of engagement with them;
- Ensuring a structure is in place to horizon scan for emerging risks combined with review of whistleblowing activity being considered by the Board; and
- Introducing a post-cessation holding period for executive director share awards, extending post-vesting holding periods under the Executive Share Incentive Plan and aligning pension contributions for new executive appointments to the Board to the contribution rates of the wider workforce.

Board and committee attendance

The table below sets out the number of meetings of the Board held during the year and individual attendance by the Directors at these meetings, demonstrating commitment to their role as Directors of the Company. Attendance by the relevant members of each Committee can be found on page 65 (Audit Committee), page 64 (Nomination Committee) and page 81 (Remuneration Committee). The Board met eight times during the year. During the year under review the Non-Executive Directors met on several

occasions without the Executive Directors being present. The Non-Executive Directors also met without the presence of the Chairman.

Director	No. of meetings attended
David Lowden	8 out of 8
Simon Boddie	8 out of 8
Patrick De Smedt	8 out of 8
Michelle Healy	8 out of 8
Steve Ingham	8 out of 8
Sylvia Metayer	7 ¹ out of 8
Angela Seymour-Jackson	8 out of 8
Kelvin Stagg	8 out of 8

1. Absence due to unforeseen circumstances

Succession planning

Executive development and succession planning discussions are held each year. These discussions focus on the development and succession of the Executive Directors, Executive Board members and other senior managers in the Group, with the aim of ensuring that existing senior executives are being developed and that there is a pipeline of talented senior individuals within the business. Development and succession planning is a critical part of the Chief Executive Officer's performance objectives for annual bonus and long-term remuneration. The Group operates an extensive Talent, Succession & Development programme across the business which assesses development needs and nurtures high potential employees throughout the various stages of their careers. Diversity considerations are a fundamental element of the programme.

In addition, the Nomination Committee also considers the breadth and depth of experience of the Non-Executive Directors and considers on a regular basis succession planning for the Board as a whole. Information on the Board's policy on diversity both at Board level and the Group can be found in the Nomination Committee Report on page 64 and the Strategic Report on page 33.

Performance evaluation

The Code requires that there is a formal and rigorous annual evaluation of the Board, its Committees and individual Directors. In 2018 the evaluation was conducted internally and key themes that emerged included ensuring continuation of key market deep dives in areas of strategic importance to the Group, increased focus by the Board

on monitoring productivity initiatives, additional Board time dedicated to various technology and innovation initiatives and market trends, and continued monitoring of succession planning activities. The Board considers it has made good progress in respect of these items during the year.

In 2019 deep dive market presentations took place regarding the Group's Latin American, Japanese and Indian markets. Board members were provided with the opportunity to review productivity, technology and innovation initiatives at its 2019 strategy sessions. The Board also ensured that its views in respect of progress in these areas formed part of the Remuneration Committee's decision in terms of executive reward. Further, the Nomination Committee has driven forward the succession and talent development agenda. This has resulted in a new international succession pool being established in 2019 and the introduction of the Page Potential Model. The model has provided clarity about the expectations from leaders to support our strategic plans, and provided objective criteria for the evaluation of potential of our leaders.

In keeping with good corporate governance practices, for 2019 the Company considered that the Board and Committee review should be externally facilitated by Lintstock (an independent advisory firm specialising in Board evaluations with no connection to the Group or any individual Director). The choice of external facilitator was taken by the Chairman from a short-list of submissions from third party evaluators following in-person meetings with the General Counsel & Company Secretary. The objective and scope of the evaluation was to conduct a comprehensive review of all aspects of the Board's effectiveness.

Lintstock was chosen as the preferred external facilitator for a variety of reasons, one of which was that it conducted external reviews for the Company in 2016 and 2017, and it was felt that Lintstock was well placed to gauge progress in the Board's and Committees' governance performance.

Lintstock representatives engaged with the Chairman and the General Counsel & Company Secretary to set the context for the evaluation, and to tailor survey content to the specific circumstances of the Group. Lintstock communicated directly with the Board members and the anonymity of all responses was guaranteed throughout the process to promote open and honest feedback. Directors were also able to raise any

issues beyond the scope of the survey in confidence with Lintstock.

Lintstock analysed the survey results and delivered detailed reports on the performance of the Board, the Committees, and the Chairman. A Lintstock representative briefed the General Counsel & Company Secretary and provided further context on the output, including peer comparison. The results of the Board and Committee reviews were then discussed at a subsequent Board meeting.

While the outcome of the 2019 review was positive overall, the Board aims for continuous improvement and several constructive recommendations emerged from the exercise. These included continued focus and maintaining momentum on understanding the customer, candidate and employee voice. On Board composition, the review confirmed that the Board currently has an appropriate mix of skills, knowledge and expertise, but future succession planning remains a key priority, not only for senior roles across the business, but in respect of future non-executive positions given length of tenure. Additionally, given the impact of macro-economics on the recruitment sector, the evaluation also revealed that the Board is acutely aware that it needs to remain focused on productivity and be poised to react appropriately to any market sensitivities in the various regions where the Group operates.

Additionally, the Senior Independent Director conducted a review of the Chairman and the Chairman evaluated the performance of the individual Directors, by means of interviews for both review processes.

Re-election of Directors

The Code requires all Directors to retire and stand for re-election at each Annual General Meeting. All Directors will submit themselves for re-election at the forthcoming Annual General Meeting on 4 June 2020.

Internal control and risk management

The Board retains responsibility for the Group's overall risk appetite and for the effectiveness of its risk management and internal control systems. The procedures established by the Board have been designed and implemented to meet the requirements of the Group and the risks to which it is exposed and are reviewed on a regular basis.

CORPORATE GOVERNANCE REPORT

These procedures also provide an ongoing process for identifying, evaluating and managing principal and emerging risks. The system of internal control includes financial, compliance and operational controls, which are designed to meet the Group's needs. These controls aim to safeguard Group assets, ensure that proper accounting records are maintained, that the financial information used within the business and for publication is reliable and support the successful delivery of the Group's Vision. Any system of internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss. In practice the Board delegates the implementation of the Board's policy on risks and control to executive management and this is monitored by an Internal Audit function which reports back to the Board through the Audit Committee.

The key elements of our system of internal control are as follows:

- **Group Organisation** – The Board of Directors meets eight times a year, focusing both on strategic issues and operational and financial performance. There is also a defined policy on matters reserved strictly for the Board. The Regional Managing Director, supported by a Regional Finance Director, of each of our regions is accountable for establishing and monitoring internal controls within our respective regions.
- **Annual Business Plan** – The Board reviews the Group's strategy and approves an annual Group budget. Performance is then monitored by the Board through the review of monthly reports showing comparisons of results against budget, quarterly forecasts and the prior year, with explanations provided for significant variances.
- **Policies and Procedures** – Policies and procedures are documented over both financial controls and non-quantifiable areas such as the Group's whistleblowing policy and its policy relating to anti-bribery and corruption and gifts and hospitality.
- **Risk Management** – The Board has established a framework for identifying current and emerging risks and processes and controls for managing risk, both at a strategic and operational level. As a minimum, this is reviewed on an annual basis. An overview of this framework and a summary of the principal risks identified, together with mitigating actions, can be found in the

Strategic Report on pages 37 to 42.

- **Internal Audit** – The Group's Internal Audit function examines business process controls throughout the Group on a risk basis and reports the findings to the Executive Board and Audit Committee. Agreed actions are monitored and reported to the Audit Committee.
- **Confirmations from Executive Management** – The Managing Director and Finance Director of our operations in each country formally certify twice a year whether the business has adhered to the system of internal control during the period, including compliance with Group policies. The statement also requires the reporting of any significant control issues that have emerged, including suspected or reported frauds, so that areas of Group concern can be identified and investigated as required. These confirmations and supporting controls self-assessment questionnaires are reviewed by the Internal Audit function and a summary of findings is provided to the Audit Committee for review.

In accordance with the requirements of the Code and the recommendations of the FRC's Guidance on Risk Management and Related Financial and Business Reporting, the Board has reviewed and agreed its approach to risk and its risk appetite when considering its strategy and the management of its risks. It has also considered its longer-term viability. Details on the Board's risk appetite and its assessment of its longer-term viability can be found in the Strategic Report on pages 37 to 43. Further, the Board, with the assistance of the Audit Committee, has carried out a review of the effectiveness of the Group's risk management and internal control systems, including a review of the Internal Audit activities and the financial, operational and compliance controls for the period from 1 January 2019 to the date of this Annual Report. No significant failings or weaknesses were identified. A confirmation of any necessary actions is, therefore, not provided. However, had there been any such failings or weaknesses the Board confirms that necessary actions would have been taken to remedy them.

Whistleblowing

The Board takes its oversight duties of the Company's whistleblowing arrangements very seriously. PageGroup operates an external global confidential 'Speak-Up'

helpline supported by a speaking-up policy available on each country's website and translated into all PageGroup languages. The Board reviews all instances that the helpline is utilised in the year. In 2019 three instances were recorded, relating to non-financial matters. The Board was satisfied with the Company's response in each case.

Directors' confirmation

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the Board considers the Annual Report and Accounts, taken as a whole, as fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Neither the Company nor the Directors accept any liability to any person in relation to the Annual Report except to the extent that such liability could arise under English law.

Relations with shareholders

Understanding the views of shareholders and active engagement with our shareholders is always considered a key priority for the Board. There were a variety of ways in which Board members have to engage with shareholders in 2019.

The Chief Executive Officer and the Chief Financial Officer supported by the Investor Relations team make themselves available, wherever possible, to meet with shareholders and analysts at their request. In 2019, nine investor roadshows were undertaken and c. 20 individual meetings and telephone calls were held. This regular engagement is supplemented with presentations to analysts after our quarterly and full year results. The Chairman has also met with shareholders throughout the year and wrote to all the Company's substantial shareholders inviting each of them to meet at their convenience.

Further, in respect of remuneration matters and in advance of proposing the revised remuneration policy, an extensive shareholder consultation took place with holders of over 70% of issued share capital being invited to discuss the proposals with Angela Seymour-Jackson, the Chair of the Remuneration Committee.

The Annual Report and Accounts is available to all shareholders either in hard copy or via the Company's website



www.page.com. The website contains up-to-date information on the Group's activities, published financial results and the presentations used for briefings and investor meetings held during the year. These are available to download.

The Annual General Meeting is an additional opportunity for Board members to meet with shareholders and investors and give them the opportunity to ask questions. Final voting results are published through a Regulatory Information Service and on the Company's website following the Meeting.

Conflicts

The Company has implemented robust procedures in line with the Companies

Act 2006, requiring Directors to seek appropriate authorisation from the Board prior to entering into any outside business interests which have, or could have, a direct or indirect interest that conflicts, or may conflict, with the Group's interests. These procedures have operated effectively throughout the year under review. The Nomination Committee is responsible for reviewing possible conflicts of interest. It makes recommendations to the Board as to whether a conflict should be authorised and the terms and conditions on which any such authorisation should be given by the Board. Only Directors without an interest in the matter being considered will be involved in the decision and each Director must act in a way they consider,

in good faith, will promote the success of the Group. All Directors are aware of their continuing obligation to report any new interests, or changes in existing interests, that might amount to a possible conflict of interest in order that these may be considered by the Board and appropriate authorisation given.

David Lowden
Chairman

4 March 2020

NOMINATION COMMITTEE REPORT



**David Lowden,
Committee Chairman**

Dear Shareholder,

I am pleased to present the Nomination Committee Report for the year ended 31 December 2019. The Committee strongly believes that the success and development of our people is key to the Company's on-going success.

Throughout 2019 the Committee continued its focus on talent management and development, while ensuring that robust succession plans were in place for all critical roles across the Group. The Committee is acutely aware of the need to consider our pipeline through a diversity lens and to encourage diversity in all its forms including social background, thinking style and approach. This is also to ensure that our leaders now and in the future represent our clients, candidates and society as a whole. The Committee therefore monitors the pipeline with diversity considerations in mind.

As I mentioned in my Chairman's statement on page 2, membership of the Board and each Committee did not change during the course of the year. However, the Committee did consider and recommended to the Board, that Michelle Healy's appointment be renewed. Michelle's business and change management experience coupled with her expertise in Human Resources make her a key contributor to the work of both the Nomination Committee and the Board.

The Board represents a range of nationalities and backgrounds. The Nomination Committee was satisfied that the Board and its Committees had an appropriate mix of skills, experience and knowledge. However, it is aware that consideration should be given to the length of service of the Board as a whole and membership regularly refreshed. The Committee therefore keeps composition under continuous review and Non-Executive Director succession is a priority for the Committee in 2020.

Purpose

The Nomination Committee is responsible for ensuring that the Company has the executive and non-executive Board leadership it requires, both now and for the future. It reviews all key senior roles to ensure that comprehensive succession plans are in place to safeguard the organisation's stability and to ensure talented individuals are provided with opportunities to develop. It is an important component of the Company's governance framework and our organic growth strategy as we want to develop and retain the highest calibre of leaders to manage the business now and in the future.

Membership

During the year under review the members of the Committee were David Lowden, who was Chairman of the Committee, Simon Boddie, Patrick De Smedt, Michelle Healy, Sylvia Metayer and Angela Seymour-Jackson. Board and Committee appointments are for three year periods. As mentioned above, Michelle Healy completed three years service on the Board in 2019 and her appointment was extended for a further three years. Please see page 88 for further details. No director is entitled to vote in respect of their own continuing appointment.

Details of David Lowden's and all Committee members other significant commitments can be found on pages 53 to 56. The Committee considers and approves any additional appointments held by Directors. In early 2020, Patrick De Smedt was appointed to the Board of AIM listed, EMIS Group plc, as its Chairman designate which was considered to be a significant additional appointment for the purposes of the Code. Following due consideration, it was determined that this appointment was not likely to interfere with Patrick De Smedt's duties and time commitment to the Company, in particular in light of fact that Patrick stepped down as Chairman of listed company KCOM plc following completion of its takeover in August 2019.

Only members of the Committee are entitled to attend meetings. Other individuals, such as the Chief Executive Officer, the Group Human Resources Director and external advisers, may attend meetings by invitation when appropriate and necessary. This arrangement fosters appropriate challenge, questioning and debate of the recommendations made by the Committee to the Board.

Responsibilities

The key responsibilities of the Committee are to:

- assess and nominate members to the Board in accordance with the process and diversity considerations outlined below;
- maintain the right mix of character, skills and experience on the Board and its Committees;
- make recommendations to the Board on development and succession plans for members of the Board and senior management;
- approve job descriptions and written terms of appointment for Directors;
- review the independence of Non-Executive Directors, taking into account their other directorships; and
- consider diversity and inclusion objectives in terms of the Group's talent pipeline and new senior appointments.

When the Committee considers an appointment it follows a formal and transparent procedure. It is assisted in its search for new Non-Executive Directors by an independent executive search company. With each new search the Committee selects the executive search company which it considers the most appropriate and relevant for the assignment. These executive search companies have no connection with the Company other than the provision of the search services. With each assignment a detailed candidate profile is compiled and discussed by the Committee, taking into consideration the balance of skills and experience of existing Board members and the requirements of the Company and its future strategy. Once finalised the profile is recommended by the Committee to the Board for its approval.

If approved, a search and selection process based on that profile is undertaken. The recruitment process places importance on diversity considerations. Further details can be found on page 64. Candidates are identified and selected against objective criteria including their skills and experience while having due regard to the benefits of diversity on the Board. A shortlist of candidates is then interviewed by the Chairman of the Board, the Chief Executive Officer and members of the Committee. Thereafter a recommendation of appointment is made to the Board. The Committee monitors length of tenure for the Board and Committee members to ensure ongoing independence.

Activities during the year

During 2019 the Committee met on three occasions. Details of the members' attendance at meetings of the Committee are as follows:

Director	No. of meetings attended
David Lowden	3 out of 3
Simon Boddie	3 out of 3
Patrick De Smedt	3 out of 3
Michelle Healy	3 out of 3
Sylvia Metayer	3 out of 3
Angela Seymour-Jackson	3 out of 3

Committee's focus during 2019

The Group's Talent, Succession & Development programmes continues to evolve and notable improvements have been made. In 2019, the Committee reviewed a consolidated view of all senior leaders at PageGroup against extensive external benchmark analysis. Committee members were provided with an update on progress of the talent programmes operating across the Group, namely the Global Director Academy and the programme run by YSC Consulting (an independent leadership consultancy firm) for senior manager level participants. Not only does the Committee monitor access to these talent programmes to ensure gender and other diversity balance, but the reporting output from the programmes gives a high level of insight into the Group's talent. It also enables the Committee to identify with confidence, successors for senior and critical roles.

An international succession talent pool was established in 2019 to provide a readily available internal source of talent for new international roles as and when these arise. The Company also agreed a "Potential Model" which has provided clarity about the expectations from leaders to support our strategic plans, and it provides objective criteria for the evaluation of the potential of leaders. The Committee spent considerable time determining the competencies it considers necessary for the key executive roles in the future.

Committee members attend the Company's global senior leadership conference. This ensures that the Committee is provided with an opportunity to engage with management below Executive Director level and assess the quality of skills and experience existing within our senior leadership.

The activities of the Committee were reviewed as part of the annual Board evaluation process which, in 2019 was externally facilitated by Lintstock. Details of the evaluation process can be found in the Corporate Governance Report on page 60.

Diversity

As a recruitment company we are passionately committed to promoting diversity, inclusion and equality in the workplace both internally and externally. Our Company Purpose is to change lives for people by creating opportunities to reach potential, as such diversity and inclusion is inextricably linked to our Vision and strategy.

The Committee views diversity and inclusion in its broadest sense. It is fully committed across the organisation to a diversity policy which seeks diversity of experience, capability, geographic experience, gender and all other qualities which makes each of us unique.

The Board's diversity and inclusion policy is available on the Company's website at www.page.com. The Nomination Committee implements the policy and a summary of its key objectives are below:

- to ensure different perspectives and insight are brought to all areas of the business, including the Board, generating creativity, problem-solving capability and sustainability that would not otherwise be possible;
- maintain Board and Committee membership to be at least one-third female; and
- ensure candidate lists for Board positions should include individuals drawn from a wide range of experiences and backgrounds.

Objective
Maintain Board and Committee membership to be at least one-third female
Implementation and progress
Met: Board currently has over one-third female representation
Objective
Company aspires to meet the Parker Review objective of one director from a non-white ethnic background by 2024
Status
Ongoing: wherever possible for future appointments shortlisted candidates will include representation from non-white ethnic backgrounds

As noted above, the Committee is cognisant of the recommendations of the Parker Review as regards ethnic representation on Boards and will take steps to ensure that wherever possible it has candidates with non-white ethnicity in future selection processes. The Committee also seeks to continue to exceed the recommendations of the Hampton-Alexander Review with over 33% of the Board being female. We recognise, however, that there is currently a lower proportion of women holding senior roles below Board level positions. The Company has been working hard to address this and actions taken include:

- identifying and tracking high potential women's progress as part of the Global Talent, Succession & Development Programme;
- continuing support for a global mentoring programme and Women@Page, a global network aimed at engagement, enablement and empowerment of women across the organisation;
- ensuring the Global Director Academy has equality in gender balance in respect of each cohort and the content of the Academy includes deep dive sessions on inclusive leadership and what this means at PageGroup; and
- Managing Directors' have gender diversity objectives relating directly to their remuneration.

Board

Men	Women
5 (62.5%)	3 (37.5%)

Executive Board & Direct Reports

Men	Women
37 (78.8%)	10 (21.2%)

Further details regarding increasing representation of women across the organisation can also be found on pages 33 and 34.

Plan for 2020

In 2020 the Committee will continue to ensure that succession plans for Board and senior level positions remain robust and continue to assess the output and value received from the investment in talent development programmes.

AUDIT COMMITTEE REPORT



Simon Boddie,
Committee Chair

Dear Shareholder,

I am pleased to present the Audit Committee Report for the year ended 31 December 2019. In keeping with the Audit Committee's responsibilities, the areas of key focus for the year included ensuring the integrity of the Company's published financial statements, assessing the principal and emerging risks facing the Group and reviewing internal and external audit processes and controls. The Committee also took initial preparatory steps to enable a tender to take place in 2020 for the Group's external audit services.

Purpose

The Audit Committee is a fundamental part of the Group's governance framework being the guardian of the integrity of the Company's financial statements and external reporting of performance. It also has the responsibility for ensuring that the necessary internal controls and risk management systems are in place and effective.

Membership

The Committee's membership did not change in 2019. Simon Boddie serves as the Chair of the Committee. Patrick De Smedt, Michelle Healy, Sylvia Metayer and Angela Seymour-Jackson all served as Committee members throughout the year. Each member of the Committee has a wealth of business experience across a range of sectors making them well placed to perform the work of the Committee. The Committee's training takes place on a regular and ongoing basis primarily through updates provided by the Company's external auditor, on developments in corporate reporting, legislation and regulatory guidance.

Only members of the Committee are entitled to attend meetings. Other individuals, such as the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the General Counsel & Company Secretary,

the Director of Internal Audit and the external audit partner are regularly invited to attend meetings as necessary. The Committee can invite others to attend as appropriate.

The Board annually assesses the competence of those sitting on the Committee, and in 2019 it was satisfied that the Chairman of the Committee has the recent and relevant financial experience required by the Code. Sylvia Metayer also has relevant financial and accounting experience and other members of the Committee have a sufficiently wide range of business experience and expertise such that the Committee as a whole has competence relevant to the sector in which the Company operates. The relevant qualifications and experience of the Committee members are shown in their biographies on pages 53 to 56. The Committee met with the Director of Internal Audit and external auditor during the year without the presence of management in order to provide an opportunity for confidential discussion. The Director of Internal Audit and the external auditor also met with, and have direct access on an ongoing basis, to the Chair of the Committee. Additionally, the Committee held private sessions with the Chief Financial Officer and the General Counsel & Company Secretary.

Principal areas of focus

The Committee is committed to maintaining and monitoring the quality and integrity of financial reporting, as well as assessing the Company's risk management systems and internal control environment to ensure they remain appropriate. Much of the Committee's focus for the year under review related to ensuring continued accuracy of financial reporting and trading updates and monitoring current and potential risks associated with the business. The Committee also reviewed the accounting treatment of large scale projects such as the roll-out of the Group's Global Finance System and also progressed crisis management readiness through the review of plausible scenario testing.

The Company's treasury policy was reviewed with particular focus on counterparty limits to ensure diversification of banking partners. Further, the Company's tax strategy was considered by the Committee and recommended for approval by the Board. It is published on the Company's website www.page.com. Set out in the table overleaf is a summary of the main activities of the Committee during 2019. Key issues covered by the Committee are reported through regular reports to the Board.

The Committee met on seven occasions. Committee meetings are set to coincide with key dates of the financial reporting calendar and the audit cycle. The Committee is provided with sufficient resources to undertake its duties.

Details of the members' attendance at the meetings of the Committee are as follows:

Director	No. of meetings attended
Simon Boddie	7 out of 7
Patrick De Smedt	7 out of 7
Michelle Healy	7 out of 7
Sylvia Metayer	6 ¹ out of 7
Angela Seymour-Jackson	7 out of 7

1. Absence due to unforeseen circumstances

Financial reporting

In its financial reporting to shareholders and other interested parties, the Board aims to present a fair, balanced and understandable assessment of the Group's position and long-term sustainability, providing necessary information for shareholders to assess the Company's business model, strategy and performance. The Company has an established process for reviewing the Annual Report and Accounts to ensure it is fair, balanced and understandable. This was used again this year. It included a thorough understanding of the regulatory requirements for the Annual Report and Accounts; a process to determine the accuracy, consistency and clarity of the data and language; and a detailed review by all appropriate parties including external advisers. A checklist of all the elements of the process was completed to document the process and cascaded sign-off implemented through the Group's management structure to provide assurance to the Committee that the appropriate procedures had been undertaken by all Group companies.

The Committee has reviewed the Company's 2019 Annual Report and Accounts. It provided comments that were incorporated into the Annual Report and Accounts and has advised the Board that, in its opinion, the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary to assess the Company's performance, business model and strategy.

Main activities of the Audit Committee during 2019

The Committee has an agreed, rolling programme of agenda items which the Committee Chair and General Counsel & Company Secretary keep under regular review to ensure that all key financial reporting and risk matters are properly considered. The list below summarises the key items considered by the Committee during the year.

January

Review of Financial Statements

- Quarter 4 trading update

March

Review of Financial Statements

- Draft preliminary announcement and 2018 Annual Report and Accounts
- External auditor's year-end report
- Going concern analysis
- Viability Statement
- Fair, balanced and understandable review
- Judgemental and Accounting issues
- Management letter of representation
- Confirmation of External auditor's Independence
- Review of IFRS 16 reporting

Risk and Internal Control

- Ratification of principal risks
- Internal Audit update

Compliance

- Review of Litigation Register
- Review of Tax Strategy
- Meeting with external auditor without Executive Directors
- Meeting with Head of Internal Audit without Executive Directors

External Auditor

- External auditor effectiveness and rigour survey
- Reappointment of external auditor

April

Review of Financial Statements

- Quarter 1 trading update

July

Review of Financial Statements

- Quarter 2 trading update

August

Review of Financial Statements

- Draft interim report
- Judgemental and Accounting issues

Risk and Internal Control

- Internal Audit update and strategy review
- Crisis Management Update
- Risk review and confirmation of principal and emerging risks
- Review of Group Insurance Renewal

External Auditor

- External auditor's 2018 year end management letter
- External auditor's interim review
- Scope of the full year audit
- Interim review management letter of representations

Compliance

- Meeting with Head of Internal Audit and General Counsel & Company Secretary without Executive Directors
- Review of Litigation Register

October

Review of Financial Statements

- Quarter 3 trading update

Compliance

- Update on statutory accounts and tax filings
- Consideration of external audit tender

December

Review of Financial Statements

- Review of 2019 Annual Report and Accounts process

Risk and Internal Control

- Internal Audit update
- Approval of Internal Audit plan for 2020
- Risk review and confirmation of principal and emerging risks
- Annual review of anti-bribery compliance

External Auditor

- Audit progress update report

Compliance

- Year-end legislative and procedural matters
- Terms of Reference Review

Tax and Treasury

- Review of Tax Strategy
- Review of Treasury Policy

Regulatory update

- Review of FRC Audit Chair letter
- UK Corporate Governance Code compliance

AUDIT COMMITTEE REPORT

Significant accounting issues and areas of judgement

The Committee focuses in particular on key accounting policies and practices adopted by the Group and any significant areas of judgement that may materially impact reported results as well as the clarity of disclosures, compliance with financial reporting standards and the relevant requirements around financial and governance reporting. Details on accounting policies can be found on pages 108 to 112.

The significant issues and areas of judgement considered by the Committee during the year and how these were addressed were as follows:

Significant issue	How the Committee addressed the issue
Revenue Recognition	<p>Context: Revenue recognition for permanent and temporary placements, with particular focus on period end cut off and appropriate accounting treatment in accordance with IFRS and Group accounting policies.</p> <p>Revenue from permanent placements is derived from both retained assignments (income recognised on completion of defined stages of work) and non-retained assignments (income recognised at the date an offer is accepted by a candidate and where a start date has been determined). There is a risk that a candidate reverses their decision to take up a placement before the start date and as such the revenue recognised would be reversed. A provision is made by management, based on past historical experience, for the proportion of those placements where this is expected to occur. Revenue from temporary placements, which represents amounts billed for the services of temporary staff, including the salary cost of these staff, is recognised when the service has been provided.</p> <p>Actions taken: As in previous years, the Committee assesses the Group's revenue recognition policies relative to IFRS and the sector to ensure they are appropriate, and challenges management on the internal control and compliance processes over revenue recognition, taking into account the views of Internal Audit and the external auditors. The external auditor explained to the Committee the procedures they performed to address the revenue recognition, including the procedures performed around period-end cut-off and assessment of provision recognised in respect of expected revenue reversals. On the basis of their audit work, the external auditor concluded that the revenue recognition is in accordance with the Group's revenue recognition policy and IFRS, and the provision for expected revenue reversals is appropriate.</p> <p>Conclusions and rationale: The Committee concluded that the approach to revenue recognition was consistent with the policies and the judgements made were appropriate.</p>

The Committee discussed the methodology used to test the assumptions and estimates made by management in each of these areas.

External auditor's independence and effectiveness

The Committee monitors the objectivity, independence and effectiveness of the external auditor. The Company is mindful of the provisions of the Code, best practice, the Competition and Market Authority Audit Order 2014 and EU audit legislation in particular as regards audit firm rotation and the provision of non-audit services.

Ernst & Young LLP, the Company's current external auditor, was appointed in 2011 following a competitive tender process. In accordance with audit regulation, Ernst & Young LLP operate a policy of rotating the Audit Partner every five years. The current Audit Partner, Bob Forsyth, was appointed in 2016.

The Committee approved and implemented in 2014 a policy for the tender of external audit services. This policy provides that in accordance with applicable law and regulation, the Company will re-tender the external audit at least every ten years and will change the external auditor at least every 20 years. The Company reviews the

position regarding when is the optimum time to tender external audit services. In 2019 the Committee determined that it was in the best interests of shareholders to commence a competitive tender of external audit services, with the tender to take place in 2020.

During 2019 the Committee took initial preparatory steps in respect of the tender, including agreeing a timeline for the tender process and the tender participants. The Committee currently plans to conclude the tender in time to bring a recommendation to the Company's Annual General Meeting on 4th June 2020.

The Committee considers that in 2019 it has complied with the Competition and Market Authority Audit Order 2014.

The Committee regularly reviews its policy on the use of the external auditor for non-audit services in order to ensure auditor independence and objectivity are safeguarded. In accordance with FRC's 2016 Ethical Standard relevant to Public Interest Entities, the policy prohibits the external auditor from providing certain services which could give rise to

independence threats such as tax advisory and compliance assignments, computing tax provisions, global mobility and payroll services, acting as an advocate, internal audit and system design. The total non-audit fees in respect of non-audit services for the year under review amounted to £6,600 which was below the threshold amount requiring pre-approval by the Committee. These non-audit fees related to certifying revenue in the Netherlands for local filing requirements, factually reporting licence fees recognised by the South African business and issuing a solvency letter for a licence application for Page Australia. No other non-audit services were provided by the external auditor.

Further, during the year under review, the Committee discussed and agreed the scope of the year-end audit and approved the audit fee of £836,000. The Committee regularly reviews the objectivity and independence of the external auditor and has concluded this is safeguarded by:

- Obtaining assurances from the external auditor that adequate policies and procedures exist within its firm to ensure that the firm and staff are

independent of the Group by reason of family, finance, employment, investment and business relationship (other than in the normal course of business);

- Enforcing a policy of reviewing all cases where it is proposed that a former employee of the external auditor be employed by the Group in a senior management position or at Board level;
- Monitoring the external auditor's compliance with applicable UK ethical guidance on the rotation of audit partners; and
- Enforcing a policy concerning the provision of non-audit services by the external auditor.

The quality, performance and effectiveness of the external auditor is reviewed annually by the Committee. This covers qualification, expertise and resources as well as assurance that there are no issues which could adversely affect the external auditor's independence and objectivity taking into account the relevant standards. The Committee considers how the auditor has demonstrated professional scepticism and challenged management's assumptions.

The Committee reviews the:

- Robustness of the external auditor's plan and its identification of key risks;
- Approach to the agreed audit plan and fulfilment of the agreed external audit plan and any variations from the plan;
- Robustness (including the audit's team's ability to challenge management) and perceptiveness of the external auditor in handling key accounting and audit judgements including demonstrating professional scepticism and independence;
- Quality and content of reports provided to the Committee by the external auditor including reporting on internal control;
- Feedback from management which is ascertained from staff surveys completed by staff involved in the audit process; and
- Communications in and outside of meetings, between the external auditor and the Committee.

Internal control and risk management

The Board's responsibilities for, and their report on, risk management and the systems of internal control and their effectiveness are set out in the Corporate Governance Report on pages 60 to 61.

On behalf of the Board, the Audit Committee undertakes a robust assessment of principal and emerging risk. This involves reviewing the Group's risk assessment procedures and risk registers and its longer term viability. The risk assessment takes account of all top down and aggregate risk and presents the effectiveness of the controls to mitigate the principal risks of the business including environmental, social and governance matters, inherent in the strategy of the business and its plan.

In 2019, in line with the Code, processes were introduced across the Group to consider emerging risks. Within our Group operational risk assessment and reporting process cycle, twice per annum management are formally required to consider and disclose any emerging risk. These are reviewed at a Group level together with a top down perspective gained from discussion with senior management. In addition, our internal audit programme reviews the basis of risk submissions with local management for principal risks including any emerging risks. Prior to presentation to the Audit Committee the principal risk reports are independently reviewed with the external auditors to identify the potential risks that the Group should be considering and anticipating. While no emerging risk was considered sufficiently material to warrant inclusion into the Company's principal risks set out at page 37 to 42, this however remains under regular review. For example, in 2019 we considered climate change as an emerging risk and assessed its impact on the Group and the associated mitigating actions. We will continue to scrutinise this emerging risk to ensure we assess its impact on the business appropriately.

The Company's risk review procedures include regular reports to the Committee from the Director of Internal Audit on the performance of the system of internal control and on its effectiveness in managing material and emerging risks and identifying any control failings or weaknesses.

The Committee reviews the Group's risk management process annually, with the outcome being reported to the Board. This, together with regular updates to the Board on material risks, allows the Board to make the assessment on the systems of internal control and the residual risk for the purpose of making its public statement. The risk process, together with the key risks and their indicators, have been identified and mitigating actions are described in the Strategic Report on pages 37 to 42. Key performance indicators and management incentives are highlighted for the main financial,

strategic and people risks in the Strategic Report on pages 19 to 21.

Where weaknesses have been identified in the internal control system for the mitigation of risks to an acceptable level, plans to strengthen the control system are put in place. Action plans in this respect are regularly monitored until complete. During the period under review there were no control failings or weaknesses that resulted in unforeseen material losses.

Internal audit activities

The Group's Internal Audit function comprises a Director of Internal Audit and a team of internal auditors. The Director of Internal Audit reports to the Audit Committee and works with the CFO and CEO to determine priorities. He also has direct access to the Committee and the Board. This ensures there is opportunity for frank and open dialogue.

The scope of work for the Internal Audit function is agreed with the Committee annually with the findings from internal audits being reported to the Executive Board and the Audit Committee. Businesses are visited on a rotational risk-based approach to assess the effectiveness of controls to mitigate risks to an acceptable level. All major risks are addressed in this process, including Group functions and change programmes as are those around governance, environmental and social related matters. Actions to maintain and improve the effectiveness of the control environment are agreed with the Executive Board and are monitored and reported to the Committee. Risks are also regularly reviewed and required changes are made to the risk profile and, where necessary, to the activity of Internal Audit. All changes to the Internal Audit plan are agreed with the Chairman of the Committee and reported to the Executive Board and the Committee.

Committee evaluation

The activities of the Committee were reviewed as part of the Board evaluation process performed during the year under review. The 2019 evaluation process was externally facilitated by Lintstock and covered the Committee's effectiveness in respect of reviewing and assessing the work of the internal and external auditors, the Company's financial reporting and system of internal controls. The overall performance of the Committee was rated highly. Further details of the outcome of the Board and Committee evaluation process, and the areas of focus for 2019 can be found in the Corporate Governance Report on page 60.

AUDIT COMMITTEE REPORT

Fraud

The Committee reviews the procedures for the prevention and detection of fraud in the Group. Suspected cases of fraud must be reported to the Chief Financial Officer and the Director of Internal Audit and investigated by operational management and Internal Audit. The outcome of any investigation is reported to the Committee. A register of all suspected fraudulent activity and the outcome of any investigation is kept and is circulated to the Committee on a regular basis. During the year in question, no frauds of a significant nature were reported.

Anti-Bribery and corruption and business ethics

The Company has a Code of Conduct which can be found on its website www.page.com. This sets out the standards of behaviour by which all employees of the Group are bound and is

based on the Company's commitment to acting professionally, fairly and with integrity.

The Group maintains a zero tolerance approach against corruption. It has an established anti-bribery and corruption policy, which includes guidance on the giving and receiving of gifts and hospitality. This policy applies throughout the Group. The policy and the training materials were reviewed and updated in 2019. Anti-bribery and corruption training is undertaken by senior managers, and staff in risk areas across the Group. In order to capture any concerns that employees or external parties may have in relation to bribery and corruption, the policy highlights internal contacts who can assist in any queries surrounding gifts and hospitality or concerns around bribery and corruption. Additionally, the Company operates a global "Speak Up" helpline and actively promotes its use for any ethical matters.

The gifts and entertainment policy was reviewed and updated in 2019. A register is maintained and reviewed by the Committee to ensure transparency.

A review of compliance with the policy is undertaken annually and reported to the Committee. The review undertaken in 2019 showed there was a good understanding of the issues and no breaches were reported.

Simon Boddie

Chair of the Audit Committee

4 March 2020



DIRECTORS' REMUNERATION REPORT



Angela Seymour-Jackson
Committee Chair

SECTION 1: ANNUAL STATEMENT

Dear Shareholder,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for 2019, which will be subject to two shareholder votes at our AGM in 2020:

- The application in 2019 of the existing Directors' Remuneration Policy is subject to an advisory vote;
- Our new Directors' Remuneration Policy ("Policy"), described within this report, is subject to a binding vote and, subject to approval, will apply for up to three years.

Approaching the new Policy

We remain committed to ensuring that our approach to reward supports the underlying strategy of the business. As we experience periods of global economic volatility and uncertainty, it is as important as ever that we can attract, retain and motivate high quality leadership within the business to drive our strategy forward.

We carried out a full review of the Policy in 2019 and undertook an extensive consultation exercise with many of our shareholders. In total we engaged with investors that represent over two-thirds of our shares in circulation, and three key shareholder bodies. I would like to thank all those who gave their time to contribute to this process and who shared their views and perspectives on our proposals. We heard strong endorsement on our approach from across our shareholder base and some constructive suggestions for further changes or enhancements.

Our Executive Single Incentive Plan ("ESIP")

The ESIP was introduced within our Remuneration Policy in 2017 specifically to align with the PageGroup business model. We are a people business of purely organic growth requiring long-term strategic planning led through our senior management team. Recruitment generally is cyclical in nature, however, it is through our enduring commitment to diversification, by building out our brands, geographies and disciplines, that we have reduced our exposure to any one particular market, region or sector. The desire to follow this diversification strategy for the benefit of the Group requires a remuneration structure that ensures the Executives are focused on the long term, while remaining mindful of day-to-day trading performance.

Our new Policy represents an evolution of the existing ESIP structure, something which has served us well, has had positive feedback from shareholders, and which has been an effective mechanism to align reward with performance in the volatile and cyclical sector in which PageGroup operates. The ESIP has successfully focused Executives on delivery of sustained performance and value creation for shareholders throughout the life of the economic cycle, and delivered a significant portion of reward in shares to align Executives with shareholder interests over the long term.

Recognising market best practice and the views expressed by shareholders and shareholder bodies during our consultation, we have made the following enhancements to the ESIP:

- **Greater transparency:** Disclosure

of EPS targets at the point they are set by the Committee at the beginning of the respective 3-year performance period, including retrospective disclosure in this Directors' Remuneration Report of targets for in-flight ESIP awards where these have not been disclosed to date;

- **Simplified design:** Individual performance removed as a category within the assessment in response to shareholder feedback and to simplify the overall design;
- **Greater focus on long-term performance:** Increased weighting on long-term financial metrics within the assessment of the ESIP and an associated reduction in the weighting allocated to strategic measures;
- **Delivery over a longer timeframe:** Extension of the vesting period such that shares awarded under the ESIP are released later than under the existing structure, and a minimum of a 5 year period from when we start to assess performance through to being accessible by an executive; and
- **Calculation of EPS performance:** For the period January 2020 to December 2022 and beyond we will change to calculate EPS on a constant currency basis to remove the impact of exchange rate fluctuations in determining award outcomes.

Further information on the feedback received during consultation and how this informed the changes proposed in the new Policy is set out on pages 74 to 77. The diagram below shows how the proposed ESIP aligns Executives with PageGroup's strategic priorities.

Alignment of Strategy and Metrics used in Reward

PageGroup Strategic Priorities	ESIP Performance Measures
Organic, high-margin and diversified growth	Annual PBT Performance 3-year EPS growth
Efficiently scalable and highly flexible to react to market conditions	Gross Profit growth relative to defined peer group
Nurture and develop people	Strategic measures
Innovation	Strategic measures

DIRECTORS' REMUNERATION REPORT

Other enhancements to Policy

We are also proposing other changes to our Policy, to align with the provisions of the new UK Corporate Governance Code, best practice in the market and changing expectations from shareholders. These changes include:

- **Pension alignment:** Any future appointments will have a level of pension contribution aligned to the wider UK workforce. Additionally, we have agreed to freeze pension contribution levels for incumbent executive directors at the cash level paid in 2019 through to the end of 2022 and then any future contributions will align to the prevailing rate available to UK employees;
- **Introduction of post-cessation shareholding policy:** The introduction of a post cessation shareholding Policy for executives to align them to company performance after they have ceased employment with the business; and
- **Enhanced malus and clawback:** Enhanced malus and clawback provisions to include "serious reputational damage".

The full Policy is set out on pages 76 to 78 of this report.

Business performance and reward outcomes through the ESIP

PageGroup's strategy of geographic diversification and ensuring it understands the potential and dynamics of each market in which it operates has allowed it to perform robustly against a rapidly changing and evolving economic outlook. The Group has continued to make good progress in delivering its long-term strategy objectives of:

- Delivering organic, diversified growth;
- Building an efficiently scalable and highly flexible business; and
- Nurturing and developing our people.

Over the 3-year period January 2017 to December 2019 the business has delivered Total Shareholder Return (TSR) of 56.1%, exceeding the FTSE250 by 24.4 points over the same period.

The outcome of the ESIP reflects the nature of the performance achieved in both 2019 and over the 3-year period to which certain targets are set. Annual profit before tax ("PBT") of £144.2m was at the lower range of the performance range set by the Committee ahead of the 2019 year. As outlined elsewhere in the report, many

of the Group's regions were impacted by macro-economic and political uncertainty including the impact of Brexit in the UK, social unrest in France and trade tariff disruption in Mainland China. As such, the award under the annual PBT element was only 31% of maximum. Continued progress was seen against individual and strategic metrics, with full details behind these disclosed later within this report. Over the 3-year period we saw strong EPS growth, with a cumulative EPS of 91.2p exceeding the stretch target set in 2017 of 84p. Additionally, relative gross profit performance was comfortably in the upper quartile against the stated peer group, reinforcing the quality of performance of the Company in the sector over the three-year period with average annual growth of over 10%.

The Committee was content that the formulaic ESIP outturns were a fair reflection of the overall performance of the business and did not apply any discretion in respect of this outcome. As a result, Steve Ingham, Chief Executive Officer, received £1,780,214 which represents 75.4% of the maximum under the ESIP. Kelvin Stagg, Chief Financial Officer, received £884,248 which represents 74.3% of the maximum. In line with the ESIP structure, 60% of each award will be deferred into shares vesting over the next three years subject to the minimum shareholding requirement being met. Full details of the performance targets, assessment and outcomes are set out on pages 83 and 84.

Legacy Long-Term Incentive Plan outcomes

The legacy 2017 LTIP (the last award under the previous Policy before the introduction of the ESIP) was based on performance through to 31 December 2019. The performance metrics for these awards were cumulative EPS, relative gross profit against peer companies, and a range of strategic objectives for each Director. The business has performed strongly over the 3-year period with robust EPS performance and outperformance against the stated peer group. As a result, following assessment of performance against each performance metric, shares amounting to 96% of those granted in 2017 will vest in March 2020 for the CEO and 94.9% for the CFO.

Further detail is set out on pages 85 and 86.

Total remuneration figure for 2019

The total remuneration figures (the "single figure") include both indicative values from

the legacy LTIP as well as awards from the 2019 ESIP, containing both the cash element (worth 40% of the award) and the amount deferred into shares (the remaining 60% of the award). This is a consequence of the way we are obliged to report these values under the legislation and represents the final year of transition from the previous structure of bonus and LTIP to the ESIP. The payments from these two schemes have been clearly separated on the following page to allow the reader to differentiate between each award, and to further illustrate the respective award levels between the ESIP award made in 2018 and that made in 2019.

Consideration of the wider workforce

As a Committee we determine the reward structure for senior Directors in the business, but also review reward arrangements in place across the business and the way these can change as people progress into bigger or different jobs within the Company. Elsewhere within the Annual Report are examples of what employment with the business represents and the focus placed by the business on creating a strong employment brand and a place of diversity and inclusion. We have been reporting on our Gender Pay position for a number of years and this year we have disclosed the CEO pay ratio for the first time. Within this disclosure we cover both metrics, including outlining the differences in the way these measures are actually determined under the respective legislation.

Conclusion

We always seek to engage with our shareholders openly and constructively. I am grateful to shareholders for their open and thoughtful feedback throughout the Policy review. I hope both remuneration resolutions receive your support at the forthcoming AGM and I look forward to our continued dialogue in the coming year.

Angela Seymour-Jackson

Chair of the Remuneration Committee

4 March 2020

SECTION 2: AT A GLANCE

What executives were paid in 2019 – Single Figure

Base Salary & Benefits	Steve Ingham CEO	Kelvin Stagg CFO										
<ul style="list-style-type: none"> Salaries were effective from 1 January 2019 Benefits include a car allowance and a pension allowance of 25% of base for CEO and 20% for CFO 	<table border="1"> <tr> <td>Salary £629,800</td> <td>Benefits £ 394,278</td> </tr> </table>	Salary £629,800	Benefits £ 394,278	<table border="1"> <tr> <td>Salary £366,300</td> <td>Benefits £ 98,346</td> </tr> </table>	Salary £366,300	Benefits £ 98,346						
Salary £629,800	Benefits £ 394,278											
Salary £366,300	Benefits £ 98,346											
ESIP <ul style="list-style-type: none"> Overall award 75.4% of maximum for CEO and 74.3% of maximum for CFO 60% of award deferred into company shares vesting over next 3 years 	<table border="1"> <tr> <td>ESIP £1,780,214</td> <td>Maximum £2,361,750</td> </tr> </table>	ESIP £1,780,214	Maximum £2,361,750	<table border="1"> <tr> <td>ESIP £884,248</td> <td>Maximum £1,190,475</td> </tr> </table>	ESIP £884,248	Maximum £1,190,475						
ESIP £1,780,214	Maximum £2,361,750											
ESIP £884,248	Maximum £1,190,475											
	Indicates Maximum Potential											
Legacy LTIP <ul style="list-style-type: none"> Awards vested at 96% of maximum for CEO and 94.9% of maximum for CFO 	Shares released 265,332 <table border="1"> <tr> <td>Indicative Value £1,228,485</td> <td>Maximum £1,279,672</td> </tr> </table>	Indicative Value £1,228,485	Maximum £1,279,672	Shares released 133,523 <table border="1"> <tr> <td>Indicative Value £618,213</td> <td>Maximum £651,265</td> </tr> </table>	Indicative Value £618,213	Maximum £651,265						
Indicative Value £1,228,485	Maximum £1,279,672											
Indicative Value £618,213	Maximum £651,265											
Total	<table border="1"> <tr> <td>Base pay and benefits £1,024,078</td> <td>ESIP £1,780,214</td> <td>LTIP £1,228,485</td> <td>Dividends £71,944</td> <td>Total £4,104,721</td> </tr> </table>	Base pay and benefits £1,024,078	ESIP £1,780,214	LTIP £1,228,485	Dividends £71,944	Total £4,104,721	<table border="1"> <tr> <td>Base pay and benefits £464,646</td> <td>ESIP £884,248</td> <td>LTIP £618,213</td> <td>Dividends £36,614</td> <td>Total £2,003,721</td> </tr> </table>	Base pay and benefits £464,646	ESIP £884,248	LTIP £618,213	Dividends £36,614	Total £2,003,721
Base pay and benefits £1,024,078	ESIP £1,780,214	LTIP £1,228,485	Dividends £71,944	Total £4,104,721								
Base pay and benefits £464,646	ESIP £884,248	LTIP £618,213	Dividends £36,614	Total £2,003,721								

At a glance

CEO Pay Ratio	Gender Pay Gap	Shareholding levels of Executives
Ratio of CEO to UK Median = 105:1	2019 Mean Gender pay gap = 19% 2019 Median Gender pay gap = 14%	CEO = 963% of salary CFO = 417% of salary (Against a guideline of 200%)
More details are provided on page 91		More details are provided on page 89

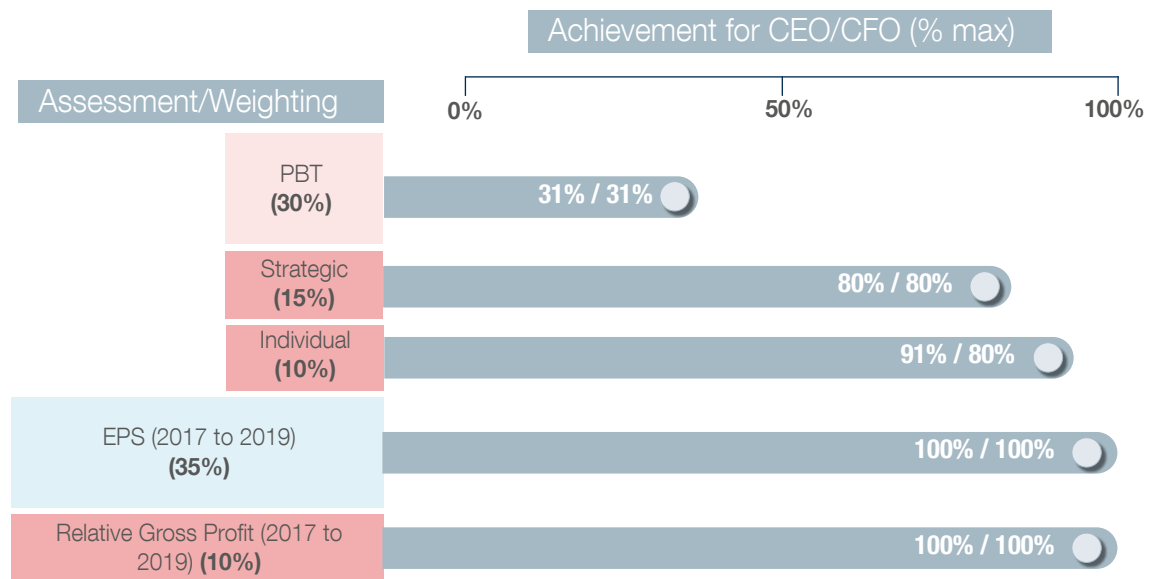
DIRECTORS' REMUNERATION REPORT

At a Glance – Variable Reward Outcomes for 2019 and structure for 2020

ESIP – 2019 and 2020

2019 ESIP Outturn

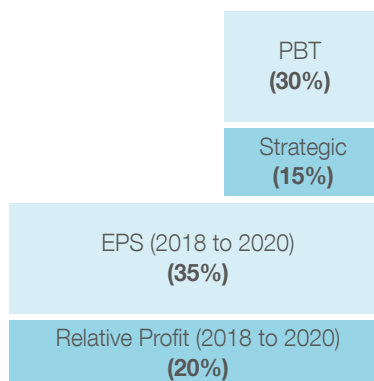
- Overall award 75.4% of maximum for CEO and 74.3% of maximum for CFO



- Opportunity level of 375% of salary and 325% of salary results in award of £1.78m and £0.88m to CEO and CFO respectively
- 60% of award deferred into company shares vesting over next 3 years

2020 ESIP Structure

- Overall opportunity unchanged, CEO 375%, CFO 325%
- Increased weighting towards long-term metrics (from 45% to 55% of total opportunity)



KEY POINTS

- Simplification of structure
- Increased weighting towards long-term metrics
- 60% of award continued to be deferred into shares which are released at later stage than the 2019 ESIP structure and subject to minimum shareholding being in place
- Enhanced clawback and malus provisions

SECTION 3: OUR REMUNERATION POLICY

We are seeking approval from Shareholders at our 2020 AGM for a new Directors' Remuneration Policy. In line with prevailing legislation, this would be expected to apply for three years from the date approved by shareholders.

Our ESIP structure

We have spent a considerable amount of time reviewing the operation of the current Policy, and specifically the use of the Executive Single Incentive Plan ('ESIP') that was approved by shareholders in 2017. We are now in the third year of the operation of this Plan and have had the opportunity to review the effectiveness of what was envisaged when the Plan was launched against its subsequent operation.

By carrying out a full review, and then undertaking a comprehensive consultation exercise with shareholders and shareholder bodies, we have been able to outline in more detail the rationale behind the Plan and get constructive feedback from shareholders on their views.

The ESIP was introduced to align with the PageGroup business model. It provides a structure that:

- firmly aligns pay with performance;
- recognises the cyclical nature of the industry;
- reduces undue volatility to drive performance and retention of executives throughout all stages of the economic cycle; and
- ensures that executives build up meaningful shareholdings to align with shareholders.

The ESIP structure rewards executives for the appropriate delivery of our

strategy and value to shareholders. The Committee believes this model is an appropriate fit for the PageGroup business – ultimately our key responsibility in considering reward. The ESIP recognises the cyclical nature of the recruitment sector, and as a way of motivating leaders, drives superior business outcomes and acts as a retention mechanism through the economic cycle.

We heard strong support for the ESIP structure from our shareholders through the consultation process. They cited that they were comfortable with the structure, saw it as an effective way of aligning performance with reward, and recognised the structure had delivered against its stated aims. We proposed some changes to shareholders to improve the design, and incorporated further changes based on shareholder feedback. These changes include:

- prospective disclosure of 3-year EPS targets;
- extension of Vesting period;
- increase minimum portion of assessment linked to long-term metrics; and
- simplification and consolidation of performance measures.

The ESIP is motivational, trusted by our executives and has subsequently been cascaded to lower levels of leaders within the business to drive alignment and consistency in the way we operate reward.

It allows us to implement a pay for performance philosophy without undue volatility, drives higher levels of shareholding in the business and ensures alignment of executives with the experience of shareholders. The phased

nature of share vesting further supports alignment and management of reward volatility.

Wider reward changes

In addition, the wider landscape for reward has evolved since the last Policy was set and we include some changes that reflect this. These include:

- commitment to executive pension contribution rates consistent with the wider workforce for new appointments and an agreed plan to align to this level for incumbents by the end of the new Policy (end 2022);
- introduction of a post-cessation shareholding policy; and
- enhanced malus and clawback provisions to cover "serious reputational damage".

DIRECTORS' REMUNERATION REPORT

Engagement with shareholders and shareholder feedback

We reached out to 26 of our top investors, representing 70% of our shares in circulation. During our engagement campaign we held meetings with and received feedback from 13 of shareholders covering a total of 43% of our shareholder base, along with the key shareholder bodies that represent in total over

70% of our issued share capital.

The final Policy table is shown on pages 76 and 77 and shows both the full breakdown of our Policy, and also the changes from the Policy approved by shareholders in 2017.

As with all consultation processes, we heard a range of feedback and opinions and it would be impossible to meet all requests or comments provided. As a Committee we have discussed the feedback received in detail and

considered the changes we want to make in light of this. Ultimately our role is to ensure that our Remuneration Policy is aligned to the strategic nature of the business and the resulting shareholder experience, and we are confident that this is the case. The table below illustrates some of the comments or questions we received through consultation and our final position and associated rationale.

Topic	Example Shareholder Comment Raised	Company Consideration	Conclusion
Strategic Measures	Assessment should exclude this measure, and be through financial metrics alone.	We felt that strategic progress is something that we want to encourage and recognise and is a key driver of future business success.	Maintain Strategic Assessment as a metric within the ESIP.
	Overall weighting towards strategic measures feels too high within the overall assessment of the ESIP.	There was a consolidation of strategic and individual measures within the previous design, designed to simplify the overall structure.	We will reduce the overall level of weighting further than originally planned to 15% from 25%, with an associated higher weighting on relative gross profit performance of PageGroup against a stated peer group over a 3-year period (from 10% to 20%).
	Role of strategic measures and way targets set.	Strategic measures will align to the overall strategy of the business as set by the Board. We want to use the strategic element to drive superior performance or place additional emphasis by the Executives in particular areas.	No change. Commitment to quantifiable targets where possible with associated disclosure.
	Importance of environmental factors as a metric in executive reward.	We recognise the importance of acting in a responsible way and the importance of wider sustainability in how the business operates.	We will consider this when setting strategic targets each year.
Pension Provision	Will Policy change to align allowance for executives with the UK workforce?	Change in policy such that future allowances for new appointments align with the wider UK workforce. We recognise the shareholder sentiment on this point and are committed to aligning to the wider UK workforce over time while reflecting the existing contractual provisions and arrangements in place for individuals.	Provision for new appointments will reflect the UK workforce. Monetary value for incumbents will be fixed at 2019 levels until end of 2022 and will then realign to the prevailing rate of the UK workforce.
Post cessation shareholding	Tapering off of requirement in the 12 to 24 month period post cessation.	We want executives aligned to performance and to experience the consequences of the strategy they stand over and implement during their tenure. Recruitment is a very fast-moving and non-capital-intensive sector. As a result, business decisions can be made and implemented quickly, and we believe this tapering is appropriate for the sector and aligns former executives effectively to their previous business post-employment whilst recognising the degree of change that could be implemented by new management.	Maintain a tapering off such that 2x salary requirement for first 12 months and 1x for next 12 months.
Variable Reward Structure	Why not operate an annual bonus and PSP structure?	We believe the ESIP is an effective way of delivering reward in a highly cyclical business and has been demonstrated to align pay with performance. It is something now in place at levels below Executive Director in the business, and also acknowledge that any move away from the ESIP is likely to involve additional transitional measures.	No change and maintain ESIP with changes outlined within amended Policy.
	Have you considered just having an annual plan with significant deferral?	Many shareholders indicated they liked the combination of 1 year and 3-year metrics within the design. This came through when we first discussed ESIP in 2017 and again this year.	

Executive Directors' Policy Table

	Base Salary	Benefits	Pension	Incentives	Shareholding
Purpose	Attract, retain and reward high calibre Executive Directors.	Attract, retain and reward high calibre Executive Directors. Provision of opportunities for connecting with clients, investors and staff to facilitate growth strategy.	Attract, retain and fairly reward high calibre Executive Directors.	Rewards both short and long-term performance. Aligns interests of Executive Directors with shareholders.	To align Executives to company performance through meaningful levels of mandatory shareholding. Post-cessation Policy to align executives beyond termination of employment.
Operation	Salary levels (and subsequent increases) are set after reviewing various factors including individual and Company performance, role and responsibility, internal relativities such as the increases awarded to other employees and prevailing market levels for Executive Directors at companies of comparable status and market value, considering the total remuneration package. Salaries are normally reviewed annually. Salary is paid monthly, and increases are generally effective from 1 January.	Competitive benefits including car allowance or company car (including running costs), private medical insurance for the individual and family, permanent health insurance and four times salary life assurance. Provision of relocation assistance and any associated costs or benefits (including but not limited to housing benefits, personal tax advice and school fees) upon appointment if/when applicable. The Company may also provide tax equalisation arrangements. Membership of clubs as appropriate for the development of business.	Executive Directors may receive a defined contribution pension benefit or cash supplement.	<p>Awards are paid in cash (40%) and deferred shares (60%) vesting at defined future dates subject to continued employment.</p> <p>The plan consists of metrics linked to annual performance only, and other metrics that consider performance over a 3-year period. At least 50% of any award will depend on assessment against longer term metrics.</p> <p>Performance will be measured against a balanced scorecard, to support the Company's strategy. Performance targets will be a mix of financial and strategic targets which may comprise, but are not limited to, the following: PBT; key strategic projects; people development; cost management; relative Gross Profit vs a comparator group; and EPS. A maximum of 25% vesting will apply for threshold performance.</p> <p>A post-vesting holding period applies. Directors who have not reached the shareholding requirement of 200% of base salary will be required to hold vested shares from each tranche of the ESIP for a further two years post-vesting, except for sales for the purposes of meeting tax liabilities on vesting and exercise.</p> <p>A minimum of 80% of the possible award will normally be linked to financial metrics.</p> <p>Dividend equivalents accrue during the vesting period but are only released to the extent awards vest. Malus and clawback provisions will apply to the total award, including cash and deferred portions, for misstatement of performance, substantial failure of risk control, and gross misconduct.</p>	<p>Shareholding requirements are operated to align Executive Directors' interests with those of shareholders.</p> <p>The current requirement is 200% of base salary.</p> <p>A new post-cessation shareholding policy will require leavers to hold 2x salary for the first 12 months post cessation and 1x salary for the subsequent 12 months.</p>

DIRECTORS' REMUNERATION REPORT

Executive Directors' Policy Table (continued)

	Base Salary	Benefits	Pension	Incentives	Shareholding
Maximum	Salaries will not normally increase by more than RPI +5% except increases in excess of this may be awarded in the case of new Executive Directors where it is appropriate to offer a below market salary initially on appointment and a series of staged increases, subject to performance and experience in role, to bring to a market competitive salary. Aim for market competitive salaries.	Competitive benefits in line with market practice.	New appointments at the Executive Director level will receive a cash allowance in line with the wider UK workforce. Pension contribution levels for incumbent Executive Directors will be frozen at the level received in 2019 through to the end of 2022 and then replace to align to the prevailing rate of the wider UK workforce from 1 January 2023.	Maximum award for CEO = 375% of salary. Maximum award for CFO = 325% of salary.	
Proposed changes (compared to Policy approved in 2017)	None – for information the salaries for the CEO and CFO for 2020 will be unchanged from the 2019 level at £629,800 and £366,300 respectively.	None.	Freezing of existing contribution levels (at 2019 value) for incumbents through to end of 2022 and then reduced to rate aligned to UK workforce. Level for new appointments to reflect UK workforce from appointment.	Change in weighting to long-term performance from minimum of 40% to 50%. Minimum of 80% of ESIP linked to financial metrics (previously 70%). Amended deferral structure such that deferred awards are released later.	Introduction of post-cessation shareholding policy.

Choice of performance conditions and target setting for variable compensation

Information on performance measures and targets for each annual award is disclosed in detail in the Directors' Annual Remuneration Report. When choosing performance measures and setting targets the Committee is guided by the following principles:

- performance measures should drive and reward the achievement of key short and long-term financial and strategic goals;

- performance measures should provide alignment between the interests of management and those of shareholders
- a significant proportion of any incentive scheme should be linked to Group financial performance
- PBT and EPS are used currently because they are key measures of business performance and profitability
- targets for financial and strategic measures should be stretching yet achievable; and
- targets should not incentivise excessive risk taking.

Strategic measures focus Executives on key drivers that underpin long-term financial performance. The Committee are mindful that:

Our approach to recruitment

Remuneration will be subject to the maximum levels as set out in the Directors' Remuneration Policy in force at the time of appointment. As a result, the maximum level of variable remuneration is 375% of base salary under the ESIP (excluding any "buy out" payments).

Individuals will participate in the ESIP up to the normal annual limit subject to:

- Award levels in the year of appointment being pro-rated to reflect the proportion of the financial year worked; and
- Performance measures and/or measurement periods may

be adjusted for newly appointed Executive Directors, taking account of the timing of appointment and the individual's role.

The table below sets out our approach to the treatment of outstanding awards of variable remuneration when recruiting externally or internally.

Element of Remuneration	External Recruits	Internal Recruits
Treatment of outstanding awards of variable remuneration.	<p>May offer additional cash and/or share based elements when considered to be in the best interest of the Company and, therefore shareholders, in order to 'buy out' forfeited remuneration.</p> <p>Any 'buy-out' payments would be based solely on remuneration lost when leaving the former employer and would be on terms that are no more favourable than the delivery mechanism (i.e. cash, shares, options) and time horizons. Where forfeited remuneration is performance related, any 'buy-out' payment would be subject to performance conditions determined by the Committee.</p> <p>The Committee may need to avail itself of the current Listing Rule 9.4.2 R to make such awards where doing so is necessary to facilitate, in exceptional circumstances, the recruitment of the relevant individual.</p>	<p>Any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms on grant.</p>

In addition, the structure of remuneration for a new Executive Director may differ temporarily from that in effect for other Executive Directors. The circumstances in which this may occur are as follows:

- when it is appropriate to offer a below market salary initially, a series of salary increases may be given over the following few years subject to individual performance and experience in role which bring the incumbent to the determined salary level, reflective of the policy to pay market competitive salaries;
- the Committee may agree that the Company will meet certain costs associated with the recruitment (for example legal fees); and
- Where the Committee may adjust the respective performance period for performance metrics such that company performance already determined on appointment is not included within calculation of ESIP awards.

Policy on payment for loss of office

On termination, any compensation payments due to an Executive Director are calculated in accordance with normal legal principles, including mitigation, as appropriate. Should notice be served by either party, an Executive Director can continue to receive basic salary, benefits and pension for duration of the period during which time the Company may require the individual to continue to fulfil

their current duties or may place the individual on garden leave. The Company can make a payment in lieu of notice (PILON) as a lump sum equivalent to the amount of base salary, benefits and pension that would have been payable to the executive. This payment can be phased over the remainder of the notice period and be subject to reduction if there are alternative earnings. A payment may be made in respect of accrued but untaken holiday.

An Executive Director who resigns or is dismissed for cause will not be eligible for an ESIP award and will forfeit any deferred awards.

In respect of the ESIP, an Executive Director may be deemed a 'good leaver', for example due to:

- redundancy, retirement, injury, disability, ill health or death in service;
- a transfer of employment in connection with the disposal of a business or undertaking;
- the company with which the Executive Director holds office or employment ceasing to be a member of the Group; or
- other appropriate circumstances at the discretion of the Committee.

As a 'good leaver' they will be eligible for an ESIP award for their last year of employment pro-rated for the portion of the year worked and subject to performance. Unvested deferred ESIP awards may be retained by the Executive Director and will normally vest at the established vesting dates and

will continue to be subject to malus and clawback. They may also be subject to time pro-rating at the Remuneration Committee's discretion.

The extent to which any awards made under legacy share plans prior to the effective date of this policy would vest upon cessation of employment would be determined in accordance with their terms and the plan rules.

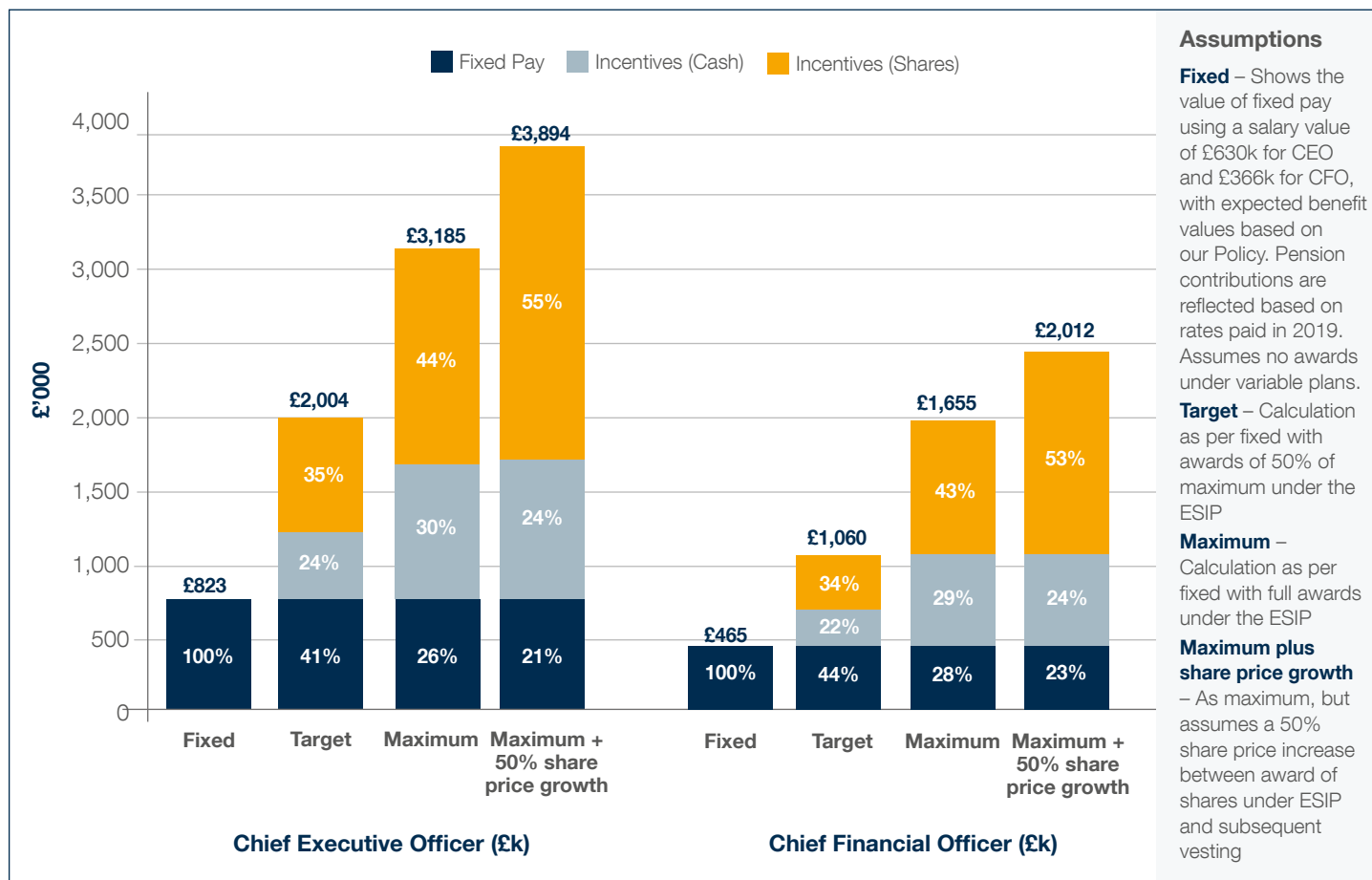
In considering the exercise of discretion as set out above, the Committee will consider all relevant circumstances. Factors that the Committee may (but shall not be obliged to) consider will include, but not be limited to, the following:

- the best interests of the Company;
- the contribution of the Executive Director to the success of the Company during their tenure;
- the need to ensure continuity;
- the need to compromise any claims that the Executive Director may have;
- whether the Executive Director received a PILON payment;
- whether a greater proportion of the outstanding award may have vested had the Executive Director served out his notice;
- whether the Executive Director has presided over an orderly handover; and
- adjustment of performance outcomes to ensure that payout is fair and reasonable in the context of the Company's overall performance.

DIRECTORS' REMUNERATION REPORT

Performance scenarios

The chart below gives an indication of the total remuneration which could be received by the Chief Executive Officer and Chief Financial Officer under the policy. This also includes an additional scenario to show the impact of 50% share price growth on deferred shares as required under the regulations. The impact of dividends is not shown in the table below.



Statement of consideration of employment conditions elsewhere in the Group

PageGroup does not consult directly with employees when determining remuneration policy for Executive Directors. However, increases in pay across the senior management population and the wider workforce are considered when setting pay levels for Executive Directors.

Statement of consideration of shareholder views

The Committee considers shareholder feedback received in relation to the AGM each year at its first meeting following the AGM. The Remuneration Committee Chairman will seek to inform major shareholders of any material changes to the Remuneration Policy in advance and will generally offer a meeting to discuss these changes.

Key areas of discretion

Key areas of Committee discretion in the Remuneration Policy include (but are not limited to):

- the choice of financial performance measures in variable remuneration and the choice of performance targets for those measures
- the treatment of leavers in the ESIP (as described in the "Policy on payment for loss of office" section on page 78)
- the ability to amend performance conditions for new appointments such that corporate performance already established and complete does not feed into ESIP calculations
- certain discretions as set out in the ESIP plan rules such as:
 - the timing of grant of award and/or payment
 - the size of an award and/or a payment (subject to the maximums

set out in the Future Policy Table for Executive Directors)

- determination of a good leaver (in addition to any specified categories) for incentive plan purposes based on the rules of the ESIP, and the resulting treatment of the award (as described in the "Policy on payment for loss of office" section on page 78)
- adjustments required in certain circumstances (e.g. rights issues, corporate restructuring and special dividends)
- the ability to adjust existing performance conditions for exceptional events so that they can still fulfil their original purpose (subject to the amended condition not being materially less challenging).

External Non-Executive Director position

Subject to Board approval, Executive Directors are permitted to take on non-executive positions with other companies. Executive Directors are permitted to retain their fees in respect of such positions. Details of outside directorships held by the Executive Directors and any fees that they received are disclosed annually.

Future Policy Table for Board Chairman and Non-Executive Directors

The Board Chairman and Non-Executive Directors receive a fee for their services and do not receive any other benefits from the Group, nor do they participate in any of the bonus or share schemes. The fees recognise the responsibility

of the role and the time commitments required and are not performance related or pensionable. They are paid monthly in cash and there are no other benefits. The principles below will also apply to the recruitment of Non-Executive Directors.

Element	Purpose and Link to Strategy	Operation	Maximum Opportunity
Fees	Attract, retain and fairly reward high calibre individuals.	Reviewed by the Board after recommendation by the Chairman and Chief Executive Officer (and by the Committee in the case of the Chairman) considering individual responsibilities, such as Committee Chairmanship, time commitment, general employee pay increases, and prevailing market levels at companies of comparable status and market value. Fee increases are normally reviewed annually and are generally effective from 1 January. Non-executive Directors also receive reimbursement of reasonable expenses incurred in connection with Company business and the Company may settle any tax incurred in relation to these.	The maximum aggregate fees for Directors allowed by the Company's Articles of Association is £600,000. Current fee levels are set out in the Directors' Annual Remuneration Report.

Service contracts and letters of appointments

All Executive Directors' service contracts contain a twelve-month notice period. The service contracts also contain restrictive covenants preventing the Executive Directors from competing with the Group for six months following the termination of employment and preventing the Executive Directors from soliciting key employees, clients and candidates of the employing

company and Group companies for twelve months following termination of employment.

Non-Executive Directors, including the Chairman of the Board, are engaged under letters of appointment and do not have service contracts with the Company. They are appointed for a fixed term of three years, during which period the appointment may be terminated by either party upon one month's written notice or in accordance with the Articles of Association

of the Company. There are no provisions on payment for early termination in the letters of appointment. After the initial three-year term, they may be reappointed for a further term of three years, subject to annual re-election at Annual General Meetings.

Further detail on service contracts and letters of appointment are set out in the Remuneration Report on page 88 and copies are available for inspection at the Company's registered office during normal business hours.

Our proposed Policy aligns with Provision 40 of the UK Corporate Governance Code 2018 as explained below:

<p>Clarity</p> <p>We actively engage with shareholders and demonstrate how their views and perspectives are considered in the development of our Policy.</p>	<p>Simplicity</p> <p>We look to describe the structure of reward clearly to both participants and shareholders through effective disclosures. Target documents are issued to executives each year to ensure clear understanding of the way reward will be delivered and assessed.</p>	<p>Alignment to Culture</p> <p>The Policy aligns to our business model and reflects alignment to our strategy. Measures used to determine awards link to our Strategic Priorities.</p>
<p>Predictability</p> <p>Examples of the range of outcomes under the Policy are shown within the scenario graphs.</p> <p>This demonstrates the way that different performance levels change reward outcomes for individuals and the associated impact of changes in the Company share price.</p>	<p>Proportionality</p> <p>A significant proportion of the total reward opportunity is performance driven, with clear linkage between business metrics and variable reward outcomes.</p> <p>Metrics for variable awards are key KPI measures for the business and align to delivery of strategy and performance against goals set.</p> <p>A significant proportion of variable awards are delivered in shares and Executives are required to develop and maintain a material shareholding in the business to fully align to the shareholder experience.</p>	<p>Risk</p> <p>The Committee retains ultimate discretion to vary outcomes from formulaic results if they do not judge this to accurately reflect underlying business performance.</p> <p>Malus and Clawback provisions apply to all awards and we operate post-cessation shareholding requirements to further align executives to long-term business performance.</p>

DIRECTORS' REMUNERATION REPORT

SECTION 4: ANNUAL REPORT ON REMUNERATION

This part of the report has been prepared in accordance with Part 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The information on pages 72 to 94 has been audited where required under the Regulations. The elements of the Directors' Annual Remuneration Report subject to audit are the:

- Single total figure for remuneration and the accompanying notes;
- Details of the performance against metrics for variable awards included in the single sum;
- Details of the ESIP award made in 2019; and
- Section on outstanding share awards.

During the year under review the members of the Committee were Angela Seymour-Jackson, who was Chair of the Committee, Simon Boddie, Patrick De Smedt, Michelle Healy and Sylvia Metayer. Details of the members' attendance at meetings of the Committee were as follows:

Director	No. of meetings attended
Angela Seymour-Jackson	8 out of 8
Simon Boddie	8 out of 8
Patrick De Smedt	8 out of 8
Michelle Healy	8 out of 8
Sylvia Metayer	7 ¹ out of 8

1. Due to unforeseen circumstances

Only members of the Committee are entitled to attend meetings. Other individuals, such as the Chairman of the Board, who attends meetings of the Committee regularly, the

Chief Executive Officer, the Chief Financial Officer, the Group Human Resources Director and external advisers, may attend meetings by invitation when appropriate and necessary. No Director takes part in discussions relating to their own remuneration. The Committee last conducted a review of its Remuneration Advisers in 2018 and following a comprehensive tender process appointed PricewaterhouseCoopers ("PwC") as the advisers to the Committee. PwC is one of the founding members of the Remuneration Consultants Group and as such adheres to the code of conduct in relation to executive remuneration consulting in the UK. PwC's appointment commenced in November 2018. The Committee is satisfied the advice received is objective and independent.

The fees paid to PwC totalled £114,852. Separate teams within PwC provided unrelated tax and mobility services during the year. The Committee is satisfied that these activities do not compromise the independence or objectivity of the advice it has received from PwC.

The Committee met 8 times during 2019 and considered the following matters:

Meeting	Agenda Items
February 2019	<ul style="list-style-type: none"> Set long-term targets for 2021 ESIP (EPS and Comparator Group) Set Annual targets for operation of 2019 ESIP Impact of revised Corporate Governance Code Outturn of 2018 ESIP and vesting under 2016 LTIP Award
March 2019	<ul style="list-style-type: none"> Annual Remuneration Report Gender Pay
April 2019	<ul style="list-style-type: none"> Remuneration Policy Review – Initial Discussion
July 2019	<ul style="list-style-type: none"> Remuneration Policy Review – Findings and draft proposals for consultation Update on performance against LTIP/ESIP targets
August 2019	<ul style="list-style-type: none"> Remuneration Policy Review
October 2019	<ul style="list-style-type: none"> Remuneration Policy Review – Initial feedback through consultation
November 2019	<ul style="list-style-type: none"> Remuneration Policy Review – Further feedback through consultation and amendments to proposals Discuss pension contributions for incumbent directors
December 2019	<ul style="list-style-type: none"> Review performance against strategic and individual measures Reviewing incentives schemes for senior management below Executive Directors Undertaking its annual review and approval of salaries and incentives of the Executive Directors and other senior executives Committee effectiveness and terms of reference review

The Remuneration Committee set out in the 2017 Annual Report and Accounts the PageGroup Remuneration Policy which was approved by shareholders at the Company's Annual General Meeting held on 8 June 2017. Full details of the shareholder voting in this respect can be found on page 94. The Committee continued to operate this Remuneration Policy during 2019.

Directors' remuneration as a single figure

The tables below report a single figure for total remuneration for each Executive Director for the years ended 31 December 2019 and 31 December 2018.

		Salary and Fees £'000	Benefits £'000	Pensions £'000	ESIP - Cash £'000	ESIP - Deferred Shares £'000	Legacy Long-term incentives £'000	Dividends paid on unvested shares £'000	Total £'000
		Note 1	Note 2	Note 3	Note 4	Note 4	Note 5	Note 6	
Steve Ingham	2019	630	237	158	712	1,068	1,228	72	4,105
	2018	616	36	154	810	1,215	1,328	143	4,302
Kelvin Stagg	2019	366	25	73	354	531	618	37	2,004
	2018	358	25	72	404	607	612	70	2,148

Notes:

- Salary and fees represent the salary and fees paid in cash in respect of the financial year.
- Benefits represent the taxable value of the benefits provided in the year and comprise a company car or cash equivalent; fuel; permanent health insurance; medical insurance and life insurance. Following the Chief Executive Officer's skiing accident, the Company met some of the elements of the cost of private medical care for the CEO totalling £112.3k plus tax to expedite his recovery and return to work.
- Pension includes the cash value of Company contributions to defined contribution pension plans and cash payments in lieu of pension contributions.
- The ESIP payment is determined using a balanced scorecard of short and long-term performance measures. 40% of the ESIP award is delivered in cash and as shown in the "ESIP – Cash" column. The remaining 60% of the ESIP is delivered in deferred shares which vest over a three-year time period and is shown in the "ESIP – Deferred Shares" column.
- The 2019 values relate to shares vesting under the 2017 LTIP, for which the performance period ended in the financial year. Following the assessment of performance, 265,332 shares will vest to Steve Ingham and 133,523 shares will vest to Kelvin Stagg. The figures shown in the table are based on the average share price in the three months to 31 December 2019, which is £4.63. The value will be restated next year using the actual share price on the relevant date. The 2018 values have been restated from that disclosed in the 2018 disclosure to reflect the actual value of those awards at the point of vesting (18 March 2019) with a share price of £4.85 compared to £4.04 when granted in March 2016.
- This relates to dividends during the year on shares awarded under the legacy Long-Term Incentive Plan.

Non-Executive Directors' remuneration as a single figure

The tables below report a single figure for total remuneration for each Non-Executive Director for the years ended 31 December 2019 and 31 December 2018.

	Year	Fees £'000s
David Lowden	2019	213.8
	2018	208
Simon Boddie	2019	69.5
	2018	68
Patrick De Smedt	2019	64.5
	2018	61
Michelle Healy	2019	55.5
	2018	54
Sylvia Metayer	2019	55.5
	2018	54
Angela Seymour-Jackson	2019	69.5
	2018	62

There were no payments to past directors or any payments for loss of office during 2019.

DIRECTORS' REMUNERATION REPORT

2019 ESIP

Linkage of Company performance into ESIP outcomes.

PBT element: Full disclosure of the PBT range is below. The Group's PBT for 2019 was £144.2m, delivering overall 1.4% growth. This was a notable achievement given that the majority of the Group's regions were impacted by macro-economic and political uncertainty throughout the year including Brexit uncertainty in the UK, social unrest in France, trade tariff disruption in Mainland China and protests in Hong Kong. Accordingly, the Group performed robustly despite these tough trading conditions.

How the PBT targets were set: The target is designed to incentivise the senior executive team and reward exceptional performance through a sliding scale with target being based on internal budget and producing an outcome of 31% of maximum. Targets were set for 2019 taking account of internal goals, planned investments, broker forecasts and trading conditions at the time targets were put in place.

Strategic element: The Committee formulate strategic targets by focusing

on the key commercial priorities that it considers will drive the long-term success of the global business. The Executive Directors are set clear goals at the beginning of each performance year and execution against these objectives is assessed by the Committee. The areas of delivery for 2019 centred around progress in strategic markets and productivity. Detailed disclosures of each of the CEO's and CFO's performance can be found overleaf.

Personal element: The personal objectives set for the Executive Directors enable the Committee to consider each Director's individual contribution in relation to improving organisational capability, talent development including culture and diversity considerations, people leadership and management. The Committee considers that the reward outcomes for both CEO and CFO fairly represent the significant achievements made in both the strategic and personal elements of the ESIP award.

Long-term performance element: In 2019, this element was based on targets for 2017 to 2019 EPS and gross profit growth relative to comparators.

EPS element: Between 2017 and 2019, PageGroup delivered 2017 EPS of 26.5p, which represents year-on-year growth of 14.7%. In 2018, we delivered EPS of 32.5p, representing year-on-year growth of 22.6%. In 2019, the Group delivered EPS of 32.2p. Although not a metric used in the ESIP, the Company also achieved Total Shareholder Return of 56.1% for the 3-year period 2017-2019, exceeding the FTSE 250 by 24.4 points.

Relative Gross Profit element: PageGroup delivered strong gross profit growth of 5.0% in constant currency in 2019. For the 3 year period 2017-2019, PageGroup was in the upper quartile of the peer group and resulted in this element being paid in full. The performance metrics, weightings and targets, together with the determination of the ESIP award, are as set out in the tables below and overleaf for both Executive Directors.

Breakdown of 2019 ESIP calculation

Performance Metrics	Weighting	Target	Achievement (% of max)	
			CEO	CFO
Annual performance Metrics – 2019				
Profit Before Tax	30%	Threshold = £142m (25% award) Target = £155m-165m (60% award) Maximum = £180m (Full award)	Actual PBT = £144.2m Award Level = 31%	
Non-financial Strategic	15%	See breakdown in table below	80%	80%
Personal Performance	10%		91%	80%
3-year performance metrics (Jan 2017 to Dec 2019)				
Cumulative EPS	35%	Threshold EPS = 69p (25% vesting) through to Stretch EPS = 84p (100% vesting)	Actual EPS = 91.2p Award Level = 100%	
Relative Gross Profit Growth	10%	Based on average growth over the 3-year period compared to peer group. Median = 25% vesting through to Upper quartile = Full vesting	Actual = 10.2% growth This exceeds the upper quartile of the peer group of 7.1% Vesting Level = 100%	
Overall			75.4%	74.3%
Overall award (% of salary)			Opportunity = 375% of salary Final Award = 283% of salary	Opportunity = 325% of salary Final Award = 241% of salary

Strategic targets and outcomes within 2019 ESIP award

CEO – Steve Ingham

Theme	Weighting	Target	Key Achievements	Achievement (% of max)
Strategic Objectives				80%
Strategic Market Development	7.5%	<ul style="list-style-type: none"> Achieve growth in identified Large High Potential Markets (LHPM). 	<ul style="list-style-type: none"> Increase in proportion of headcount and profit from these markets from 2018 in line with strategic plan Specific progress in key markets against plan – in particular Germany (20%* gross profit growth) and US (17%* gross profit growth). 	90%
Productivity	7.5%	<ul style="list-style-type: none"> Ensure strategy in place and activity commenced to drive significant productivity improvements. 	<ul style="list-style-type: none"> Strategy session held with the Board. Scorecard of KPI metrics established to monitor productivity and progress against productivity targets. Productivity improvements of 1.5% achieved. 	70%
Personal Performance				91%
Leadership Development	10%	<ul style="list-style-type: none"> Implement leadership changes to ensure strategic prioritisation on productivity. Strengthen talent pipeline. Deliver initiatives to increase gender and nationality diversification in senior roles. Champion and embed Page Purpose and Vision and actively monitor culture. 	<ul style="list-style-type: none"> Changes executed to enable focus on routes to improved productivity, resulting in new technology to support strategy including new Mobile App, Job matching software and advertising technology platform. Evolution of Training Succession and Development programme and extension of coaching programmes within the business. Progress of women in senior roles, launch of “Global Returners” programme, progression of women’s network and metrics embedded to track progression with gender diversity. Embedding of company purpose and values seen through “Have your say” survey results. 	91%

* Constant currency growth rates

CFO – Kelvin Stagg

Theme	Weighting	Target	Key Achievements	Achievement (% of max)
Strategic Objectives				80%
Strategic Market Development	7.5%	<ul style="list-style-type: none"> Achieve growth in identified Large High Potential Markets (LHPM). 	<ul style="list-style-type: none"> Increase in proportion of headcount and profit from these markets from 2018 in line with strategic plan. Specific progress in key markets against plan – in particular Germany (20%* gross profit growth) and US (17%* gross profit growth). 	90%
Productivity	7.5%	<ul style="list-style-type: none"> Ensure continued rollout of the IT target operating model and Global Financial system, with flow through to productivity improvement. 	<ul style="list-style-type: none"> Global Finance System project formally closed and moved to business as usual activities. IT Target Operating Model (TOM) now fully rolled out across the Group and being optimised. Metrics to monitor productivity improvements in place and favourable tracking reflecting investments and optimisation of Groupwide systems. 	70%
Personal Performance				80%
Leadership Development (capability and talent development in Finance)	10%	<ul style="list-style-type: none"> Develop strength and effectiveness of finance function 	<ul style="list-style-type: none"> Robust succession plan in place covering all critical finance roles. Implementation of changes of way Board support is provided from central functions. Improvements in quality and depth of management information and analysis to support effective Board discussions. 	80%

* Constant currency growth rates

DIRECTORS' REMUNERATION REPORT

Legacy Long-Term Incentive from 2017

The long-term incentive figures reported in the single figure table relate to the legacy awards granted in March 2017 to Steve Ingham and Kelvin Stagg. These awards were subject to EPS (62.5% of the award), Relative Gross Profit (12.5% of the award) and Strategic targets (25% of the award), measured over a three-year period. Cumulative EPS over the 3-year period was 91.2p compared to a threshold level of 69p and a stretch of 84p.

The performance against targets set for each metric is provided below and results in an overall level of vesting for Steve Ingham of 96% (265,332 shares) and for Kelvin Stagg of 94.9% (133,523 shares). The Committee were satisfied that the overall level of vesting was appropriate against the context of Company performance over the 3-year performance period.

Performance Metrics (3-year performance: Jan 2017 to Dec 2019)	Weighting	Target	Achievement (% of max)	
			CEO	CFO
Cumulative Earnings Per Share	62.5%	Threshold EPS = 69p (25% vesting) through to Stretch EPS = 84p (100% vesting)	Actual EPS = 91.2p Vesting Level = 100%	
Relative Gross Profit Growth	12.5%	Based on average growth over the 3-year period compared to peer group. Median = 5.3% vesting through to Upper quartile = Full vesting	Actual = 10.2% growth This exceeds the upper quartile of the peer group of 7.1 Vesting Level = 100%	
Strategic Targets	25%	See breakdown overleaf	84%	79.7%
Overall vesting (% of maximum)			96%	94.9%
Shares Released			265,332	133,523

Strategic targets and outcomes within LTIP award

CEO – Steve Ingham

Theme	Weighting	Key Achievements	Achievement (% of max)
Executive Leadership and Page People Development	7.5%	<ul style="list-style-type: none"> Senior level development programme established and now embedded in the business. Annual talent succession and development structure in place to ensure identification and progression of talent. Succession planning discussed with Board including identification of longer-term talent (5 years+). 	90%
Strategy Development	10%	<ul style="list-style-type: none"> Refreshed strategic plan implemented for the business, with regular updates of progress and landscape provided to the Board. Key overall progress in identified markets with greater weighting of overall profit from large, high potential markets in line with agreed strategy. Rate of improvement in previously identified markets (e.g. Germany and USA) in response to plans approved by the Board. 	90%
Systems and Innovation	7.5%	<ul style="list-style-type: none"> Standardisation of operations and approach across the business: common ways of working underpinned by consistent technology and process. Progress made on use of data analytics and routes to enhance digital marketing capabilities. Significant enhancements in cyber and privacy capabilities with new external expertise successfully recruited into the business. Regular updates with Board on actions being taken to protect data. 	70%
Total	25%		84%

CFO – Kelvin Stagg

Theme	Weighting	Key Achievements	Achievement (% of max)
Executive Leadership and Page People Development	7.5%	<ul style="list-style-type: none"> Changes to strengthen global finance team implemented, resulting a number of internal moves and strengthening of succession plans. Quality targeted external recruitment to bring specific expertise into the business to address identified gaps or opportunities. Target Operating Model (TOM) within IT fully rolled out driving standardisation of approach and synergies. 	70%
Strategy – cost management, financial and strategic management information	7.5%	<ul style="list-style-type: none"> Enhanced financial policies and procedures across support functions. Cost efficiencies and KPI improvements seen from rollout of Shared Service Centre model, leveraging additional value from investment in global platforms. Improvements in the ratio of Fee earner to Operational Staff. 	85%
Systems and Innovation	10%	<ul style="list-style-type: none"> Single Global Financial System (GFS) now rolled out across all support regions with no interruptions to core business processes. Global process owners established to support evolution of next stage GFS activity to drive ongoing benefits. Innovation lab created to identify, evaluate and test technology and provide data led insight to drive decision making on future technology, including robotic process automation. Significant investment in data security capability, leading to process improvements and extended monitoring and prevention activity. Group-wide GDPR programme established and successfully embedded into business operations. 	83%
Total	25%		79.7%

Shares awarded in 2019

Conditional awards of deferred shares were made in March 2019 in relation to deferred share awards made under the operation of the 2018 ESIP.

	Number of shares Awarded	Face Value at date of award	Vesting
Steve Ingham	265,109	£1,214,733	Shares vest in three tranches on the first, second and third anniversary of award, subject to continued employment.
Kelvin Stagg	132,264	£606,035	

Awards were made on 12 March 2019. The share price used to make awards was £4.5820 being the mid-market share price on 11 March 2019.

Outstanding share awards

This section sets out the share interests of the Executive Directors as at 31 December 2019 under the Executive Single Incentive Plan, legacy Executive Share Option Scheme, the 2009 Share Option Scheme and the Long-Term Incentive Plan.

Steve Ingham

ESIP

Grant Date	Number of shares at 1 January 2019	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2019	Vesting
15 March 2018	77,635	–	(77,635) ¹	–	–	15 March 2019
15 March 2018	77,636	–	–	–	77,636	16 March 2020
15 March 2018	77,636	–	–	–	77,636	15 March 2021
12 March 2019	–	88,369	–	–	88,369	12 March 2020
12 March 2019	–	88,370	–	–	88,370	12 March 2021
12 March 2019	–	88,370	–	–	88,370	14 March 2022
Total	232,907	265,109	(77,635)¹	–	420,381	

1. A sufficient number of shares were sold to cover applicable taxes with the balance of 41,055 shares held

DIRECTORS' REMUNERATION REPORT

LTIP

Grant date	Number of shares at 1 January 2019	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2019	Vesting date
18 March 2016	284,865	–	(273,755) ¹	(11,110)	Nil	18 March 2019
16 March 2017	276,387	–	–	–	276,387	16 March 2020
TOTAL	561,252	–	(273,755)	(11,110)	276,387	

1. A sufficient number of shares were sold to cover applicable taxes with the balance of 144,767 shares held

Kelvin Stagg

ESIP

Grant Date	Number of shares at 1 January 2019	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2019	Vesting
15 March 2018	40,597	–	(40,597) ¹	–	–	15 March 2019
15 March 2018	40,597	–	–	–	40,597	16 March 2020
15 March 2018	40,598	–	–	–	40,598	15 March 2021
12 March 2019	–	44,088	–	–	44,088	12 March 2020
12 March 2019	–	44,088	–	–	44,088	12 March 2021
12 March 2019	–	44,088	–	–	44,088	14 March 2022
Total	121,792	132,264	(40,597)¹	–	213,459	

1. A sufficient number of shares were sold to cover applicable taxes with the balance of 21,468 shares held

LTIP

Grant date	Number of shares at 1 January 2019	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2019	Vesting date
18 March 2016	133,298	–	(126,233) ¹	(7,065)	Nil	18 March 2019
16 March 2017	140,662	–	–	–	140,662	16 March 2020
TOTAL	273,960	–	(126,233)	(7,065)	140,662	

1. A sufficient number of shares were sold to cover applicable taxes with the balance of 66,754 shares held

Executive Share Option Scheme

Details of options granted under The Michael Page International plc Executive Share Option Scheme and The Michael Page 2009 Share Option Scheme that remain outstanding at 31 December 2019 are as follows:

The Michael Page Executive Share Option Scheme

Grant date	Number of options at 1 January 2019	Exercised during the year	Lapsed during the year	Number of options at 31 December 2019	Exercise price (p)	Exercise period
10 March 2010	4,050	(4,050) ¹	–	–	381.5	2013-2020
TOTAL	4,050	(4,050)	–	–		

1. All shares arising pursuant to the exercise of options were sold to cover the option cost and taxes incurred at exercise, with the balance of 366 shares retained by Kelvin Stagg. The gain on exercise was £3,317.

The Michael Page 2009 Share Option Scheme

Executive	Grant date	Number of options at 1 January 2019	Exercised during the year	Lapsed during the year	Number of options at 31 December 2019	Exercise price (p)	Exercise period
Kelvin Stagg	11 March 2011	30,000	–	–	30,000 ¹	491.0	2014-2021
Kelvin Stagg	12 March 2012	30,000	–	–	30,000 ²	477.0	2015-2022
Total		60,000	–	–	60,000		

1. At 31 December 2019, 11,304 of the options granted to Kelvin Stagg on 11 March 2011 had vested and were available for exercise

2. At 31 December 2019, all of the options granted to Kelvin Stagg on 12 March 2012 had vested and were available for exercise

Steve Ingham does not hold any options under The Michael Page 2009 Share Option Scheme.

Service contracts and letters of appointment

All Executive Directors' service contracts contain a twelve-month notice period. The service contracts also contain restrictive covenants preventing the Executive Directors from competing with the Group for six months following the termination of their employment and preventing the Executive Directors from soliciting key employees, clients and candidates of the employing company and Group companies for twelve months following termination of employment. The Remuneration Committee has the right to exercise mitigation in the event of termination.

Non-Executive Directors, including the Chairman of the Board, are engaged under letters of appointment and do not have service contracts with the Company. They are appointed for a fixed term of three years, during which period the appointment may be terminated by either party upon giving one month's written notice or in accordance with the provisions of the Articles of Association of the Company. There are no provisions on payment for early termination in the letters of appointment. After the initial three-year term, Directors may be reappointed for a further term of three years, subject to annual re-election at each year's Annual General Meeting.

Where any Director's letter of appointment was renewed during the year they were not entitled to vote on their own appointment. Copies of the service contracts and letters of appointment are available for inspection during normal business hours at the Company's registered office.

Executive Director	Service Contract Date	Unexpired Term	Notice Period
Steve Ingham	31 December 2010	No specific term	12 months
Kelvin Stagg	27 July 2014	No specific term	12 months

Non-Executive Directors	Letter of Appointment Date	Unexpired Term at 31 December 2019
Simon Boddie	18 July 2018	20 months
Patrick De Smedt	18 July 2018	19 months
Michelle Healy	2 October 2019	33 months
David Lowden	18 July 2018	19 months
Sylvia Metayer	22 August 2017	8 months
Angela Seymour-Jackson	22 August 2017	9 months

DIRECTORS' REMUNERATION REPORT

Statement of Directors' Shareholdings

Directors' Shareholdings

It is the Company's policy that Executive Directors are required to build and hold a direct beneficial holding in the Company's Ordinary shares of an amount equal to two times their base salary. The beneficial interests of the Directors who served during 2019, and their connected persons, in the Ordinary shares of the Company are shown in the table below. The table does not include interests in shares which are subject to ongoing company performance conditions but does include shares awarded but not yet vested under the ESIP.

	Ordinary shares held as at 31 Dec 2019	Unvested Share Award (ESIP) as at 31 Dec 2019	% of salary held ¹	Shareholding guideline	Ordinary shares held as at 31 Dec 2018
Executives					
Steve Ingham	937,447	420,381	963%	200%	751,625
Kelvin Stagg	178,637	213,459	417%	200%	90,049
Non-Executives					
Simon Boddie	–	–	n/a	–	–
Patrick De Smedt	–	–	n/a	–	–
Michelle Healy	–	–	n/a	–	–
David Lowden	10,000	–	n/a	–	10,000
Sylvia Metayer	–	–	n/a	–	–
Angela Seymour-Jackson	915	–	n/a	–	915

Notes:

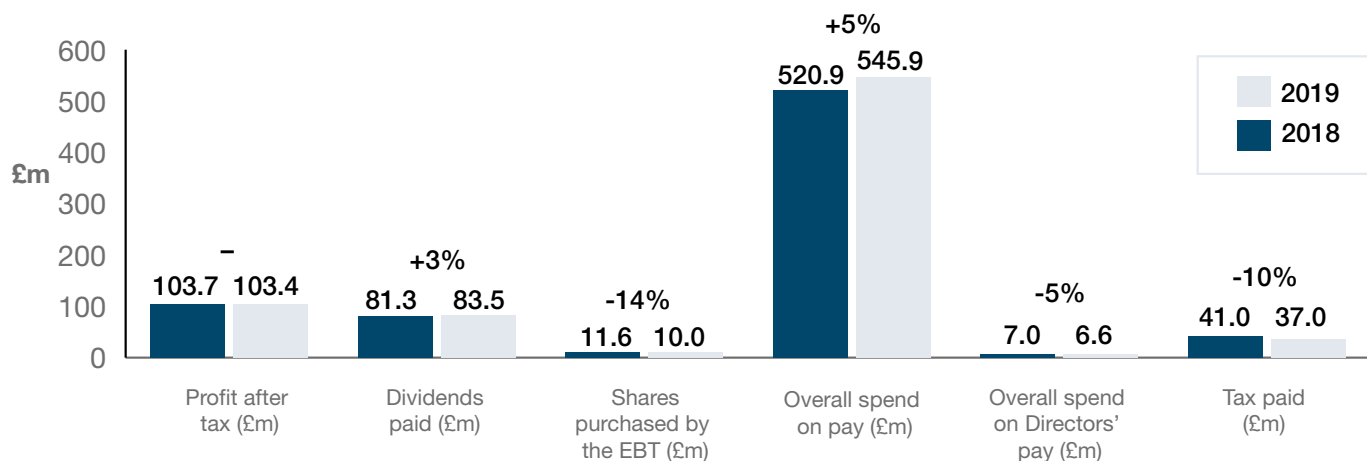
1. This uses the closing share price on 31 December 2019 of £5.23 per share and includes unvested shares awarded under the ESIP calculated on a post-tax basis. The highest and lowest share prices during the year were £5.49 and £3.55 respectively

The resulting percentage of salary is highly linked to changes in share price. As an example, a 50p increase in the share price would increase the percentage of salary held by the CEO to over 1050%.

There were no changes in the Directors' interests between 31 December 2019 and the date of this report.

Relative importance of spend on pay

The graph below shows details of the Company's retained profit after tax, distributions by way of dividend, shares purchased by the Michael Page Employee Benefit Trust, overall spend on pay to all employees (see Note 4) in the financial statements on page 115, overall spend on Directors' pay as included in the single figure table on page 82 and the tax paid in the financial year. The percentage change to the prior year is also shown.



Change in CEO pay compared to workforce

The following table provides a summary of the 2019 increase in base salary for the Chief Executive Officer compared to the average increase for the UK employee population in the same period. Also included is the proposed 2020 salary increase for the purpose of comparison.

	2020 increase %	2019 increase %	2018 increase %
Salary			
CEO	0	2.3	2.6
UK Employee Population ¹	0	2.3	2.3
Benefits			
CEO	n/a	0	(2.7)
UK Employee Population ¹	0	0	0
Annual Cash Incentive			
CEO	n/a	0	(1.3)
UK Employee Population ¹	0	0	0

1.Represents average UK increase.

The UK employee population was chosen as the most relevant population comparison as the Chief Executive Officer is based in the UK.

Remuneration for employees below the Board

Our remuneration philosophy is cascaded through the organisation and we focus on rewarding collective achievement and team-based success. At senior levels we use a combination of shares and cash to achieve this and drive alignment with the business. At more junior levels variable reward is delivered through cash only.

Overall reward is benchmarked on a regular basis to the respective local market and is linked to skill and experience in role. We offer a wider range of benefits that evolves over time. This includes Company provided benefits, but also extends to a range of policies to support work-life balance and wellbeing.

The Company does not formally consult with employees on remuneration matters to consider executive pay or Remuneration Policy design but does review information on employee satisfaction with reward throughout the organisation, including results to reward questions from the "Have Your Say" employee engagement questionnaire which is now run on an annual basis.

Reward across the PageGroup business

We operate within a broad reward framework across our organisation, designed to enable effective progression of talent and grow our own pipeline of talent for the future. We focus on how we drive team based behaviours to create better customer relationships to support our strategy of organic growth.

Employees typically receive salary and a range of benefits driven my local market norms and practice. Most of our employees also have access to variable pay schemes linked to the success they help create.

Our regular activities to engage with our staff (see page 30) give us valuable insight of our reward offer and areas of reward that are working and opportunities for change. We discuss our overall approach as a Board and the way that reward may be expected to change as someone progresses through the organisation.

Base Salary

Salaries are set with reference to the skills and experience of the individual and reflect the local market ranges. The career journey of the fee earning population enables regular pay reviews on achievement of performance based targets which will contribute to the success of the team. For others, salaries are usually reviewed annually and adjusted in consideration of business affordability, individual performance and local market rates of pay.

Benefits

We operate across a range of countries where we see very different practices in terms of benefit provision. Our benefits typically include items such as pension provision, life insurance and medical cover. The levels of contribution or investment in benefits will be driven by local market factors rather than a single global approach.

Variable Pay

The variable pay of the consultant population broadly takes two approaches. Some work on an individual commission basis which promotes individual performance that contributes to the success of the wider team. Others participate in bonus structures which deliver cash awards based on the success of their respective team. Amounts of bonuses awarded will be influenced by the performance of the team as well as the performance of the individual.

At a leadership level we also offer deferred cash incentives to drive retention of talent, in addition to the bonus structures available. At senior leadership levels we provide access to share based incentives, designed to enable individuals to build up a holding in Company shares and fully align them to the shareholder experience.

DIRECTORS' REMUNERATION REPORT

CEO pay ratio

Following the introduction of Government legislation, this is the first year that we have been required to disclose the ratio of our CEO pay to that of the median, 25th percentile and 75th percentile total remuneration of full-time equivalent employees. Our position is as shown in the table below.

	Calculation Method	CEO Pay Ratio		
		25th Percentile	Median	75th Percentile
2019	Option A	160:1	105:1	64:1

Commentary on the ratio:

As an organisation, we are committed to competitive salaries for employees coupled with incentives that drive collective success.

We will publish the ratio in each successive year and provide commentary on any changes to the ratio disclosed. The reward structure for our CEO is weighted far more towards variable reward than most of our employees within the UK. Therefore, we expect future changes to this ratio to be linked to changes in variable award levels under the ESIP and future share price movement.

The single figure value for 2019 for the CEO is as required for us to report under the legislation. In particular, this requires us to state values for share awards at the point where they are no longer subject to Company performance conditions. As outlined within this report, 2019 represents the final year of the transitional period following the introduction of the ESIP in 2017 and therefore includes values for both the LTIP awarded in March 2017 (which will vest in March 2020) and the share award that will be made linked to the ESIP outturn for the period ending 31 December 2019.

We also recognise that the earnings profile across our UK employees and that both the mean and median can be useful measures of dispersion. We have provided three supplementary ratios for illustration as follows:

Scenario	Resulting CEO Single Figure	Resulting CEO Pay to Median Ratio
CEO Single Figure for 2019 excluding value of the 2017 LTIP award	£2,877k	74:1
CEO "On-Target" Remuneration compared to 2019 UK Median FTE Reward	£2,040k	52:1
CEO single figure compared to UK mean FTE earnings	£4,105k (As disclosed)	76:1

Notes to the table

- We have elected to use Option A to calculate the ratio as we believe this gives the most accurate insight into employee pay and benefits and closest comparison to the CEO single figure value.
- The calculation was based on employee data as at 31 December 2019.

The employee figures for our UK workforce to calculate the ratios are as follows:

	25th Percentile	Median	75th Percentile
Total pay and benefits – 2019	£25,614	£39,093	£64,281
Total salary	£24,500	£30,600	£44,300

This value is calculated on a full-time equivalent basis as required under the regulations.

What the Executive Directors can earn in 2020

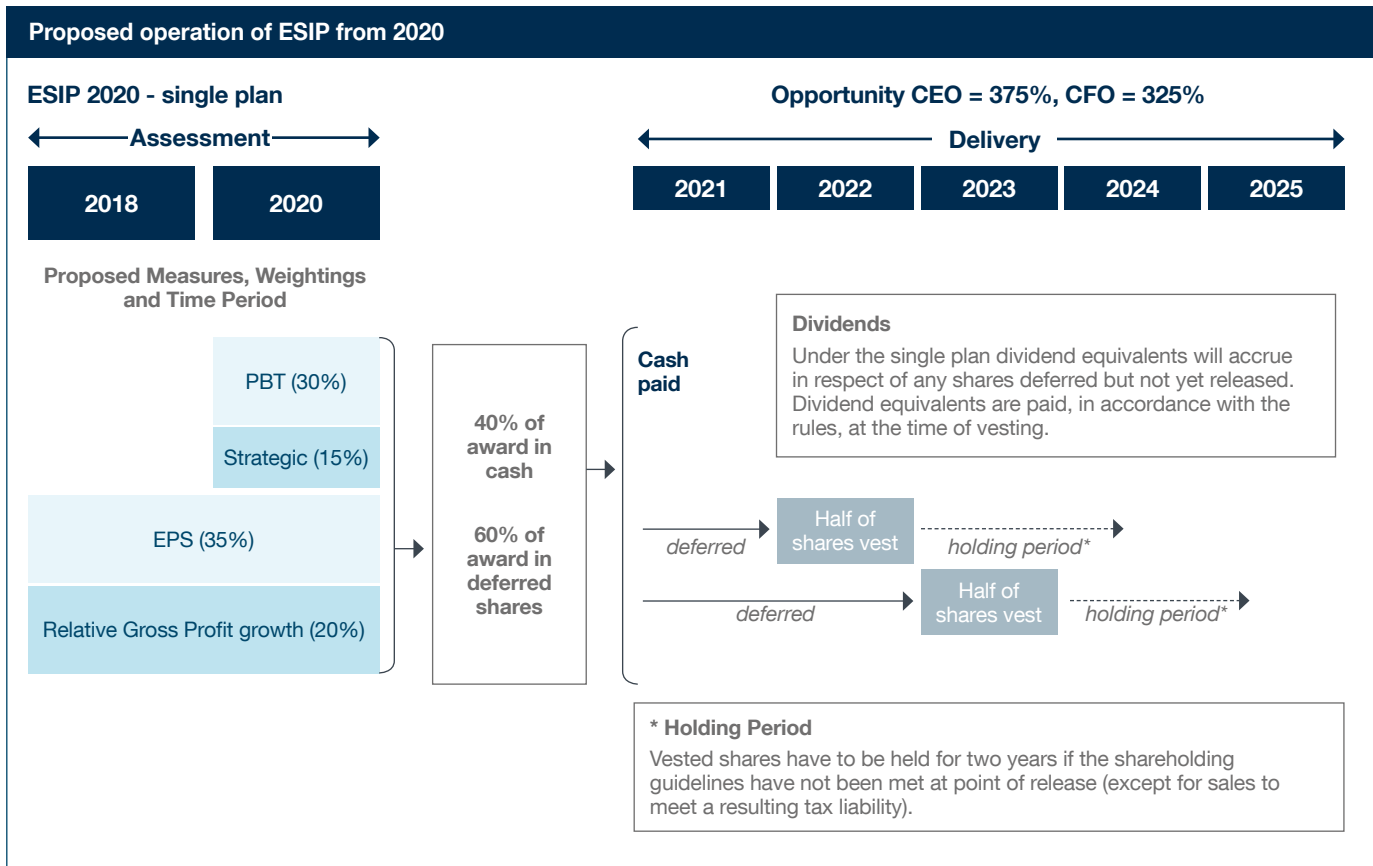
The structure of remuneration for 2020 is as outlined in our Remuneration Policy being tabled for approval at our forthcoming AGM. Subject to shareholder approval this will consist of the following elements:

Salary – Base salaries were reviewed with reference to the general salaries across the UK population and in light of overall current trading performance. The Committee has agreed to leave salaries unchanged for 2020. Annual salary levels will therefore remain at £629,800 for the CEO and £366,300 for the CFO.

Benefits – No changes to benefits provision compared to 2019. Following the CEO's skiing accident he is no longer able to play golf and as such no longer receives this membership benefit. Also, no further medical expenses are anticipated to be paid in 2020.

Pensions – Pensions will be fixed at the absolute level paid to executives in 2019 and paid monthly alongside salaries. For the CEO this will equate to an annual value of £157,450 and for the CFO £73,260. This approach will apply in 2021 and 2022 with allowances aligned to our UK workforce from 1 January 2023.

ESIP – We are making some changes to the structure for 2020, which is explained within the Policy section of the Report. The amended structure is shown in the diagram overleaf.



EPS targets – approach and application

We set EPS targets at the start of the respective 3-year performance period. In response to recent feedback from our shareholder consultation exercise we have outlined below all EPS targets that have been set by the Committee for the ongoing operation of the ESIP.

ESIP Scheme	EPS Period	Agreed Cumulative EPS Range (p)	Equivalent Annual Growth %
ESIP 2020	January 2018 - December 2020	88.3p - 106.1p	5.4% to 15.1%
ESIP 2021	January 2019 - December 2021	109.7p - 132.2p	6% to 16%
ESIP 2022	January 2020 - December 2022	106.6p to 128.6p	5% to 15%

For the operation of the ESIP for 2022 and beyond we will move to calculate EPS growth on a constant currency basis.

Relative Gross Profit Growth

Assessed against comparator group: Current list of companies: SThree, Robert Half, Randstad, Robert Walters, Adecco, Hays, Manpower

Performance range: Below median = no award. Median = 25% of award through to 100% of award for upper quartile performance or above.

In the event of material change of one of the companies within the comparator group (e.g. due to M&A activity) the Committee retains flexibility to adjust the peer group with a stated desire to capture organic growth only.

Implementation of the Remuneration Policy for the Chairman and Non-Executive Directors in 2019

The fees per annum for the Board Chairman and the Non-Executive Directors have been agreed as follows:

	Year ending 31 December 2019	From 1 January 2020
Chairman	£213,800	£213,800
Non-Executive basic fee	£55,500	£55,500
Additional fees payable		
Senior Independent Director	£9,000	£9,000
Chair of the Audit Committee	£14,000	£14,000
Chair of the Remuneration Committee	£14,000	£14,000

DIRECTORS' REMUNERATION REPORT

Total Shareholder Return

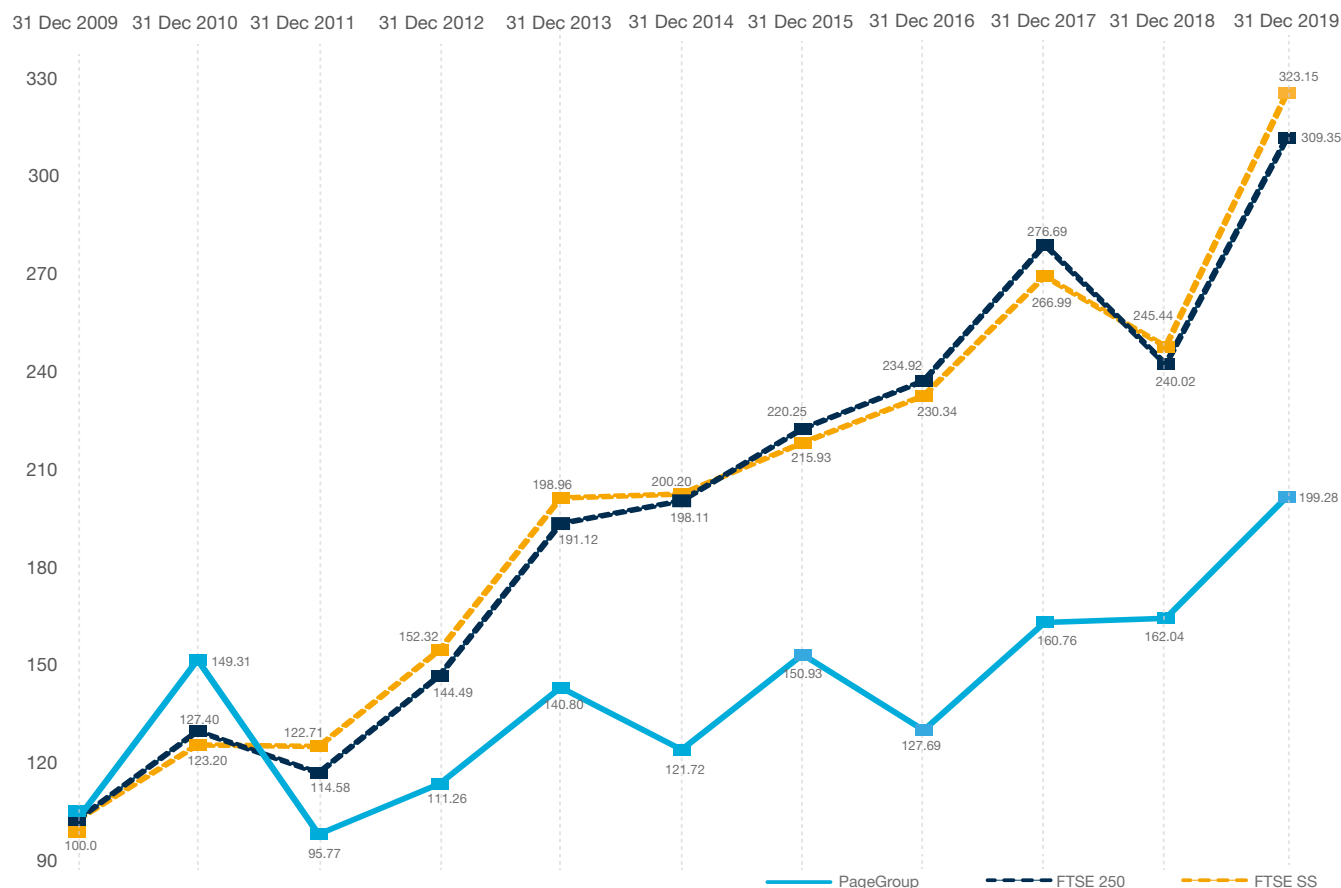
The performance graph below shows the movement in the value of £100 invested in the shares of the Company compared to an investment in the FTSE 250 index and the FTSE Support Services index over the period 31 December 2010 to 31 December 2019. The graph shows the Total Shareholder Return generated by the movement in the share price and the reinvestment of dividends.

The FTSE 250 index and the FTSE Support Services index have been selected as the Company was a member of each index throughout the period. The table below shows the total remuneration of the Chief Executive Officer over the same ten-year period.

CEO	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Single remuneration total	£2,184k	£1,647k	£2,723k	£1,318k	£1,494k	£2,074k	£2,089k	£3,660k	£4,340k	£4,105k
Short-term incentives (% of maximum) (note 1)	N/A	N/A	N/A	58%	71%	68%	60%	N/A	N/A	N/A
Long-term incentives (% of maximum)	N/A	N/A	N/A	N/A	N/A	N/A	60%	55.35%	96.1%	96%
Executive Single Incentive Plan (% of maximum)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91%	87.7%	75.4%

Notes:

1. Prior to 2012 the Company operated uncapped incentives which, by definition, did not have the concept of "maximum". As a result, it is not possible to provide this information historically. However, following the changes in 2012 it is possible to provide this information for the years 2013, 2014, 2015 and 2016



Statement of voting at the Annual General Meeting

At the Company's Annual General Meeting held on 8 June 2017, shareholders approved the existing Remuneration Policy. The Remuneration Policy was not varied or amended and as such was not presented to shareholders for consideration at the Annual General Meetings held in 2018 or 2019. The table below shows the results of the voting on the Remuneration Policy at the 2017 Annual General Meeting and the Directors' Remuneration Report put to shareholders at the 2019 Annual General Meeting. Each resolution required a simple majority of the votes cast to be in favour in order for each of the resolutions to be passed.

Resolutions	AGM	Votes For	%	Votes Against	%	Votes Withheld
Remuneration Policy Report	8 June 2017	163,167,784	66.2	83,370,082	33.8	134,123
Directors' Remuneration Report	24 May 2019	256,510,247	95.9	10,839,615	4.1	Nil

A full schedule in respect of shareholder voting on all the resolutions put to shareholders at the 2018 Annual General Meeting is available on the Company's website at www.page.com.

External directorships

During the year Steve Ingham, Chief Executive Officer, earned and retained £11,606 (2019: £42,500) in respect of fees from his role as a Non-Executive Director of Debenhams plc. He ceased to be a Non-Executive Director of Debenhams on 9 April 2019. No other Executive Director earned any fees from external directorships.

The Directors' Remuneration Report has been approved by the Board of Directors.

Signed on behalf of the Board of Directors

Angela Seymour-Jackson

Chair of the Remuneration Committee
4 March 2020

DIRECTORS' REPORT



The Directors present their Report together with the consolidated financial statements for the year ended 31 December 2019.

Certain information that fulfils the requirements of the Directors' Report can be found elsewhere in this document as noted in the table below. This information is incorporated into this Directors' Report by reference. Pages 58 to 69, 95 to 97 and 135 to 138 also comprise the Directors' Report for the year ended 31 December 2019.

Kaye Maguire, General Counsel & Company Secretary

Likely future developments	2
Policy on disability	96
Employee engagement	25-34
Greenhouse gas emissions	21-22
Directors' interests	86-89
Share capital and acquisition of own shares	95-96
Directors' disclosure of information to the auditor in respect of the audit	97
Directors' Responsibility Statement	97
Going concern	43
Viability Statement	43
Appointment and replacement of Directors	60
Articles of Association	136-138
Powers of Directors	137-138
Stakeholder considerations	44-45
Share capital and shareholder rights	
– Restriction on transfer of shares	137
– Rights attaching to shares	136
– Restrictions on voting	136
– Details of employee share schemes	127-129
Subsidiary and associated undertakings and branches	120-125
Related party transactions	134

Directors

There have been no changes to the Board in the year under review. The Directors who served throughout the year under review were David Lowden, Simon Boddie, Patrick De Smedt, Steve Ingham, Michelle Healy, Kelvin Stagg, Sylvia Metayer and Angela Seymour-Jackson.

Results and Dividends

The results for the year are set out in the Consolidated Income Statement on page 103. An analysis of revenue, profit and net assets by region is shown in Note 2 on pages 113 to 114. A final dividend for 2018 of 9.00p per Ordinary share was paid on 17 June 2019; an interim dividend for 2019 of 4.30p per Ordinary share was paid on 9 October 2019; and a special dividend of 12.73p per share was also paid on 9 October 2019.

The Directors recommend the payment of a final dividend for the year ended 31 December 2019 of 9.40p per Ordinary share on 19 June 2020 to shareholders on the register of members on 22 May 2020. If approved by shareholders at the Annual General Meeting, this will result in a total ordinary dividend for the year of 13.70p per Ordinary share (2018: 13.10p). This, together with the payment of the special dividend, gives a total dividend for the year of 26.43p (2018: 25.83p).

Share Capital

As at 31 December 2019 the Company's issued capital comprised a single class of 328,603,774 Ordinary shares of 1p each, totalling £3,286,037.74. At the Annual General Meeting held on 24 May 2019 the shareholders authorised the Company to purchase up to a maximum of 10% of the issued share capital in the market. No shares were repurchased

during the year. Shareholders also authorised the Directors to allot shares up to an aggregate nominal value of £1,094,482.41. Further resolutions in respect of these matters will be put to shareholders at the forthcoming Annual General Meeting.

During the year 264,050 shares were issued to satisfy share options exercised. The Company reviews the award of shares made under the various employee and executive share plans in terms of their effect on dilution limits and complies with the dilution limits recommended by The Investment Association.

Stakeholders and employment policy and employee involvement

Pages 44 to 45 of the strategic report and the pages to which it refers, comprises the Company's section 172(1) statement together with the statements as to how the Directors have engaged with employees and had regard to their interests and how the Directors have had regard to the Company's business relationships with customers, suppliers and other external stakeholders.

The Group continues to give full and fair consideration to applications for

employment made by disabled persons, having regard to their respective aptitudes and abilities. The Group's employment policy includes, where practicable, the continued employment of those who may become disabled during their employment and the provision of training and career development and promotion, where appropriate.

The Directors have also engaged with employees and taken their interests into account in respect of decision making. The Group is committed to employee involvement throughout the business. Employees are kept well informed of the performance and strategy of the Group through personal briefings, regular meetings, townhalls, Yammer (the Group's internal social collaboration site), emails and other communications from the Chief Executive Officer and members of the Executive Board. Further details of employment policies and employee involvement can be found in the Strategic Report on pages 25 to 34.

Directors' indemnities

The Company has not granted separate indemnities to the Directors. The Company purchased and maintained Directors' and Officers' Liability Insurance throughout the period under review, which

gives appropriate cover for legal actions brought against the Directors.

Financial instruments and financial risk management

Details of the Group's use of financial instruments, including financial risk management objectives and policies of the Group, and exposure of the Group to certain financial risks can be found in Note 20 on pages 129-133.

Significant agreements containing change of control provisions

The Company has an invoice discounting facility that terminates on a change of control, with prepaid amounts being repayable.

Directors' and employees' contracts do not normally provide for payment for loss of office or employment as a result of a change of control. However, the Company operates several share and share option schemes for the benefit of its Executive Directors and employees, the rules of which contain provisions which may cause options and share awards granted to vest on a change of control.

Substantial shareholders

At 31 December 2019 the Company had been notified, in accordance with the FCA Disclosure Guidance and Transparency Rules, of the undermentioned noted interests in its Ordinary share capital. The percentage of voting rights shown below are as at the date of notification.

Shareholder	No. of Ordinary shares	% of voting rights
Liontrust Investment Partners LLP	16,626,702	5.07%
The Capital Group Companies, Inc	16,455,148	5.01%
Heronbridge Investment Management LLP	16,301,242	4.98%
Franklin Templeton Institutional LLC	16,104,930	4.93%
Sanne Fiduciary Services Ltd as Trustee of the Michael Page Employees' Benefit Trust	10,666,343	3.25%

Since the date of disclosure, the above shareholdings may have changed.

DIRECTORS' REPORT

Political contributions

No political contributions were made during the year. The Company has a policy of not making political donations to political organisations or independent election candidates anywhere in the world as defined by the Political Parties, Election and Referendums Act 2000.

Post Balance Sheet Events

There have been no significant post balance sheet events since 31 December 2019.

Listing Rule 9.8.4

There is no information required to be disclosed under Listing Rule 9.8.4.

Annual General Meeting

The Annual General Meeting of the Company will be held on 4 June 2020. The notice of meeting will be made available on the Company's website www.page.com and posted separately to shareholders that have requested this.

By order of the Board

Kaye Maguire

General Counsel & Company Secretary
4 March 2020

Directors' Statements of Responsibility

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations and keeping proper accounting records. Detailed below are statements made by the Directors in relation to their responsibilities, disclosure of information to the Company's auditor and going concern.

1. Financial Statements and accounting records

Company law of England and Wales requires the Directors to prepare for each financial year financial statements which give a true and fair view of the state of affairs of the Company and of the Group at the end of the financial year and of the profit or loss of the Group for that period.

In preparing those financial statements the Directors are required to:

- (i) state whether the Group financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the EU and Article 4 of the EU IAS Regulations;
- (ii) state whether the parent company financial statements have been prepared in accordance with IFRS as adopted for use in the EU;
- (iii) select suitable accounting policies and apply them consistently;
- (iv) make judgements and estimates that are reasonable and prudent;
- (v) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- (vi) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements and Directors' Remuneration Report comply with the Companies Act 2006 and, for the consolidated financial statements, Article 4 of the EU IAS Regulation. They are also responsible for the system of internal control, for safeguarding the assets of the Company and the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

2. Directors' Responsibility Statement

The Board confirms to the best of its knowledge that:

- (i) the Group and parent company financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group and parent company; and
- (ii) the Directors' Report and the Strategic Report include a fair review of the development and performance of the business and the position of the Group together with a description of the principal risks and uncertainties that it faces.

3. Disclosure of information to the Auditor

Having made the requisite enquiries, so far as the Directors are aware as at the date of this Statement, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the Company's auditor is unaware and the Directors have taken all the steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Kelvin Stagg

Chief Financial Officer
4 March 2020

Independent Auditor's Report to the Members of PageGroup plc

Opinion

In our opinion:

- PageGroup plc's Group financial statements and Parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006, and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements of PageGroup plc which comprise:

Group	Parent company
Consolidated income statement	
Consolidated statement of comprehensive income	
Consolidated balance sheet	Balance sheet
Consolidated statement of changes in equity	Statement of changes in equity
Consolidated statement of cash flows	Statement of cash flows
Related notes 1 to 24 to the financial statements, including a summary of significant accounting policies	Related notes 1 to 24 to the financial statements including a summary of significant accounting policies

The financial reporting framework that has been applied in the preparation of both the group financial statements and the parent company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence

we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs(UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on page 37-42 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 43 in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement set out on page 97 in the financial statements about whether they considered

it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;

- whether the directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on page 43 in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

Key audit matters	<ul style="list-style-type: none"> • Revenue recognition for permanent and temporary placements.
Audit scope	<ul style="list-style-type: none"> • We performed a full scope audit of 6 components of the Group and audit procedures on specific balances for a further 5 components. • The components where we performed full or specific audit procedures accounted for 85% of profit before tax, 82% of revenue and 72% of total assets.
Materiality	<ul style="list-style-type: none"> • Overall Group materiality of £7.1m which is based on 5% of profit before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Revenue recognition for permanent and temporary placements</p> <p><i>Refer to the Audit Committee Report (page 67); Accounting policies (page 108); and Note 2 of the Consolidated Financial Statements (page 113).</i></p> <p>The Group has reported permanent placement revenue of £649.9million (2018: £629.1million) and temporary placement revenue of £1,004million (2018: £920.8million).</p> <p>For permanent placements there is a risk around the timing of revenue recognition as revenue is recognised when customer and candidate agreement is achieved, which may be several months in advance of the start of employment. Consequently, there is a risk that:</p> <ul style="list-style-type: none"> • recognition occurs before revenue recognition criteria have been met; • period end cut-off is performed incorrectly; or • management judgement is incorrectly applied in estimating the level of provision required for potential revenue reversals when placements are not taken up as agreed. <p>Temporary placement revenue is recognised when the customer has approved the timesheet. Consequently there is a risk that</p> <ul style="list-style-type: none"> • revenue is recognised before an approved timesheet has been submitted; or • that period end cut-off is performed incorrectly. <p>For both permanent and temporary placements we have identified the following risk:</p> <ul style="list-style-type: none"> • Management override by manipulation of revenue through manual or top-side journals. 	<p>We performed the following full and specific scope audit procedures over this risk area at 11 components, which covered 82% of the revenue balance:</p> <ul style="list-style-type: none"> • For permanent and temporary revenue streams, we identified and assessed the design of key controls to validate that revenue recognition was appropriate and applied in accordance with the Group's accounting policies. • For all 11 components, we used data analytics covering all revenue transactions in the year to test the correlation between revenue, accounts receivable and cash. • Performed period-end cut off testing for a sample of revenue transactions to check all revenue recognition criteria for the permanent and temporary placements had been met and that revenue had been recognised in the correct period. • Compared the level of permanent placement revenue reversals over the last 12 months, which occur as a result of non-completion of contractual placements, to the provision recorded against accrued income and trade receivables to determine if the assumptions used to calculate the provision were appropriate. We also re-performed the provision calculation to confirm its accuracy. • Performed testing of cash collections made post year-end for a sample of balances to validate the existence of accrued revenue and trade receivable balances. For those transactions not collected in cash we verified documents to check all revenue recognition criteria had been met. • To address the risk of management override, we performed journal entry testing over revenue, focusing on manual entries and top-side adjustments specifically around year end. <p>For all other components which represent 18% of the revenue balance:</p> <ul style="list-style-type: none"> • For four components representing greater than 2% each of the Group's revenue we performed period-end cut off testing for a sample of revenue transactions to check that all revenue recognition criteria for the permanent and temporary placements had been met and that revenue had been recognised in the correct period. • We performed audit procedures centrally on a country-by-country basis to address the risk of an undetected material error occurring in all other components representing 18% of the Group's revenue. These comprised analytical review of revenue and gross profit, and ratio analysis of key performance indicators including revenue and gross profit per fee earner. 	<p>We concluded that revenue recognised for permanent and temporary placements is correctly recorded in accordance with the Group's revenue recognition criteria and IFRS, and that the provision for expected revenue reversals was appropriate.</p>

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial

statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment and other factors such as recent Internal Audit results when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate

quantitative coverage of significant accounts in the financial statements, we selected 11 of the 36 reporting components that represent the principal business units within the Group within the following full scope components: United Kingdom, France, United States, Germany, China, Hong Kong; and specific scope components: Australia, Italy, Spain, Netherlands and Belgium.

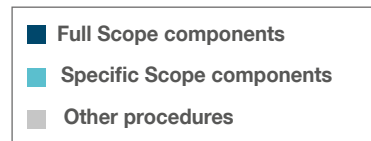
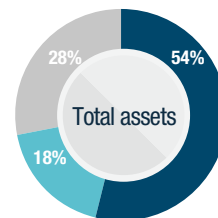
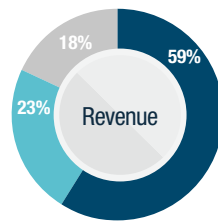
Of the 11 components selected, we performed an audit of the complete financial information of 6 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 5 components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant balances tested for the Group.

The reporting components where we performed audit procedures accounted for:

		2019	2018
Revenue	Full scope components	59%	59%
	Specific scope components	23%	24%
	Total	82%	83%
Profit before tax	Full scope components	64%	59%
	Specific scope components	21%	21%
	Total	85%	80%
Total assets	Full scope components	54%	56%
	Specific scope components	18%	19%
	Total	72%	75%

Of the remaining 25 components that together represent 15% of the Group's profit before tax, none are individually greater than 4% of the Group's profit before tax. For these components, we performed other audit procedures, including analytical review procedures on a country-by-country basis, obtaining an understanding of the Group wide entity level controls over all components and assessing the results of the Internal Audit reviews to identify any potential risks of material misstatement to the Group financial statements. We have also verified bank reconciliations to test cash balances and performed revenue cut-off procedures around year-end at some of the larger locations within these remaining 25 components.

The charts below illustrate the coverage obtained from the work performed by our audit teams.



Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. For the 6 full scope and 5 specific scope components, audit procedures were performed by component audit teams. Procedures on the Group's Head Office were performed directly by the primary audit team. For all full and specific scope components, where the work was performed by component auditors, we determined the appropriate level of Group team involvement as described below to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The Group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor visits all full scope locations at least once every 3 years. During the current year's audit cycle, a visit was undertaken by the

Senior Statutory Auditor to the UK Shared Service Centre (SSC) which accounts for the UK and US businesses. A visit to the Germany, France, and the Group's EMEA SSC based in Spain was undertaken by the Group audit senior manager. These visits involved discussing the audit approach with the component teams and any issues arising from their work, reviewing key audit working papers on risk areas and attending the audit closing meeting for the UK and Germany components with local management. The purpose of the visit to the EMEA SSC was to obtain an understanding of the SSC operations, perform walkthrough procedures for all significant processes in relation to the countries now supported by the SSC. The Group audit team led all 3 regional audit closing meetings or calls with regional management and the Group CFO, at which key areas of local judgement and audit findings were discussed.

The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed key working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £7.1 million (2018: £6.7 million), which is 5% (2018: 5%) of profit before tax. We believe that profit before tax is the principal consideration for stakeholders in assessing the financial performance of the Group.

We determined materiality for the Parent Company to be £5.7 million (2018: £5.9 million), which is 0.5% (2018: 0.5%) of total assets.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality should be £5.3m (2018: £5.0m) being 75% (2018: 75%) of our planning materiality.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £1.1m to £2.9m (2018: £1m to £2.3m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.36m (2018: £0.34m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be

materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable** (set out on page 97) – the statement given by the directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting** (set out on page 65) – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code** (set out on page 59) – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 97, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (IFRS, the Companies Act 2006 and UK Corporate Governance Code) and the relevant tax compliance regulations in the jurisdictions in which the Group operates. There are no significant, industry specific laws or regulations that we considered in determining our approach.
- We understood how PageGroup plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee. Our assessment included the tone from the top and the emphasis on a culture of honest and ethical behaviour.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was

susceptibility to fraud. We also considered performance targets and their propensity to influence on efforts made by management to manage earnings. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures were focused on revenue recognition, which is described in more detail in our Key audit matters and journal entry testing, with a focus on manual or top-side adjustments.
- Our audit procedures were communicated to and performed by our component teams.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- We were appointed by the company in June 2011 to audit the financial statements for the year ended 31 December 2011 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 9 years, covering the years ending 31 December 2011 to 2019.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted

by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Bob Forsyth (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP,
Statutory Auditor

London

4 March 2020

Notes:

1. The maintenance and integrity of the PageGroup plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Revenue	2	1,653,948	1,549,941
Cost of sales		(798,498)	(735,039)
Gross profit	2	855,450	814,902
Administrative expenses		(708,781)	(672,439)
Operating profit	2	146,669	142,463
Financial income	5	494	631
Financial expenses	5	(2,918)	(819)
Profit before tax	2	144,245	142,275
Income tax expense	6	(40,800)	(38,572)
Profit for the year	3	103,445	103,703
Attributable to:			
Owners of the parent		103,445	103,703
Earnings per share			
Basic earnings per share (pence)	9	32.2	32.5
Diluted earnings per share (pence)	9	32.2	32.4

The above results relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	2019 £'000	2018 £'000
Profit for the year	103,445	103,703
Other comprehensive income/(loss) for the year		
Items that may subsequently be reclassified to profit and loss:		
Currency translation differences	(14,842)	4,359
Loss on hedging instruments	(939)	(988)
Total comprehensive income for the year	87,664	107,074
Attributed to:		
Owners of the parent	87,664	107,074

CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS

As at 31 December 2019

	Note	Group		Company	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Non-current assets					
Property, plant and equipment	10	31,925	35,564	–	–
Right-of-use assets	1	120,246	–	–	–
Intangible assets					
- Goodwill and other intangibles	11	2,087	2,019	–	–
- Computer software (including assets held under construction)	11	36,967	31,377	–	–
Investments	12	–	–	529,520	523,729
Deferred tax assets	16	18,915	17,487	–	–
Other receivables	13	15,036	12,746	–	–
		225,176	99,193	529,520	523,729
Current assets					
Trade and other receivables	13	365,555	349,111	607,159	642,855
Current tax receivable	7	13,008	17,206	–	–
Cash and cash equivalents	19	97,832	97,673	–	–
		476,395	463,990	607,159	642,855
Total assets	2	701,571	563,183	1,136,679	1,166,584
Current liabilities					
Trade and other payables	14	(215,811)	(204,353)	(962,363)	(913,232)
Lease liabilities	1	(29,139)	–	–	–
Current tax payable	7	(19,110)	(20,145)	–	–
		(264,060)	(224,498)	(962,363)	(913,232)
Net current assets/(liabilities)		212,335	239,492	(355,204)	(270,377)
Non-current liabilities					
Other payables	14	(11,613)	(19,474)	–	–
Lease liabilities	1	(99,473)	–	–	–
Deferred tax liabilities	16	(2,038)	(630)	–	–
		(113,124)	(20,104)	–	–
Total liabilities	2	(377,184)	(244,602)	(962,363)	(913,232)
Net assets		324,387	318,581	174,316	253,352
Capital and reserves					
Called-up share capital	17	3,286	3,284	3,286	3,284
Share premium	18	99,507	98,502	99,507	98,502
Capital redemption reserve	18	932	932	932	932
Reserve for shares held in the employee benefit trust	18	(47,662)	(50,673)	–	–
Currency translation reserve	18	19,375	34,217	–	–
Retained earnings		248,949	232,319	70,591	150,634
Total equity		324,387	318,581	174,316	253,352

The financial statements of PageGroup plc (Company Number 3310225) set out on pages 103 to 134 were approved by the Board of Directors and authorised for issue on 4 March 2020. The Company's loss for the financial year amounted to £2.4m (2018: £6.0m profit).

Signed on behalf of the Board of Directors

Steve Ingham,
Chief Executive Officer

Kelvin Stagg,
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

2018	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Reserve for shares held in the employee benefit trust £'000	Currency translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018		3,268	92,677	932	(58,931)	29,858	202,253	270,057
Currency translation differences		–	–	–	–	4,359	–	4,359
Net income recognised directly in equity		–	–	–	–	4,359	–	4,359
Loss on hedging instruments		–	–	–	–	–	(988)	(988)
Profit for the year		–	–	–	–	–	103,703	103,703
Total comprehensive income for the year		–	–	–	–	4,359	102,715	107,074
Purchase of shares held in the employees benefits		–	–	–	(11,567)	–	–	(11,567)
Exercise of Share Plans		16	5,825	–	–	–	21,072	26,913
Transfer from reserve for shares held in the employee benefit trust		–	–	–	19,825	–	(19,825)	–
Credit in respect of share schemes		–	–	–	–	–	7,048	7,048
Credit in respect of tax on share schemes		–	–	–	–	–	368	368
Dividends	8	–	–	–	–	–	(81,312)	(81,312)
		16	5,825	–	8,258	–	(72,649)	(58,550)
Balance at 31 December 2018 and 1 January 2019		3,284	98,502	932	(50,673)	34,217	232,319	318,581
2019								
Loss on adoption of IFRS 16 (note 1b)		–	–	–	–	–	(1,450)	(1,450)
Balance at 1 January 2019 (restated)		3,284	98,502	932	(50,673)	34,217	230,869	317,131
Currency translation differences		–	–	–	–	(14,842)	–	(14,842)
Net loss recognised directly in equity		–	–	–	–	(14,842)	–	(14,842)
Loss on hedging instruments		–	–	–	–	–	(939)	(939)
Profit for the year		–	–	–	–	–	103,445	103,445
Total comprehensive (expense)/income for the year		–	–	–	–	(14,842)	102,506	87,664
Purchase of shares held in the employees benefits		–	–	–	(10,000)	–	–	(10,000)
Exercise of share plans		2	1,005	–	–	–	6,236	7,243
Transfer from reserve for shares held in the employee benefit trust		–	–	–	13,011	–	(13,011)	–
Credit in respect of share schemes		–	–	–	–	–	5,790	5,790
Credit in respect of tax on share schemes		–	–	–	–	–	28	28
Dividends	8	–	–	–	–	–	(83,469)	(83,469)
		2	1,005	–	3,011	–	(84,426)	(80,408)
Balance at 31 December 2019		3,286	99,507	932	(47,662)	19,375	248,949	324,387

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

For the year ended 31 December 2019

Company	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018		3,268	92,677	932	218,935	315,812
Profit for the year		–	–	–	5,963	5,963
Total comprehensive income for the year		–	–	–	5,963	5,963
Exercise of share plans		16	5,825	–	–	5,841
Credit in respect of share schemes		–	–	–	7,048	7,048
Dividends	8	–	–	–	(81,312)	(81,312)
		16	5,825	–	(74,264)	(68,423)
Balance at 31 December 2018 and 1 January 2019		3,284	98,502	932	150,634	253,352
2019						
Loss for the year		–	–	–	(2,364)	(2,364)
Total comprehensive income for the year		–	–	–	(2,364)	(2,364)
Exercise of share plans		2	1,005	–	–	1,007
Credit in respect of share schemes		–	–	–	5,790	5,790
Dividends	8	–	–	–	(83,469)	(83,469)
		2	1,005	–	(77,679)	(76,672)
Balance at 31 December 2019		3,286	99,507	932	70,591	174,316

CONSOLIDATED AND PARENT COMPANY CASH FLOW STATEMENTS

For the year ended 31 December 2019

	Note	Group		Company	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Profit/(loss) before tax	2	144,245	142,275	(2,364)	5,963
Depreciation and amortisation charges	1b/10/11	57,500	19,661	–	–
Loss on sale of property, plant and equipment, and computer software		21	281	–	–
Share scheme charges		5,790	7,043	–	–
Net finance cost		2,424	181	–	–
Operating cash flow before changes in working capital		209,980	169,441	(2,364)	5,963
(Increase)/Decrease in receivables		(37,934)	(49,278)	35,696	4,752
Increase in payables		22,036	11,534	49,130	64,756
Cash generated from operations		194,082	131,697	82,462	75,471
Income tax paid		(36,960)	(41,001)	–	–
Net cash from operating activities		157,122	90,696	82,462	75,471
Cash flows from investing activities					
Purchases of property, plant and equipment	10	(9,615)	(15,668)	–	–
Purchases of intangibles	11	(16,735)	(9,944)	–	–
Proceeds from the sale of property, plant and equipment, and computer software		1,740	1,204	–	–
Interest received		494	631	–	–
Net cash used in investing activities		(24,116)	(23,777)	–	–
Cash flows from financing activities					
Dividends paid		(83,469)	(81,312)	(83,469)	(81,312)
Interest paid		(953)	(818)	–	–
Lease liability principal repayment		(38,215)	–	–	–
Issue of own shares for the exercise of options		7,243	26,913	1,007	5,841
Purchase of shares held in the employee benefit trust		(10,000)	(11,567)	–	–
Net cash used in financing activities		(125,394)	(66,784)	(82,462)	(75,471)
Net increase in cash and cash equivalents		7,612	135	–	–
Cash and cash equivalents at the beginning of the year		97,673	95,605	–	–
Exchange (loss)/gain on cash and cash equivalents		(7,453)	1,933	–	–
Cash and cash equivalents at the end of the year	19	97,832	97,673	–	–

Notes to the Financial Statements

For the year ended 31 December 2019

1. Significant accounting policies

Statement of compliance

PageGroup plc is a company incorporated in the United Kingdom under the Companies Act.

The consolidated financial statements have been prepared under the historical cost convention modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit and loss. This is in accordance with current International Financial Reporting Standards (IFRS) as adopted by the European Union and therefore complies with Article 4 of the EU IAS Regulation.

The Company financial statements have been prepared under the historical cost convention and in accordance with current IFRS as adopted by the European Union.

Basis of preparation

The financial statements of PageGroup plc consolidate the results of the Company and all its subsidiary undertakings. As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company has not been included as part of these financial statements. The Company's loss for the financial year amounted to £2.4m (2018: £6.0m). The decrease in the Company's profit this year is as a result of increased dividend income being offset by an impairment of £52.3m of an intercompany receivable from the employee benefit trust. This is to impair the receivable to the market value of the PageGroup Plc shares the employee benefit trust holds as at the 31 December 2019.

Basis of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are

eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iii) Employee Benefit Trust

Shares in PageGroup plc held by the trust are shown as a reduction in shareholders' funds.

Changes in accounting policy – new accounting standards, interpretations and amendments

The accounting policies adopted are consistent with those of the previous financial years except for the following amendments to IFRS effective as of 1 January 2019:

- IFRS 16 Leases
- IFRIC Interpretation 23 Uncertainty over Income Tax Treatment;
- IAS 28 Investments in Associates and Joint Ventures

The adoption of IFRIC 23 did not have any impact on the assessment of the provision for uncertain tax positions.

IFRS 16 was adopted by the Group from 1 January 2019 on a modified retrospective method. Please see note 2 on page 112 for the impact on transition and accounting policy k)

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- Amendments to IFRS 3: Definition of a Business; effective date 1 January 2020
- Amendments to IAS 1 and IAS 8: Definition of Material; effective date 1 January 2020

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Strategic Report on page 43.

a) Revenue and income recognition

Revenue, which excludes value added tax (VAT), constitutes the value of services undertaken by the Group from its principal activities, which are recruitment consultancy and other ancillary services.

These consist of:

- revenue from temporary placements, which represents amounts billed for the services of temporary staff, including the salary cost of these staff. This is recognised when the service has been provided;
- revenue from permanent placements is typically based on a percentage of the candidate's remuneration package and is derived from both retained assignments (income recognised on completion of defined stages of work) and non-retained assignments (income recognised at the date an offer is accepted by a candidate and where a start date has been determined). The latter includes revenue anticipated, but not invoiced, at the balance sheet date, which is correspondingly accrued on the balance sheet within accrued income. A provision is made against accrued income for possible cancellations of placements prior to, or shortly after, the commencement of employment; and
- revenue from amounts billed to clients for expenses incurred on their behalf (principally advertisements) is recognised when the expense is incurred.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

b) Cost of sales

Cost of sales consists of the salary cost of temporary staff and costs incurred on behalf of clients, principally advertising costs.

c) Gross profit

Gross profit represents revenue less cost of sales and consists of the total placement fees of permanent candidates, the margin earned on the placement of temporary candidates and the margin on advertising income.

d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Sterling, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the respective functional currency using the exchange rates

prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

e) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries is included in intangible assets. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised, but is tested at least annually for impairment (see accounting policy h). Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Computer software

Computer software acquired or developed by the Group is stated at cost less accumulated amortisation (see below). The Group reviews intangible software assets for any indication of impairment annually.

(iii) Software under construction

Software under construction relates to cost capitalised in relation to the development of a new operating system and related applications. Costs are capitalised when they fulfil the criteria in IAS 38 regarding internally developed intangible assets. While still under construction, assets are tested for impairment annually. Assets are moved from software under construction to computer software when they become available for use.

(iv) Trademark

Acquired trademarks are stated at cost and are written down over five years on a straight-line basis, which represents the estimated useful life of the intangible.

(v) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill has an indefinite useful life. Computer software is amortised at 20% per annum unless it is considered to have a shorter life, in which case the period of amortisation is reduced. The cumulative amount of goodwill written off directly to retained earnings in respect of acquisitions prior to 31 December 1997 is £311.7m (2018: £311.7m).

f) Property, plant and equipment

Property, plant and equipment are stated at original cost less accumulated depreciation. Depreciation is calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life at the following rates:

- Leasehold improvements 10% per annum or period of lease if shorter
- Furniture, fixtures and equipment 10-20% per annum
- Motor vehicles 25% per annum

g) Investments

Fixed asset investments are stated at cost less provision for impairment.

h) Impairment of assets

Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12 month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for

credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

i) Taxation

Income tax expense represents the sum of the current tax and deferred tax charges. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt

with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

j) Pension costs

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension costs charged to the income statement represent the contributions payable by the Group to the funds during each period.

k) Leases

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily

determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below \$5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

iv) Judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of three to ten years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

l) Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board to allocate resources to the segments and to assess their performance. Information provided to the Board is focused on regions and as a result, reportable segments are on a regional basis. Transactions between segments are recorded and allocated on an arms-length basis.

m) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by (for final dividends) or paid to (for interim dividends) the Company's shareholders.

n) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans. The accounting treatments for the Group and parent company are described below:

(i) Share option schemes

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the income statement of the Group with a corresponding adjustment to equity. In the parent company, it is capitalised as an investment, with a corresponding adjustment to equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, earnings per share). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the estimate of the number of options that are expected to become exercisable is revised. The Group recognises the impact of the revision of original estimates, if any, in the income statement, and the corresponding adjustment to equity over the remaining vesting period.

(ii) Management Incentive Plan and Long-Term Incentive Plan

Where deferred awards are made to Directors and senior executives under either the Management Incentive Plan or the Long-Term Incentive Plan, to reflect that the awards are for services over a longer period, the value of the expected award is charged to the income statement of the Group on a straight-line basis over the vesting period to which the award relates. In the Parent Company, it is capitalised as an investment in the subsidiary that is receiving the employee service, with a corresponding adjustment to equity.

(iii) Employee Single Incentive Plan (ESIP)

Awards under the ESIP are paid in cash (40%) and Shares (60%), which vest in 3 tranches over a 3 year period. The value of expected award is charged to the income statement of the Group relative to these vesting periods.

iv) Tax on share schemes

Where options or shares are net settled

in respect of withholding tax obligations, these are accounted for as equity settled transactions. Payments to local tax authorities are accounted for as a deduction from equity for the shares withheld.

o) Deferred cash bonus

The Group operates a bonus scheme for some members of staff whereby bonuses are deferred for three years from date of award. The bonuses are paid in full if the employee remains employed for the entire three-year period.

p) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including any directly attributable costs, is recognised as a change in equity.

q) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

r) Financial assets and liabilities

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. The Group's financial assets at amortised cost includes trade and other receivables.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test

and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Cash and cash equivalents includes cash-in-hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Prepayments and Accrued Income are held at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and derivative financial instruments.

Financial liabilities are classified, at initial recognition, as financial liabilities through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group has derivative contracts at the balance sheet date that have been valued at fair value through the income statement.

s) Hedge accounting

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as Other Comprehensive Income while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

t) Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical

experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no accounting areas which require significant judgements. Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 13 – Trade and other receivables

There is uncertainty regarding customers who may not be able to pay as their invoices fall due as at 31 December 2019. In total the Group holds £281.2m of Gross Trade Receivables. A provision for £10.1m has been recognised based on the expected credit losses, revenue reversals or balances which are in litigation.

In reviewing the appropriateness of the provisions in respect of recoverability of trade receivables, consideration has been given to the economic climate in the respective markets, the ageing of the debt and the potential likelihood of default. Whilst no debtor constitutes more than 3% of the total balance there is a risk that if the economic climate were to deteriorate across a number of countries the portfolio could be impaired by an amount greater than materiality. This scenario is however considered sufficiently remote such that no reasonably possible changes in assumptions are likely to cause material further impairment next year. Please see note 20 for an analysis of expected credit losses and revenue reversals.

u) Exceptional items

Exceptional items are those items the Group considers to be one-off or material in nature that should be brought to the reader's attention in understanding the Group's financial performance.

v) Employee Benefit Trust

The Employee Benefit Trust is considered a separate legal entity and not an extension of the parent company. It is included in the consolidated results of the Group as it is deemed to have control of the entity.

Note 1b)

a) Adoption of IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition,

measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. A lessee can choose to apply the standard using either a full retrospective approach or a modified retrospective approach.

The Group adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively, with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the practical expedient on transition allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), lease contracts for which the underlying asset is of low value ('low-value assets') and to exclude initial direct costs from the measurement of the right-of-use asset at the date of initial application. Hindsight was used in determining the lease term for those contracts where an option exists to extend or terminate the lease.

The adoption under the Modified Retrospective approach is a combination of both the Modified (a) and Modified (b) method, depending on the specific lease. In both cases a full restatement of comparatives is not necessary. Under both methods the lease liability is equal to the discounted future lease payments. Under Modified (a) method the right-of-use asset is calculated on a retrospective basis and a discount rate at the date of initial application has to be used, an adjustment to reserves is made on transition. Under Modified (b) method the right-of-use asset is equal to the lease liability with no reserve adjustment required.

Impact on the Consolidated Balance Sheet (increase/(decrease)) as at 1 January 2019	£'000
Rights-of-use assets	126,189
Prepayments	(2,214)
Total Assets	123,975
Liabilities	
Lease liabilities	(134,479)
Deferred income	9,054
Total Liabilities	(125,425)
Equity	1,450

The opening reserve adjustment of £1.45m was originally disclosed as £2.1m in the 2019 Interim announcement. The change in value was due to further analysis over the lease portfolio.

b) Nature of the effect of adoption of IFRS 16

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The £126.2m right of use asset recognised on transition related to Property leases for offices rented (£110.6m), Motor Vehicles of (£15.2m) and Other Assets of (£0.4m). The right-of-use assets for 21 of our most significant property leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of the incremental borrowing rate at the date of initial application. The right-of-use assets for the remaining leases were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

c) Amounts recognised in the Condensed Consolidated Statement of Financial Position and Condensed Consolidated Income Statement

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

Condensed Consolidated Income Statement	£'000
Depreciation expense (included in Administrative expenses)	(36,600)
Rental expenses (included in Administrative expenses)	38,496
Operating profit	1,896
Finance costs	(1,965)
Profit before tax	(69)

Condensed Consolidated Statement of Financial Position

	Right-of-use Assets			Lease Liabilities	
	Property £'000	Motor Vehicles £'000	Other Assets £'000	Total £'000	Total £'000
As at 1 January 2019	110,558	15,192	439	126,189	(134,479)
Additions	27,866	7,034	774	35,674	(35,768)
Disposals	(577)	-	-	(577)	667
Depreciation expense	(27,639)	(8,545)	(416)	(36,600)	-
Interest expense	-	-	-	-	(1,965)
Payments	-	-	-	-	38,215
Foreign Exchange	(4,440)	-	-	(4,440)	4,718
As at 31st December 2019	105,768	13,681	797	120,246	(128,612)

2. Segment reporting

All revenues disclosed are derived from external customers.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1. Segment operating profit represents the profit earned by each segment including allocation of central administration costs. This is the measure reported to the Group's Board, the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance. Segments are aggregated in accordance with management ownership, determined by the possession of similar characteristics such as geography, market maturity and economic environment. No judgements were applied to identify the reportable segments.

(a) Revenue, gross profit and operating profit by reportable segment

	Revenue 2019 £'000	Gross profit 2019 £'000	Operating profit 2019 £'000
2019			
EMEA	861,827	418,328	90,333
Asia Pacific	273,437	163,255	19,810
Americas	205,074	138,791	19,268
United Kingdom	313,610	135,076	17,258
Operating profit	–	–	146,669
Financial expense	–	–	(2,424)
Revenue/gross profit/profit before tax	1,653,948	855,450	144,245
	Revenue 2018 £'000	Gross profit 2018 £'000	Operating profit 2018 £'000
2018			
EMEA	797,427	394,337	85,586
Asia Pacific	266,724	161,158	26,765
Americas	172,265	121,015	16,720
United Kingdom	313,525	138,392	13,392
Operating profit	–	–	142,463
Financial expense	–	–	(188)
Revenue/gross profit/profit before tax	1,549,941	814,902	142,275

The above analysis by destination is not materially different to the analysis by origin.

The analysis over the page is of the carrying amount of reportable segment assets, liabilities and non-current assets. Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The individual reportable segments exclude income tax assets and liabilities. Non-current assets include property, plant and equipment, computer software, goodwill and other intangibles.

(b) Segment assets, liabilities, non-current assets and capital expenditure by reportable segment

	Total assets		Total liabilities	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
EMEA	294,597	246,687	196,473	131,948
Asia Pacific	119,110	115,220	45,832	29,803
Americas	111,649	63,012	53,288	22,308
United Kingdom	163,207	121,058	62,481	40,398
Segment assets/liabilities	688,563	545,977	358,074	224,457
Income tax	13,008	17,206	19,110	20,145
	701,571	563,183	377,184	244,602

	Property, plant and equipment		Intangible assets	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
EMEA	12,732	13,654	2,818	3,171
Asia Pacific	5,560	7,161	495	481
Americas	7,471	8,495	162	190
United Kingdom	6,162	6,254	35,579	29,554
	31,925	35,564	39,054	33,396

	Property, plant and equipment		Intangible assets	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Capital expenditure				
EMEA	3,760	5,152	458	1,061
Asia Pacific	1,270	4,689	166	503
Americas	2,500	4,244	91	9
United Kingdom	2,085	1,583	16,020	8,371
	9,615	15,668	16,735	9,944

The below analysis in note (c) relates to the requirement of IFRS 15 to disclose disaggregated revenue streams.

(c) Revenue and gross profit generated from permanent and temporary placements

	Revenue		Gross profit	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Permanent	649,948	629,136	643,787	621,746
Temporary	1,004,000	920,805	211,663	193,156
	1,653,948	1,549,941	855,450	814,902

The analyses in notes d) revenue and gross profit by discipline (being the professions of candidates placed) and (e) revenue and gross profit by strategic market have been included as additional disclosure over and above the requirements of IFRS 8 "Operating Segments". Strategic markets are defined in the Strategic Review on pages 9 and 10.

(d) Revenue and gross profit by discipline

	Revenue		Gross profit	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Accounting and Financial Services	662,458	610,219	298,648	283,721
Legal, Technology, HR, Secretarial and other	442,648	402,321	212,244	196,774
Engineering, Property & Construction, Procurement & Supply Chain	359,216	345,654	203,275	194,562
Marketing, Sales and Retail	189,626	191,747	141,284	139,845
	1,653,948	1,549,941	855,450	814,902

(e) Revenue and gross profit by strategic market

	Revenue		Gross profit	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Large, Proven markets	962,424	935,800	426,178	419,102
Large, High Potential markets	478,950	414,245	298,139	270,311
Medium and Small, High Margin markets	212,574	199,896	131,133	125,489
	1,653,948	1,549,941	855,450	814,902

3. Profit for the year

	2019 £'000	2018 £'000
Profit for the year is stated after charging:		
Employment costs (Note 4)	545,872	520,907
Net exchange losses	1,764	1,625
Depreciation of property, plant and equipment – owned (Note 10)	10,316	9,251
Amortisation of intangibles (Note 11)	10,594	10,410
Impairment of trade receivables (Note 20)	24,068	22,348
Loss on sale of property, plant and equipment and computer software	21	281
Depreciation of right-of-use assets (Note 1)*	36,600	-
Operating lease rentals* – Land and buildings	-	32,810
– Plant and machinery	-	7,258
Fees payable to the Company's auditor:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	226	226
Fees payable to the Company's auditor and associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	558	532
Total audit fees	784	758
– Audit related assurance services	52	52
– Other non-audit services	7	2
Total non-audit fees	59	54
Total fees	843	812

*On adoption of IFRS 16 operating lease rental payments have been replaced with a depreciation charge in relation to the right-of-use asset recognised and an interest charge on the lease liability. Please refer to note 2 for further details.

4. Employee information

The average number of employees (including Executive Directors) during the year and total number of employees (including Executive Directors) at 31 December 2019 were as follows:

	2019 Average No.	2018 Average No.	At 31 Dec 2019 No.	At 31 Dec 2018 No.
Management	332	319	334	325
Client services	5,764	5,572	5,693	5,791
Administration	1,699	1,641	1,671	1,656
	7,795	7,532	7,698	7,772

Employment costs (including Directors' emoluments) comprised:

	2019 £'000	2018 £'000
Wages and salaries	464,880	442,196
Social security costs	52,828	48,390
Pension costs – defined contribution plans	17,312	18,159
Share-based payments and deferred cash plan	10,852	12,162
	545,872	520,907

No staff are employed by the parent company (2018: none) hence no remuneration has been disclosed for the Company. Remuneration for Directors for their services on behalf of the parent company are included in the Directors' Remuneration Report on pages 72 to 94.

5. Financial income/(expenses)

	2019 £'000	2018 £'000
Financial income		
Interest receivable	494	631
	494	631
Financial expenses		
Interest payable	(953)	(598)
Interest on discounting of French construction participation tax	-	(221)
Interest on lease liabilities	(1,965)	-
	(2,918)	(819)

6. Income tax expense

The charge for taxation is based on the effective annual tax rate of 28.3% on profit before tax (2018: 27.1%).

	2019 £'000	2018 £'000
Analysis of charge in the year		
UK income tax at 19.00% (2018: 19.00%) for year	9,064	10,270
Overseas income tax	35,382	32,267
Adjustments in respect of prior years	(2,808)	(3,048)
	41,638	39,489
Deferred tax		
Adjustment in respect of prior years	1,402	1,319
Origination and reversal of temporary differences	(1,646)	(1,578)
Recognition of previously unrecognised losses and other tax attributes	(36)	36
Impact of tax rate changes	(265)	211
Charge for tax losses recognised	(293)	(905)
Deferred tax income	(838)	(917)
Total tax expense in the income statement	40,800	38,572

The amounts disclosed in 2018 for the analysis of the tax charge have been represented to align with the presentation followed in the current year. A similar change in the presentation was made in respect of the deferred tax reconciliation.

	2019 £'000	%	2018 £'000	%
Reconciliation of effective tax rate				
Profit before taxation	144,245		142,275	
Profit before tax multiplied by the standard rate of corporation tax in the UK	27,406	19.0	27,032	19.0
Effects of:				
Disallowable items and other permanent differences	2,094	1.5	540	0.4
Unrelieved overseas losses	2,292	1.6	213	0.1
Utilisation of losses not previously recognised	-	-	-	-
Derecognition/(recognition) of overseas losses and other tax attributes	(35)	-	36	-
Other tax movements	(26)	-	(209)	(0.1)
Higher tax rates on overseas earnings	4,239	2.9	5,275	3.7
Other tax overseas	6,501	4.5	7,203	5.1
Movement of rate difference	(265)	(0.2)	211	0.1
Adjustment to tax charge in respect of prior periods	(1,406)	(1.0)	(1,729)	(1.2)
Tax expense and effective rate for the year	40,800	28.3	38,572	27.1

	2019 £'000	2018 £'000
Tax recognised directly in equity		
Relating to settled transactions	28	(368)

Other taxes overseas are secondary taxes on income, in addition to national corporate income tax, which are included in income tax expense under IFRS. These taxes are primarily in France (CVAE), Germany (trade taxes), Italy (IRAP) and the US (state taxes).

7. Current tax assets and liabilities

The current tax asset of £13.0m (2018: £17.2m), and current tax liability of £19.1m (2018: £20.1m) for the Group, and current tax asset and liability of £nil (2018: £nil) for the parent company, represent the amount of income taxes recoverable and payable in respect of current and prior periods. The Group maintains a provision in relation to disputes and uncertain tax positions, including transfer pricing, which is included in the current tax liability.

8. Dividends

	2019 £'000	2018 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2018 of 9.00p per Ordinary share (2017: 8.60p)	28,978	27,433
Interim dividend for the year ended 31 December 2019 of 4.30p per Ordinary share (2018: 4.10p)	13,759	13,117
Special dividend for the year ended 31 December 2019 of 12.73p per Ordinary share (2018: 12.73p)	40,732	40,762
	83,469	81,312
Amounts proposed as distributions to equity holders in the year:		
Proposed final dividend for the year ended 31 December 2019 of 9.40p per Ordinary share (2018: 9.00p)	30,154	29,171

The proposed final dividend had not been approved by shareholders at 31 December 2019 and therefore has not been included as a liability. The comparative final dividend at 31 December 2018 was also not recognised as a liability in the prior year.

The proposed final dividend of 9.40p (2018: 9.00p) per Ordinary share will be paid on 19 June 2020 to shareholders on the register at the close of business on 22 May 2020, subject to approval by shareholders.

When the Company pays a dividend to shareholders, there may be income tax consequences. The impact will depend upon the individual circumstances of the shareholder.

9. Earnings per Ordinary share

The calculation of the basic and diluted earnings per share is based on the following data:

	2019 £'000	2018 £'000
Earnings		
Earnings for basic and diluted earnings per share (£'000)	103,445	103,703
Number of shares		
Weighted average number of shares used for basic earnings per share ('000)	320,789	318,877
Dilutive effect of share plans ('000)	375	1,627
Diluted weighted average number of shares used for diluted earnings per share ('000)	321,164	320,504
	pence	pence
Basic earnings per share	32.2	32.5
Diluted earnings per share	32.2	32.4

The above results relate to continuing operations.

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Ordinary shares in issue during the year, excluding unallocated Ordinary shares purchased by the Employee Benefit Trust and held in the reserve.

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary shares outstanding to assume conversion of all dilutive potential Ordinary shares. This calculation determines the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated in the basic earnings per share is then adjusted to reflect the number of shares deemed to be issued for nil consideration as a result of the potential exercise of existing share options.

The remaining share options that are currently not dilutive and hence excluded from the dilutive earnings per share calculation remain potentially dilutive until they are either exercised or they lapse.

10. Property, plant and equipment

Group	2019			
	Leasehold improvements £'000	Furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January	45,020	49,441	2,102	96,563
Additions	5,474	3,701	440	9,615
Disposals	(1,817)	(2,918)	(967)	(5,702)
Effect of movements in foreign exchange	(1,724)	(2,033)	(147)	(3,904)
At 31 December	46,953	48,191	1,428	96,572
Depreciation				
At 1 January	26,682	33,230	1,087	60,999
Charge for the year	4,896	4,941	479	10,316
Disposals	(1,657)	(2,142)	(416)	(4,215)
Effect of movements in foreign exchange	(989)	(1,387)	(77)	(2,453)
At 31 December	28,932	34,642	1,073	64,647
Net book value				
At 31 December	18,021	13,549	355	31,925

Group	2018			
	Leasehold improvements £'000	Furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January	40,500	43,481	2,556	86,537
Additions	7,814	7,327	527	15,668
Disposals	(3,454)	(1,614)	(837)	(5,905)
Effect of movements in foreign exchange	160	247	(144)	263
At 31 December	45,020	49,441	2,102	96,563
Depreciation				
At 1 January	25,351	29,830	1,198	56,379
Charge for the year	4,185	4,572	494	9,251
Disposals	(2,825)	(1,367)	(541)	(4,733)
Effect of movements in foreign exchange	(29)	195	(64)	102
At 31 December	26,682	33,230	1,087	60,999
Net book value				
At 31 December	18,338	16,211	1,015	35,564

11. Intangible assets

2019							
Group	Computer software £'000	Computer software, assets under construction £'000	Subtotal £'000	Goodwill £'000	Trademark £'000	Subtotal £'000	Total £'000
Cost							
At 1 January	89,105	3,616	92,721	1,539	1,139	2,678	95,399
Additions	16,463	98	16,561	–	174	174	16,735
Disposals	(2,137)	–	(2,137)	–	–	–	(2,137)
Transfers	3,183	(3,183)	–	–	–	–	–
Effect of movements in foreign exchange	(585)	(33)	(618)	–	–	–	(618)
At 31 December	106,029	498	106,527	1,539	1,313	2,852	109,379
Amortisation							
At 1 January	61,344	–	61,344	–	659	659	62,003
Charge for the year	10,488	–	10,488	–	106	106	10,594
Disposals	(1,862)	–	(1,862)	–	–	–	(1,862)
Effect of movements in foreign exchange	(410)	–	(410)	–	–	–	(410)
At 31 December	69,560	–	69,560	–	765	765	70,325
Net book value							
At 31 December	36,469	498	36,967	1,539	548	2,087	39,054

2018							
Group	Computer software £'000	Computer software, assets under construction £'000	Subtotal £'000	Goodwill £'000	Trademark £'000	Subtotal £'000	Total £'000
Cost							
At 1 January	81,453	2,164	76,617	1,539	746	2,285	85,902
Additions	2,430	7,121	9,551	–	393	393	9,944
Disposals	(436)	–	(436)	–	–	–	(436)
Transfers	5,669	(5,669)	–	–	–	–	–
Effect of movements in foreign exchange	(11)	–	(11)	–	–	–	(11)
At 31 December	89,105	3,616	92,721	1,539	1,139	2,678	95,399
Amortisation							
At 1 January	51,144	–	51,144	–	600	600	51,744
Charge for the year	10,351	–	10,351	–	59	59	10,410
Disposals	(123)	–	(123)	–	–	–	(123)
Effect of movements in foreign exchange	(28)	–	(28)	–	–	–	(28)
At 31 December	61,344	–	61,344	–	659	659	62,003
Net book value							
At 31 December	27,761	3,616	31,377	1,539	480	2,019	33,396

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the country of operation. A summary of the goodwill allocation is presented below:

	2019 £'000	2018 £'000
UK	1,274	1,274
USA	214	214
Singapore	51	51
	1,539	1,539

In assessing value in use, the estimated future cash flows are calculated by preparing cash flow forecasts derived from the most recent financial budget, management projections for five years, followed by an assumed growth rate of 0%, which does not exceed the long-term average growth rate of the relevant markets and reflects long-term wage inflation fee growth. Management applied a discount rate of 8%, representing the weighted average cost of capital for the Group, to the estimated future cash flows to calculate the terminal value of those cash flows. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense. Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of goodwill allocated to any CGU to materially exceed its recoverable amount.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. It is the opinion of the Directors that at 31 December 2019 there was no impairment of goodwill.

12. Investments

Company	Subsidiary undertakings £'000
Cost at 1 January 2019	523,729
Transactions relating to share plans for subsidiaries' employees	5,791
Cost at 31 December 2019	529,520

The Company's subsidiary undertakings at 31 December 2019, their principal activities and countries of incorporation are set out below:

Name of undertaking	Country of incorporation	Principal activity	Registered office
Michael Page International Argentina SA	Argentina	Recruitment Consultancy	Carlos Pellegrini 1265, Piso 12, Ciudad de Buenos Aires, C1009ABY, Argentina
Page Personnel Argentina Servicios Eventuales SA	Argentina	Recruitment Consultancy	Carlos Pellegrini 1265, Piso 12, Ciudad de Buenos Aires, C1009ABY, Argentina
Michael Page International (Australia) Pty Limited	Australia	Recruitment Consultancy	Level 32, 225 George Street, Sydney, NSW 2000, Australia
Michael Page International (Austria) GmbH	Austria	Recruitment Consultancy	Second floor, Gumpendorfer Strauße 72, Wien, Austria
Michael Page International (Belgium) NV/SA	Belgium	Recruitment Consultancy	Place du Champ de Mars 5, 1050 Brussels, Belgium
Page Interim (Belgium) NV/SA	Belgium	Recruitment Consultancy	Place du Champ de Mars 5, 1050 Brussels, Belgium
Michael Page International Do Brasil - Recrutamento Especializado Ltda	Brazil	Recruitment Consultancy	Rua Funchal 375, 7th Floor Vila Olimpia, CEP 04551-060, Sao Paulo, Brazil
Page Interim Do Brasil - Recrutamento Especializado Ltda	Brazil	Recruitment Consultancy	Av. das Nações Unidas, 10.989 - 4º Andar, Conjunto 41 - Edifício Mendes Caldeira, CEP 04578-900, São Paulo - SP, Brazil
Page Personnel Do Brasil - Recrutamento Especializado e servicos corporativos Ltda	Brazil	Recruitment Consultancy	Av. Engenheiro Luis Carlos Berrini, 716, 1º andar - C.J.12 - Cidade Monções, CEP 04571-000, São Paulo - SP, Brazil
Michael Page International Canada Limited	Canada	Recruitment Consultancy	130 Adelaide Street West, 21st Floor, Toronto, Ontario, M5H 1J8, Canada
Michael Page International Chile Ltda	Chile	Recruitment Consultancy	Magdelan 181, Piso 16, Las Condes, Santiago 7550055, Chile

Name of undertaking	Country of incorporation	Principal activity	Registered office
Page Personnel International Chile Ltda	Chile	Recruitment Consultancy	Magdalena 181, Piso 1, Las Condes, Santiago 7550055, Chile
Page Consulting Chile Ltda	Chile	Recruitment Consultancy	Magdalena 181, Piso 16, Las Condes, Santiago 7550055, Chile
Empresa de Servicios Transitorios Page Interim Chile Limitada	Chile	Recruitment Consultancy	Magdalena 181, Piso 1, Las Condes, Santiago 7550055, Chile
Michael Page (Beijing) Recruitment Co., Ltd	China	Recruitment Consultancy	Room 1009 1012, 10/F, West Tower, World Financial Centre, No.1 East 3rd Ring Middle Road, Chaoyang District, Beijing, China 100020
Michael Page (Shanghai) Recruitment Co., Ltd	China	Recruitment Consultancy	Level 18, HKRI Taikoo Hui Tower2, 288 Shimen Yi Road, JingAn District, Shanghai 200041, China
Michael Page International (Shanghai) Consulting Limited	China	Non-Trading	Suite 1010, Shanghai Kerry Centre, 1515 Nanjing West Road, Shanghai, China
Page Contracting (Shanghai) Co. Ltd	China	Recruitment Consultancy	Room 20108, 20/F, No.288 Shimen Yi Road, Shanghai, 200041, China
Michael Page International Colombia SAS	Colombia	Recruitment Consultancy	Av. Calle 82 No. 10-33 - Oficina 801, Colombia
Page Interim Colombia SAS	Colombia	Non-Trading	Av. Calle 82 No. 10-33 - Oficina 801, Colombia
Michael Page Czech Republic s.r.o	Czech Republic	Recruitment Consultancy	Pobřežní 249/46, Karlín, Praha 8, Czech Republic
Michael Page Partnership Limited	England and Wales	Non-Trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page Employment Services Limited	England and Wales	Recruitment Consultancy	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
LPM (Professional Recruitment) Limited	England and Wales	Holding company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Accountancy Additions Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Slamway Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
(The) Assessment Centre Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
LPM (Group Services) Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
(The) Page Partnership Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Sales Recruitment Specialists Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International 1982 Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International Investment Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International Finance Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK

Name of undertaking	Country of incorporation	Principal activity	Registered office
Page Personnel (UK) Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page Holdings Limited	England and Wales	Support services	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International Holdings Limited	England and Wales	Holding company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International Recruitment Limited*	England and Wales	Recruitment Consultancy	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International Southern Europe Limited*	England and Wales	Holding company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page UK Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page Recruitment Group Limited	England and Wales	Holding company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International (France) SAS	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
MP Financial Services France SAS	France	Support services	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Page Personnel SAS	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Business Services SARL	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Ingenieurs et Informatique SARL	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Page Formation SARL	France	Support Services	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Tertiaire EURL	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Nord SARL	France	Recruitment Consultancy	1, Rue Esquermoise, 59800 Lille, France
Michael Page Sud SARL	France	Recruitment Consultancy	48, Rue de la République, 69002 Lyon, France
MP Advertising SAS	France	Support Services	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Page Consulting SARL	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page EDP SARL	France	Support Services	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Monaco SARL	France	Recruitment Consultancy	7 Rue de l'Industrie, 98000 Monaco
Michael Page International (Deutschland) GmbH	Germany	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Page Personnel Services GmbH	Germany	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Page Personnel (Deutschland) GmbH	Germany	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany

Name of undertaking	Country of incorporation	Principal activity	Registered office
Michael Page Interim GmbH	Germany	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Michael Page International (Hong Kong) Limited	Hong Kong	Recruitment Consultancy	Suite 1701, 17F Central Tower, 28 Queen's Road Central, Central Hong Kong
Michael Page International Recruitment Pvt Ltd	India	Recruitment Consultancy	5th Floor, 2 North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (E), Mumbai 400051, India
PT Michael Page Internasional Indonesia	Indonesia	Recruitment Consultancy	One Pacific Place, Suites B-F, Level 12, Sudirman Central Business District, Jl. Jend. Sudirman Kav 52-53, Jakarta 12190, Indonesia
Michael Page International (Ireland) Limited	Ireland	Recruitment Consultancy	c/o Mason Hayes & Curran, Southbank House, Barrow Street, Dublin 4, Ireland
Michael Page International Italia Srl	Italy	Recruitment Consultancy	Via Spadari 1, 20123 Milan, Italy
Page Personnel Italia SpA	Italy	Recruitment Consultancy	Via Spadari 1, 20123 Milan, Italy
Michael Page International (Japan) K.K.	Japan	Recruitment Consultancy	6F Hulic Kamiyacho Building, 4-3-13 Toranomom, Minato-ku, Tokyo 105-0001, Japan
Agensi Pekerjaan Michael Page International (Malaysia) SDN BHD	Malaysia	Recruitment Consultancy	10th Floor, Wisma Hamjah-Kwong Hing, No.1 Leboh Ampang, 50100 Kuala Lumpur
Michael Page (Mauritius) Limited	Mauritius	Recruitment Consultancy	La Chaussee Office 530 & 531, Medine Mews, Port-Louis, Mauritius
Michael Page International (Mauritius) Limited	Mauritius	Recruitment Consultancy	Corner of Suffren and Eugene Laurent Streets, 5th Floor, Atchia Building, Port-Louis, Mauritius
Michael Page International Mexico Reclutamiento Especializado, S.A. de C.V.	Mexico	Recruitment Consultancy	Av. Paseo de la Reforma, No. 115, Piso 10, Col. Lomas de Chapultepec, Z.C. 11000, CDMX, Mexico
Michael Page International Mexico Servicios Corporativos SA de CV	Mexico	Recruitment Consultancy	Av. Paseo de la Reforma, No. 115, Piso 10, Col. Lomas de Chapultepec, Z.C. 11000, CDMX, Mexico
Page Interim Mexico Servicios SA de CV	Mexico	Recruitment Consultancy	Av. Paseo de la Reforma, No. 115, Piso 10, Col. Lomas de Chapultepec, Z.C. 11000, CDMX, Mexico
Michael Page International (Maroc) SARL AU	Morocco	Recruitment Consultancy	Residence Plein Ciel 9, Angle rue Mahassine Arrouyani et Ali Abderrazak, Quartier Racine-20, 100 Casablanca, Morocco
Michael Page International (Nederland) B.V.	Netherlands	Recruitment Consultancy	World Trade Center, Strawinskylaan 421, 107XX, Amsterdam, Netherlands
Page Interim B.V.	Netherlands	Recruitment Consultancy	World Trade Center, Strawinskylaan 421, 107XX, Amsterdam, Netherlands
Michael Page International (NZ) Limited	New Zealand	Recruitment Consultancy	Part Level 6, 41 Shortland Street, Auckland, New Zealand 1010
Michael Page International Panama S.A.	Panama	Recruitment Consultancy	Punta Pacifica, Blvd Pacifica Oceania Business Plaza, Torre 2000, Piso 43, Panama
Michael Page International Peru SRL	Peru	Recruitment Consultancy	Calle Las Orquídeas 665 esq. Andrés Reyes - Piso 2, Oficina 201 San Isidro, Peru
Page Personnel Services Temporales Peru S.R.L.	Peru	Recruitment Consultancy	Calle Las Orquídeas 665 esq. Andrés Reyes - Piso 2, Oficina 201 San Isidro, Peru
Michael Page International Recruitment (Philippines) Inc.	Philippines	Recruitment Consultancy	20th Floor, Citibank Center Building, 8741 Paseo de Roxas, Bel-Air, City of Makati, NCR, Fourth District, Philippines
Michael Page International (Poland) Sp.z.o.o	Poland	Recruitment Consultancy	ul. Zlota 59, 00-120 Warsaw, Poland

Name of undertaking	Country of incorporation	Principal activity	Registered office
Michael Page International Empresa de Trabalho Temporário e Serviços de Consultadoria Lda	Portugal	Recruitment Consultancy	Avenida da Liberdade n 180A, 1250-146 Lisboa, Portugal
MICPAGE Services Lda	Portugal	Recruitment Consultancy	Avenida da Liberdade n 180A, 1250-146 Lisboa, Portugal
Michael Page International (UAE) Limited – QFC Branch	UAE	Recruitment Consultancy	Qatar Financial Centre, Office 2, Ground Floor, Tornado Tower, West Bay, PO Box 23153, Doha, Qatar
Michael Page International Pte Limited*	Singapore	Recruitment Consultancy	One Raffles Place, #09-61 Office Tower Two, Singapore 048616
Page Personnel Recruitment Pte Ltd	Singapore	Recruitment Consultancy	One Raffles Place, #09-61 Office Tower Two, Singapore 048616
Michael Page International (SA) (Pty) Limited	South Africa	Recruitment Consultancy	PO Box 653555, Benmore 2010, South Africa
Michael Page Africa (SA) (Pty) Limited	South Africa	Non-trading	PO Box 653555, Benmore 2010, South Africa
Michael Page Holding (España) SL	Spain	Holding company	Paseo de la Castellana 28 -3ª, 28046 Madrid, Spain
Michael Page AD SL	Spain	Recruitment Consultancy	Paseo de la Castellana 28 -3ª, 28046 Madrid, Spain
Page Group Europe SL	Spain	Support Services	Plaza Europa 21-23 5ª, 08908 Hospitalet de Llobregat (Barcelona), Spain
Page Group Spain Recursos Humanos ETT SA	Spain	Recruitment Consultancy	Calle Julian Camarillo 42-4, 28037 Madrid, Spain
Michael Page International (Sweden) AB	Sweden	Recruitment Consultancy	Master Samuelsgatan 42, l4tr 111 57 Stockholm, Sweden
Michael Page International (Switzerland) SA	Switzerland	Recruitment Consultancy	Quai de la Poste 12, CH-1204 Geneva, Switzerland
Taiwan Michael Page International Co Ltd	Taiwan	Recruitment Consultancy	8F-1 Shin Kong Xin Yi Financial Building, 36-1 Songren Road Xin-Yi District, Taipei City, Taiwan 110
Michael Page Limited	Thailand	Holding company	17th Floor, ITF Tower, No 140/36-37 Silom Road, Kwaeng Suriawong, Khet Banrak, Bangkok, Thailand
Michael Page International Recruitment (Thailand) Limited	Thailand	Recruitment Consultancy	Unit 3076, 30th Floor Bhiraji Tower, EmQuartier, 689 Sukhumvit Road, Klongton Nuea, Vadhanna, Bangkok 10110, Thailand
Michael Page International NEM İst. Dan. Ltd. Şti	Turkey	Recruitment Consultancy	Buyukdere Caddesi, Kanyon Ofis, Binasi No. 185, Kat 5 34394 Levent, Istanbul, Turkey
MPI Yönetim Servisleri ve Dan. Ltd. Şti.	Turkey	Recruitment Consultancy	Buyukdere Caddesi, Kanyon Ofis, Binasi No. 185, Kat 5 34394 Levent, Istanbul, Turkey
Michael Page International (Vietnam) Co. Limited	Vietnam	Recruitment Consultancy	Level 9, Saigon Centre, Tower 2, 67 Le Loi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Michael Page International (UAE) Limited	United Arab Emirates	Recruitment Consultancy	No. 202, Al Fattan Currency House, Tower 1, Dubai International Finance Centre (DIFC), PO Box 506702, Dubai, United Arab Emirates
Michael Page International Inc.*	United States	Recruitment Consultancy	622 Third Avenue, 29th Floor, New York, NY10017, USA

*The equity of these subsidiary undertakings is held directly by PageGroup plc. All companies have been included in the consolidation and operate principally in their country of incorporation.

The percentage of the issued share capital held is equivalent to the percentage of voting rights held. The Group holds 100% of all classes of issued share capital. The share capital of all the subsidiary undertakings comprise Ordinary shares.

The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479A of the Act:

- Michael Page International Southern Europe Limited
- Michael Page International Holdings Limited
- LPM (Professional Recruitment) Limited
- Michael Page Partnership Limited
- Michael Page Employment Services Limited

13. Trade and other receivables

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Current				
Trade receivables	281,176	297,380	–	–
Less allowance for expected credit losses and revenue reversals	(10,081)	(9,174)	–	–
Net trade receivables	271,095	288,206	–	–
Amounts due from Group companies	–	–	607,159	642,855
Other receivables	10,643	3,814	–	–
Accrued Income (net of revenue reversals)	70,421	44,430	–	–
Prepayments	13,396	12,661	–	–
	365,555	349,111	607,159	642,855
Non-current				
Other receivables	15,036	12,746	–	–

The fair values of trade and other receivables are not materially different to those disclosed above.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in Note 20.

All amounts due from Group undertakings are unsecured, interest-free and repayable on demand.

14. Trade and other payables

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Current				
Trade payables	6,702	6,594	–	–
Amounts owed to Group companies	–	–	962,221	913,094
Other tax and social security	51,687	58,186	–	–
Other payables	31,216	26,870	–	–
Accruals	126,206	111,040	142	138
Deferred income	–	1,663	–	–
	215,811	204,353	962,363	913,232
Non-current				
Accruals	10,330	18,453	–	–
Other tax and social security	1,283	1,021	–	–
	11,613	19,474	–	–

The fair values of trade and other payables are not materially different to those disclosed above.

All amounts due to Group undertakings are unsecured, interest-free and repayable on demand.

The total liability relating to other tax and social security includes a balance of £1.3m (2018: £1.1m) relating to social charges on share-based payments.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 20.

15. Bank overdrafts

No bank overdrafts were utilised in respect of the year ended 31 December 2019 (2018: £Nil).

At 31 December 2019, the Group had available £20m (2018: £20m) of undrawn uncommitted overdraft facility with HSBC, £1m elsewhere in the Group and £30m of committed RCF facility with BBVA. There is also £14.1m of undrawn borrowing facilities under the Invoice Discounting arrangement with HSBC. Under the terms of the Invoice Discount Facility we are able to borrow up to £50m depending on the level of UK trade receivables held at any one time. Based on the carrying amount of trade receivables at the year-end we were able to borrow £14.1m of the £50m and hence no actual amount was drawn down on the facility at the year end. The Group utilised the facilities during the year on an ad-hoc basis.

All other bank overdrafts and facilities are repayable on demand. The Group's exposure to interest rate, foreign currency and liquidity risk for financial assets and liabilities is disclosed in Note 20.

16. Deferred tax

The following are the major deferred tax (assets)/liabilities recognised by the Group, and the movements thereon, during the current and prior reporting periods.

	Share-based payments £'000	Tax losses £'000	Other £'000	Total £'000
At 1 January 2019	2,258	2,794	11,805	16,857
Recognised in equity for the year	(240)	–	264	24
Recognised in profit or loss for the year	(869)	(657)	2,375	849
Exchange differences	1	(197)	(657)	(853)
At 31 December 2019	1,150	1,940	13,787	16,877
At 1 January 2018	1,828	2,567	9,872	14,267
Recognised in equity for the year	300	–	–	300
Recognised in profit or loss for the year	130	242	1,980	2,352
Exchange differences	–	(15)	(47)	(62)
At 31 December 2018	2,258	2,794	11,805	16,857

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for balance sheet purposes:

	2019 £'000	2018 £'000
Deferred tax assets	18,915	17,487
Deferred tax liabilities	(2,038)	(630)
	16,877	16,857

No deferred tax liability has been recognised in respect of £186.3m (2018: £144.1m) of unremitted earnings of subsidiaries because the Group is in a position to control the timing of the reversal of the temporary difference and it is not probable that such differences will reverse in the foreseeable future.

"Other" deferred tax relates to two types of timing difference. The first comprises differences between the Group GAAP, IFRS, and the local GAAP of each country in which PageGroup operates. The second comprises timing differences between recognition of income and expense for accounting and tax purposes. This latter category includes deferrals of deductions for internal Group charges until paid in some countries (£4.7m) and bonus accruals (£3.8m). This can vary from year to year and in 2019 resulted in an decrease in the deferred tax asset of £0.3m (2018: £1.9m increase). The amount recognised in profit or loss for the year of £0.7m in relation to losses is a combination of the elements disclosed in Note 6.

The realisation of the deferred tax asset is dependent upon generating future taxable profits in the overseas territories in which the deferred tax asset has arisen. There are carried forward losses of £18.0m (2018: £13.8m) arising in overseas territories for which no deferred tax is recognised given the future utilisation of the tax losses is uncertain. The uncertainty relates to assessing the probability of being able to use losses in the foreseeable future which relies on forecasting future profitability. It is well known that we have limited visibility of this in the recruitment and staffing sector and this, together with restrictions in some countries on the quantum of losses that may be used in each year, leads to the conclusion that a deferred tax asset should not be recognised in respect of certain tax attributes, principally losses. These tax losses and other tax attributes remain available to offset future taxable profits in the respective territories where they have arisen. The Group has not recognised a deferred tax asset in respect of any losses that we would expect to be impacted by expiry.

17. Called-up share capital

	2019		2018	
	£'000	Number of shares	£'000	Number of shares
Allotted, called-up and fully paid Ordinary shares of 1p each				
At 1 January	3,284	328,339,724	3,268	326,808,701
Shares issued	2	264,050	16	1,531,023
At 31 December	3,286	328,603,774	3,284	328,339,724

Shares issued in the year related to the Executive Share Option Scheme.

Share option plans

The Group has share option awards currently outstanding under an Executive Share Option Scheme (ESOS) and a Share Option Scheme (SOS). These plans are described below.

At 31 December 2019 the following options had been granted and remained outstanding in respect of the Company's Ordinary shares of 1p under both the Michael Page Executive Share Option Scheme and the Share Option Scheme. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Year of grant	Balance at 1 January 2019	Granted in year	Exercised in year	Lapsed in year	No. of options outstanding at 31 December 2019	Base EPS/ OP range [†]	Exercise price per share	Exercise period
2009 (Note 2)*	73,800	–	(45,300)	(28,500)	–	OP range	187.5p-211.84p	March 2012 – March 2019
2010 (Note 1)*	284,477	–	(264,050)	(5,000)	15,427	6.6	381.5p-383.0p	March 2013 – March 2020
2011 (Note 2)	1,664,921	–	(128,969)	–	1,535,952	OP range	491.0p-492.9p	March 2014 – March 2021
2012 (Note 2)*	628,373	–	(79,360)	(45,000)	504,013	OP range	477.0p	March 2015 – March 2022
2013 (Note 2)*	698,982	–	(75,833)	(60,000)	563,149	OP range	442.0p	March 2016 – March 2023
2014 (Note 2)*	1,303,333	–	(275,000)	(95,000)	933,333	OP range	484.0p	March 2017 – March 2024
2015 (Note 2)*	1,095,000	–	–	(55,000)	1,040,000	OP range	526.0p-534.0p	March 2018 – March 2025
2016 (Note 2)*	1,537,611	–	(842,085)	(7,611)	687,915	OP range	406.0p-427.0p	March 2019 – March 2026
2017 (Note 2)*	1,605,000	–	–	(25,000)	1,580,000	OP range	435.44p	March 2020 – March 2027
2018 (Note 2)	1,705,000	–	–	(90,000)	1,615,000	OP range	529.0p	March 2021 – March 2028
2019 (Note 2)	–	1,900,000	–	(65,000)	1,835,000	OP range	458.2-473.8p	March 2022 – March 2029
Total 2019	10,596,497	1,900,000	(1,710,597)	(476,111)	10,309,789			
Weighted average exercise price 2019 (£)	4.70	4.60	4.21	4.52	4.77			
Total 2018	15,527,905	1,740,000	(6,137,873)	(533,535)	10,596,497			
Weighted average exercise price 2018 (£)	4.51	5.29	4.38	4.71	4.70			

* These options have fully vested

[†] The Operating Profit ranges for each award are fully disclosed in Note 2 of this Note. 4,161,496 options were exercisable at the end of 2019 at a weighted average exercise price of £4.76 (2018: £4.75). The weighted average share price at the date of exercise was £4.86.

Note 1

Executive Share Option Scheme

Using the ESOS, awards of share options can be made to key management personnel and senior employees to receive shares in the Company.

No awards have been made under the ESOS since 2010 and this award has fully vested.

For grants under the ESOS, the performance condition is tested on the third anniversary and no retesting will occur thereafter. These options were granted subject to a performance condition requiring that an option may only be exercised, in normal circumstances, if there has been an increase in base earnings per share of at least 3% per annum above the growth in the UK Retail Price Index. The respective base earnings per share for each grant are shown in the table above.

Note 2

Share Option Scheme

Executive Directors of the Company are not eligible to participate in this plan. Any exercises of awards made under this plan are settled by shares held in the Employee Benefit Trust.

This share option scheme was created in 2009 to provide an effective plan under which to grant awards from 2009 onwards. It was the Board's view that grants made under the existing ESOS, which would have required an increase over the 2008 base earnings per share of at least 3% per annum above the growth in the UK Retail Price Index by 2011, would not be achievable due to the impact of the global downturn on the Group's EPS and thus would not provide the required retention incentive. Further grants under the SOS have been made in each year from 2011. The performance conditions for these grants are also directly linked to the Group's Operating Profit.

For the 2011 grant, if Operating Profit is in excess of £100m, 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £200m or more. Following 2019's operating profit, 46% of this award will have vested.

For grants between 2012 and 2015, if Operating Profit is in excess of £50m, a proportion of the award equivalent to the amount of Operating Profit achieved will vest up to a maximum of 100% if the Operating Profit is £100m or more. As Operating Profit of £118.3m was achieved in 2017, the performance criteria have been fully achieved and these awards have fully vested.

For the 2016 grant, if Operating Profit is in excess of £75m, 2% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £125m or more. As Operating Profit of £142.5m was achieved in 2018, the performance criteria have been fully achieved and these awards have fully vested.

For the 2017 grant, if Operating Profit is in excess of £50m, 25% of the award will vest, 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £125m or more. As Operating Profit of £146.7m was achieved in 2019, the performance criteria have been fully achieved and these awards have fully vested.

For the 2018 grant, if Operating Profit is in excess of £75m, 25% of the award will vest. 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £150m or more.

For the 2019 grant, if Operating Profit is in excess of £100m, 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £200m or more.

Other share-based payment plans

The Company also operates a Management Incentive Plan for the Executive Directors and senior employees and a Long-Term Incentive Plan for the Chief Executive Officer and Chief Financial Officer. Details of these plans are disclosed in the Directors' Remuneration Report and are settled by the physical delivery of shares, currently satisfied by shares held in the Employee Benefit Trust, to the extent that service and performance conditions are met. Movements on these plans are shown below:

	LTIP	MIP
As at 1 January 2019	1,189,911	2,170,413
Granted	397,373	816,477
Lapsed	(18,175)	(291,976)
Exercised	(518,221)	(768,424)
As at 31 December 2019	1,050,888	1,926,490

Share option valuation and measurement

In 2019, options were granted on 12 March with the estimated fair value of the options granted on that day of £0.68. In 2018, options were granted on 16 March with the estimated fair value of the options granted on that day of £0.96.

Share options are granted under service and non-market performance conditions. These conditions are not taken into account in the fair value measurement at grant date. There are no market conditions associated with the share option grants.

The options outstanding at 31 December 2019 have an exercise price in the range of 381.5p to 534.0p and a weighted average contractual life of 5.8 years. The fair values of options and other share awards granted during the year were calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

	Share Option Plans		Long-Term Incentive Plan		Management Incentive Plan	
	2019	2018	2019	2018	2019	2018
Share price (£)	4.58	5.29	4.55	5.29	4.55	5.29
Average exercise price (£)	4.58	5.29	Nil	Nil	Nil	Nil
Weighted average fair value (£)	0.68	0.96	4.18	5.05	4.55	5.29
Expected volatility	23.20%	25.76%	23.20%	25.76%	23.20%	25.76%
Expected life	5 years	5 years	3 years	3 years	3 years	3 years
Risk free rate	1.16%	1.19%	1.16%	1.19%	1.16%	1.19%
Expected dividend yield	2.86%	2.36%	Nil	Nil	2.86%	2.36%

Expected volatility was determined by reference to historical volatility of the Company's share price in the last 12 months. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Expectations of early exercise are incorporated into the Black-Scholes option pricing model.

The Group recognised total expenses of £6.8m, including social security, (2018: £8.4m) related to share-based payment transactions during the year.

18. Reserves

Share premium

The share premium account has been established to represent the excess of proceeds over the nominal value for all share issues, including the excess of the exercise share price over the nominal value of the shares on the exercise of share options.

Capital redemption reserve

The capital redemption reserve relates to the cancellation of the Company's own shares.

Reserve for shares held in the Employee Benefit Trust

At 31 December 2019, the reserve for shares held in the employee benefit trust consisted of 10,433,864 Ordinary shares (2018: 11,024,316 Ordinary shares) held for the purpose of satisfying awards made under the Management Incentive Share Plan, the Long-Term Incentive Plan and the SOS, representing 3.2% of the called-up share capital with a market value of £54.6m (2018: £49.7m).

There are 7,960,864 (2018: 7,775,732) of these shares held in the trust on which dividends are waived.

Currency translation reserve

Since first-time adoption of the International Financial Reporting Standards, the currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are integral to the operations of the Company.

19. Cash and cash equivalents

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Cash at bank and in hand	90,856	97,626	–	–
Short-term deposits	6,976	47	–	–
Cash and cash equivalents	97,832	97,673	–	–
Cash and cash equivalents in the statement of cash flows	97,832	97,673	–	–
Net funds	97,832	97,673	–	–

The Group operates multi-currency cash concentration and notional cash pools, and an interest enhancement facility. The Eurozone subsidiaries and the UK-based Group Treasury subsidiary participate in the cash concentration arrangement, the Group Treasury subsidiary retains the notional cash pool and the Asia Pacific subsidiaries operate the interest enhancement facility. The structures facilitate interest compensation of cash whilst supporting working capital requirements.

20. Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- (i) credit risk
- (ii) liquidity risk
- (iii) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from clients. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Trade and other receivables

Total trade receivables (net of allowances) held by the Group at 31 December 2019 amounted to £271.1m (2018: £288.2m).

An initial credit period is made available on invoices. No interest is charged on trade receivables from the date of the invoice during this credit period. An impairment analysis is performed at each reporting date using a provision matrix to measure the expected credit losses. The Group has established a provision matrix that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment. If there has been a significant increase in credit risk in a customer or group of customers the loss is recognised immediately based on the future credit losses over the life of the contract.

Included in the Group's trade receivables balance are debtors with a carrying amount of £138.1m (2018: £146.5m) that are past due at the reporting date for which the Group has not provided as the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The days sales of these receivables at the year end is 52 days in excess of the initial credit period (2018: 54 days).

In the table below, the provision includes expected credit losses and provision for revenue reversals.

The ageing of trade receivables at the reporting date was:

	Gross trade receivables 2019 £'000	Provision 2019 £'000	Net trade receivables 2019 £'000	Gross trade receivables 2018 £'000	Provision 2018 £'000	Net trade receivables 2018 £'000
Not past due	133,281	(259)	133,022	141,788	(80)	141,708
Past due 0-30 days	76,682	(152)	76,530	87,197	(50)	87,147
Past due 31-150 days	56,546	(112)	56,434	57,794	(33)	57,761
More than 150 days	14,667	(9,558)	5,109	10,601	(9,011)	1,590
	281,176	(10,081)	271,095	297,380	(9,174)	288,206

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each client. The demographics of the Group's client base, including the country in which clients operate, also has an influence on credit risk. Less than 3% of the Group's revenue is attributable to sales transactions with a single client. The geographic diversification of the Group's revenue also reduces the concentration of credit risk.

The majority of the Group's clients have been transacting with the Group for several years, with losses rarely occurring. In monitoring client credit risk, clients are grouped according to their credit characteristics, including geographic location, industry, ageing profile, maturity and existence of previous financial difficulties.

Movement in the allowance for expected credit losses and revenue reversals:

	2019 £'000	2018 £'000
Balance at beginning of the year	9,174	8,161
Expected credit losses and provision for revenue reversals recognised on receivables	24,068	22,348
Amounts written off as uncollectable	(923)	(786)
Amounts recovered/reversed during the year	(22,238)	(20,549)
Balance at end of the year	10,081	9,174

The allowance for expected credit losses represents a provision for debts which the Group estimate may be irrecoverable, including £4.7m (2018: £4.2m) of debts in litigation.

The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The Group does not hold any collateral over these balances.

Exposure to credit risk

The maximum exposure to credit risk for net trade receivables at the reporting date by geographic region was:

	Carrying amount	
	2019 £'000	2018 £'000
EMEA	165,081	178,482
United Kingdom	37,426	38,237
Asia Pacific	33,333	45,767
Americas	35,255	25,720
	271,095	288,206

The maximum exposure to credit risk for net accrued income at the reporting date by geographic region was:

	Carrying amount	
	2019 £'000	2018 £'000
EMEA	15,789	1,573
United Kingdom	11,034	12,316
Asia Pacific	17,081	18,925
Americas	26,517	11,616
	70,421	44,430

The entire accrued income balance is not past due. The fair values of trade and other receivables are not materially different to those disclosed above and in note 13. There is no material effect on pre-tax profit if the instruments are accounted for at fair value or amortised cost.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework that aims to ensure that the Group has sufficient cash or credit facilities at all times to meet all current and forecast liabilities as they fall due. It is the Directors' intention to continue to finance the activities and development of the Group from retained earnings.

Cash surpluses were invested in short-term deposits, with any working capital requirements being provided from Group cash resources, Group facilities, or by local overdraft facilities. The Group also operates a multi-currency notional cash pool to facilitate interest and balance compensation of cash and bank overdrafts.

The following are the contractual maturities of financial liabilities:

2019	Less than 1 month £'000	1-3 months £'000	3-12 months £'000	More than 12 months £'000
	Lease liabilities*	2,262	5,173	23,390
Trade payables	6,037	602	63	–
Accruals and other payables	102,344	20,254	34,824	–

*The above lease liabilities are the contractual undiscounted cashflows before discounting at the incremental borrowing rate.

2018	Less than 1 month £'000	1-3 months £'000	3-12 months £'000	More than 12 months £'000
	Trade payables	6,293	209	92
Accruals and other payables	92,039	18,282	27,589	–

Capital is equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders through share repurchases with subsequent cancellation, or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 31 December 2018.

(iii) Market risk and sensitivity analysis

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates, but these risks are not deemed to be material. However, a sensitivity analysis showing hypothetical fluctuations in Pounds Sterling against the Group's main exposure currencies is shown on the next page. There has been no material change in the Group's exposure to market risks or the manner in which it manages and measures the risk.

Interest rate risk management

Borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Group does not consider this risk as significant. The benchmark rates for determining floating rate liabilities are based on relevant national LIBOR equivalents.

The Group's only interest bearing assets and liabilities at 31 December 2019 relate to cash and bank overdrafts. The average interest rate payable on bank overdrafts was 3.00% (2018: 2.85%).

Currency rate risk

The Group publishes its results in Pounds Sterling and conducts its business in many foreign currencies. As a result, the Group is subject to foreign currency exchange risk due to exchange rate movements. The Group is exposed to foreign currency exchange risk as a result of transactions in currencies other than the functional currencies of some of its subsidiaries and the translation of the results and underlying net assets of foreign subsidiaries.

The main functional currencies of the Group are Sterling, Euro, Chinese Renminbi, Swiss Franc, Singapore Dollar, Hong Kong Dollar and Australian Dollar. The Group does not have material transactional currency exposures. The Group is exposed to foreign currency translation differences in accounting for its overseas operations. The Group policy is not to hedge translation exposure.

The Group entered into hedges to cover its investments in foreign entities in the US and Canada designating them as net investment hedges. During the year the Group ceased the net investment hedge of these subsidiaries and part disposed of the investment by a share capital reduction. This resulted in transferring a proportion of the losses deferred within other comprehensive income to the statement of profit or loss in the year. This resulted in an overall loss of £1.0m (2018: £1.0m loss).

In certain cases, where the Company gives or receives short-term loans to and from other Group companies with different reporting currencies, it may use foreign exchange rate derivatives to manage the currency exposure that arises on these loans. It is the Group's policy not to seek to designate these derivatives as hedges.

All derivative financial instruments not in a hedge relationship are classified as derivatives at fair value through the income statement. The Group does not use derivatives for speculative purposes. All transactions in derivative financial instruments are undertaken to manage the risks arising from underlying business activities.

Information on the fair value of derivative financial instruments held at the balance sheet date is shown in the table below.

Fair values are not adjusted for credit risk, as required by IFRS 13, because credit impact is not material given the low fair value levels. All derivative instruments are classified as level 2 instruments.

Derivative financial instruments

	Derivatives at fair value	
	2019 £m	2018 £m
Derivative assets	2.3	1.0
Derivative liabilities	(4.3)	(1.0)
Net derivative assets/(liabilities)	(2.0)	-

Sensitivity analysis – currency risk

A 10% strengthening of Sterling against the following currencies at 31 December 2019 would have increased/(decreased) equity and profit or loss by the amounts shown over the page. This is reflective of the exchange rates movements experienced by the Group over the last 3 years. This analysis is applied currency by currency in isolation, i.e. ignoring the impact of currency correlation, and assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2018. The amounts generated from the sensitivity analysis are forward-looking estimates of market risk assuming certain adverse market conditions occur. Actual results in the future may differ materially from those projected, due to developments in the global financial markets which may cause fluctuations in interest and exchange rates to vary from the hypothetical amounts disclosed in the table over the page, which therefore should not be considered a projection of likely future events and losses.

	2019 equity £'000	2019 PBT £'000
Euro	(12,399)	(1,451)
Australian Dollar	(1,514)	(118)
Swiss Franc	(1,825)	75
Chinese Renminbi	(927)	12
Hong Kong Dollar	(930)	403
Singapore Dollar	(1,496)	(14)
Other	(4,342)	(284)

	2018 equity £'000	2018 PBT £'000
Euro	(11,426)	(2,048)
Australian Dollar	(1,363)	(159)
Swiss Franc	(1,956)	(157)
Chinese Renminbi	(943)	73
Hong Kong Dollar	(1,949)	(524)
Singapore Dollar	(1,458)	(41)
Other	(4,416)	(671)

A 10% weakening of Sterling against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

21. Commitments

Operating lease commitments

At 31 December 2019 the Group was committed to make the following payments in respect of non-cancellable operating leases:

	Land and buildings		Other	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Within one year	–	30,916	–	7,121
Within two to five years	–	81,096	–	7,871
After five years	–	21,451	–	–
Total	–	133,463	–	14,992

*On adoption of IFRS 16 operating lease commitments were recognised on balance sheet as a right-of-use asset and lease liability.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

	Land and Buildings	Other	Total
Operating lease commitments as at 31 December 2018	133,463	14,992	148,455
Effect of discounting at average Incremental Borrowing Rate of 1.9%	(5,411)	–	(5,411)
Discounted operating lease commitments as at 1 January 2019	128,052	14,992	143,044
Less commitments relating to short-term leases	(2,183)	–	(2,183)
Less service & maintenance elements and other	(7,021)	639	(6,382)
Total	118,848	15,631	134,479

Capital commitments

The Group had nil contractual capital commitments as at 31 December 2019 relating to property, plant and equipment (2018: £0.2m). The Group had contractual capital commitments of nil as at 31 December 2019 relating to computer software (2018 £nil).

22. Contingent liabilities

Guarantees

The Company has provided guarantees to other Group undertakings amounting to £1.0m (2018: £1.0m) in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities.

VAT Group registration

As a result of Group registration for VAT purposes, the Company is contingently liable for VAT liabilities arising in other companies within the VAT group which at 31 December 2019 amounted to £4.3m (2018: £5.9m).

23. Events after the balance sheet date

Between 31 December 2019 and 5 March 2020, 15,000 options were exercised, leading to an increase in share capital of £150 and an increase in share premium of £61,923.

24. Related party transactions

Identity of related parties

The Company has a related party relationship with its Directors and members of the Executive Committee, and subsidiaries (Note 12).

Transactions with key management personnel

Key management personnel are deemed to be the Directors and members of the Executive Committee as detailed in the biographies on pages 53 to 57. The remuneration of Directors and members of the Executive Committee is determined by the Remuneration Committee having regard to the performance of individuals and market trends. The transactions for the year were:

Related party transactions

	2019 £'000	2018 £'000
Wages and salaries	5,448	5,838
Social security costs	467	440
Short-term benefits	682	574
Pension costs – defined contribution plans	231	226
Share-based payments and deferred cash plan	4,225	3,981
	11,053	11,059

Company

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the parent company and subsidiary undertakings are shown below.

	Dividends received		Amounts owed by related parties		Amounts owed to related parties	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Transactions	49,927	5,963	607,159	642,855	962,221	913,094

FIVE YEAR SUMMARY

	2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000
Revenue	1,064,945	1,196,125	1,371,534	1,549,941	1,653,948
Gross profit	556,105	621,034	711,568	814,902	855,450
Operating profit	90,071	100,952	118,322	142,463	146,669
Profit before tax	90,697	99,996	118,162	142,275	144,245
Profit attributable to equity holders	66,208	72,096	83,080	103,703	103,445
Conversion [†]	16.2%	16.3%	16.6%	17.5%	17.1%
Basic earnings per share (pence)	21.3	23.1	26.5	32.5	32.2

* Includes exceptional items.

† Operating profit before exceptional items as a percentage of gross profit.

Shareholder information and advisers

Annual General Meeting

To be held on 4 June at 9.30am at Page House, 1 Dashwood Lang Road, The Bourne Business Park, Addlestone, Surrey, KT15 2QW. Every shareholder is entitled to attend and vote at the Meeting.

Final dividend for the year ended 31 December 2018

To be paid (if approved) on 19 June 2020 to shareholders on the register of members on 22 May 2020.

General Counsel & Company Secretary

Kaye Maguire

Company number

3310225

Registered office, domicile and legal form

The Company is a limited liability company incorporated and domiciled within the United Kingdom.

The address of its registered office is:

Page House,
1 Dashwood Lang Road,
The Bourne Business Park,
Addlestone,
Surrey, KT15 2QW.

Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF

Solicitors

Herbert Smith LLP
Exchange House
Primrose Street
London EC2A 2HS

Bankers

HSBC Bank plc
West End Business
Banking Centre
70 Pall Mall
London SW1Y 5GZ

Joint corporate brokers

Citigroup
33 Canada Square
Canary Wharf
London E14 5LB

HSBC Bank plc
8 Canada Square
Canary Wharf
London E14 5HQ

Registrars

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Financial PR

FTI Consultancy
200 Aldersgate
Aldersgate Street
London EC1A 4HD

Articles of Association

The following summarises certain provisions of the Company's Articles of Association (as adopted on 21 May 2010) and applicable English Law. The summary is qualified in its entirety by reference to the Companies Act 2006 of Great Britain (the "Act"), as amended, and the Company's Articles of Association. Under the Act, the Memorandum of Association of the Company has now become a document of record, and no longer contains any operative provisions.

Incorporation

The Company is incorporated under the name PageGroup plc and is registered in England and Wales with registered number 3310225.

Share capital

The Act abolished the concept of, and requirement for a company to have, an authorised share capital. As such, the Company no longer has an authorised share capital.

Alteration of capital

The Company may from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its shares, or any of them, into shares of a smaller amount than its existing shares; and
- (c) determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with the others.

Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account, in any way.

Purchase of own shares

Subject to the provisions of the Act, the Company may purchase its own shares, including redeemable shares. The Company proposes to renew its authority to purchase its own shares for another year in item 17 of the Annual General Meeting notice.

General meetings and voting rights

The Directors may call general meetings whenever and at whatever time and location they so determine. Subject to the provisions of the Act, an annual general meeting and all general meetings (which shall be called extraordinary general meetings) shall be called by at

least 21 clear days' notice. Subject to the provisions of the Act, the Company may resolve to reduce the notice period for general meetings (other than annual general meetings) to 14 days on an annual basis. The Company proposes to renew its authority to hold general meetings on 14 days' notice for another year in item 18 of the Annual General Meeting notice. Two persons entitled to vote upon the business to be transacted shall be a quorum.

The Articles of Association provide that subject to any rights or restrictions attached to any shares, on a show of hands every member and every duly appointed proxy present shall have one vote. Every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to. On a poll every member present in person or by a duly appointed proxy or corporate representative shall have one vote for every share of which he is a holder or in respect of which his appointment as proxy or corporate representative has been made. No member shall be entitled to vote in respect of any share held by him if any call or other sum payable by him to the Company remains unpaid.

If a member or any person appearing to be interested in shares held by a member has been duly served with a notice under the Act and is in default for the prescribed period in supplying to the Company information thereby required, unless the Directors otherwise determine, the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general or class meeting of the Company or on any poll or to exercise any other right conferred by membership in relation to such meeting or poll. In certain circumstances, any dividend due in respect of the default shares shall be withheld and certain certificated transfers may be refused.

A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and speak and vote at a meeting of the Company. A proxy need not be a member. A member may appoint more than one proxy to attend on the same occasion. This does not preclude the member from attending and voting at the meeting or at any adjournment of it.

Limitations and non-resident or foreign shareholders

English law treats those persons who hold the shares and are neither UK residents nor nationals in the same way as UK residents or nationals. They are free to own, vote on and transfer any shares they hold.

Variation of rights

If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied either:

- (a) in such manner (if any) as may be provided by those rights; or
- (b) in the absence of any such provision, with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class,

but not otherwise, and may be so varied either whilst the Company is a going concern or during, or in contemplation of, a winding-up. At every such separate general meeting the necessary quorum shall be at least two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares), save that at any adjourned meeting any holder of shares of the class (other than treasury shares) present or by proxy shall be a quorum. Unless otherwise expressly provided by the rights attached to any class of shares, those rights shall be deemed not to be varied by the purchase by the Company of any of its own shares or the holding of such shares as treasury shares.

Dividend rights

Holders of the Company's ordinary shares may by ordinary resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors. If, in the opinion of the Directors, the profits of the Company available for distribution justify such payments, the Directors may, from time to time, pay interim dividends on the shares of such amounts and on such dates and in respect of such periods as they think fit. The profits of the Company available for distribution and resolved to be distributed shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion of the period in respect of which the dividend

is paid. The members may, at a general meeting declaring a dividend upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of specific assets.

No dividend shall be paid otherwise than out of profits available for distribution as specified under the provisions of the Act.

Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall, if the Directors so resolve, be forfeited and shall revert to the Company.

Calls on shares

Subject to the terms of allotment, the Directors may make calls upon members in respect of any amounts unpaid on their shares (whether in respect of nominal value or premium) and each member shall pay to the Company as required by the notice the amount called on his shares.

Transfer of shares

Any member may transfer all or any of his shares in certificated form by instrument of transfer in the usual common form or in any other form which the Directors may approve. The transfer instrument shall be signed by or on behalf of the transferor and, except in the case of fully-paid shares, by or on behalf of the transferee.

Where any class of shares is for the time being a participating security, title to shares of that class which are recorded as being held in uncertificated form, may be transferred (to not more than four transferees) by the relevant system concerned.

The Directors may in their absolute discretion refuse to register any transfer of shares (being shares which are not fully paid or on which the Company has a lien), provided that if the share is listed on the Official List of the UK Listing Authority such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

The Directors may also refuse to register a transfer of shares (whether fully paid or not) unless the transfer instrument:

- (a) is lodged at the registered office, or such other place as the Directors may appoint, accompanied by the relevant share certificate(s)
- (b) is in respect of only one class of share
- (c) is in favour of not more than four transferees

The Directors of the Company may refuse to register the transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirements)

under the Uncertificated Securities Regulations 2001 to register the transfer.

Directors

The Company's Articles of Association provide for a Board of Directors, consisting of (unless otherwise determined by the Company by ordinary resolution) not fewer than two Directors, who shall manage the business of the Company. The Directors may exercise all the powers of the Company, subject to the provisions of the Articles of Association and any directions given by special resolution. If the quorum is not fixed by the Directors, the quorum shall be two.

Subject to the provisions of the Company's Articles of Association, the Directors may delegate any of their powers:

- (a) to such person or committee
- (b) by such means (including power of attorney)
- (c) to such an extent
- (d) in relation to such matters or territories
- (e) on such terms and conditions as in each case they think fit, and such delegation may include authority to sub-delegate all or any of the powers delegated, may be subject to conditions and may be revoked or varied.

The Directors may also, by power of attorney or otherwise, appoint any person, whether nominated directly or indirectly by the Directors, to be the agent of the Company for such purposes and subject to such conditions as they think fit, and may delegate any of their powers to such an agent.

The Articles of Association place a general prohibition on a Director voting on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through the Company), unless his interest arises only because the case falls within one or more of the following:

- (a) the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or any of its subsidiary undertakings
- (b) the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security
- (c) the giving to him of any other indemnity which is on substantially the same terms as indemnities given or to be given to all of the other directors and/or the funding by the Company of this expenditure on

defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other directors have been given or are to be given substantially the same arrangements

- (d) the purchase or maintenance for any director or directors of insurance against liability
- (e) his interest arises by virtue of his being, or intending to become a participant in the underwriting or sub-underwriting of an offer of any shares in or debentures or other securities of the Company for subscription, purchase or exchange
- (f) any arrangement for the benefit of the employees and directors and/or former employees and former directors of the Company or any of its subsidiaries and/or the members of their families or any person who is or was dependent on such persons, including but without being limited to a retirement benefits scheme and an employees' share scheme, which does not accord to him any privilege or advantage not generally accorded to employees and/or former employees to whom the arrangement relates
- (g) any transaction or arrangement with any other company in which he is interested, directly or indirectly (whether as a director or shareholder or otherwise), provided that he is not the holder of or beneficially interested in at least 1% of any class of shares of that company (or of any other company through which his interest is derived), and is not entitled to exercise at least 1% of the voting rights available to members of the relevant company

If a question arises at a Directors' meeting as to the right of a Director to vote, the question may be referred to the Chairman of the meeting (or if the Director concerned is the Chairman, to the other Directors at the meeting), and his ruling in relation to any Director (or, as the case may be, the ruling of the majority of the other Directors in relation to the Chairman) shall be final and conclusive.

The Act requires a Director of a company who is in any way interested in a proposed transaction or arrangement with the company to declare the nature of his interest at a meeting of the Directors of the company (save that a director need not declare an interest if it cannot reasonably be regarded as giving rise to a conflict of interest). The definition of "interest" includes the interests of spouses, civil partners, children, companies and trusts.

Borrowing powers of the Directors

The Directors shall restrict the borrowings of the Company and exercise all powers

of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Group (excluding amounts borrowed by any member of the Group from any other member of the Group), shall not at any time, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to three times the aggregate of:

- (a) the amount paid up on the share capital of the Company
- (b) the total of the capital and revenue reserves of the Group, including any share premium account, capital redemption reserve, capital contribution reserve and credit balance on the profit and loss account, but excluding sums set aside for taxation and amounts attributable to outside shareholders in subsidiary undertakings of the Company and deducting any debit balance on the profit and loss account, all as shown in the latest audited consolidated balance sheet and profit and loss account of the Group, but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account of the Company since the date of that balance sheet and further adjusted as may be necessary to reflect any change since that date in the companies comprising the Group

Director's appointment, retirement and removal

At each annual general meeting, there shall retire from office by rotation:

- (a) all Directors of the Company who held office at the time of the two preceding annual general meetings and who did not retire by rotation at either of them
- (b) such additional number of Directors as shall, when aggregated with the number of Directors retiring under paragraph (a) above, equal either one third of the number of Directors, in circumstances where the number of Directors is three or a multiple of three, or in all other circumstances, the whole number which is nearest to but does not exceed one-third of the number of Directors (the "Relevant Proportion") provided that:
 - (i) the provisions of this paragraph (b) shall only apply if the number of Directors retiring under paragraph (a) above is less than the Relevant Proportion

- (ii) subject to the provisions of the Act and to the relevant provisions of the Articles of Association, the Directors to retire under this paragraph (b) shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot

If the Company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless a resolution not to fill the vacancy or not to reappoint that Director is passed.

In addition to any power of removal under the Act, the Company may, by special resolution, remove a director before the expiration of his period of office (without prejudice to any claim for damages for breach of any contract of service between the director and the Company) and, subject to the Articles of Association, may by ordinary resolution, appoint another person who is willing to act as a director, and is permitted by law to do so, to be a director instead of him. The newly appointed person shall be treated, for the purposes of determining the time at which he or any other director is to retire as if he had become a director on the day on which the director in whose place he is appointed was last appointed or reappointed as a Director.

A Director shall be disqualified from holding office as soon as:

- (a) that person ceases to be a director under the provisions of the Act or is prohibited by law from being a Director
- (b) a bankruptcy order is made against that person
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts
- (d) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have
- (e) notification is received by the Company from that person that he is resigning or retiring from his office as director, and such resignation or retirement has taken effect in accordance with its terms

- (f) in the case of an Executive Director, his appointment as such is terminated or expires and the Directors resolve that he should cease to be a Director
- (g) that person is absent from Directors' meetings for more than six consecutive months (without permission of the other Directors) and the Directors resolve that he should cease to be a Director
- (h) a notice in writing is served on him signed by all the Directors stating that that person shall cease to be a Director with immediate effect

There is no requirement of share ownership for a Director's qualification.

Amendments to the articles of association

Subject to the Act, the Articles of Association of the Company can be altered by special resolution of the members.

Winding-up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law:

- (a) divide among the members in kind the whole or any part of the assets of the Company and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out between the members
- (b) vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit, but no member shall be compelled to accept any assets upon which there is a liability

PageExecutive

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PagePersonnel

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