

DIRECTORS' BIOGRAPHIES



1. DAVID GAMMON

Non-Executive Chairman

Joined: February 2012

David has widespread experience in developing and building technology based businesses. Since 2001, David has focused on finding, advising and investing in UK technology companies. David founded Rockspring, an advisory and investment firm, which focuses on early stage technology companies and where he continues as CEO today. Other current positions include Non-Executive Directorships at Accesso Technologies plc, Funderbeam Limited and Raspberry Pi Trading Limited, and he is Group Strategy Advisor at Marshall of Cambridge (Holdings) Limited.

Previous experience includes Non-Executive Director (NED) and advisor at artificial general intelligence company DeepMind Technologies Limited, advisor to Hawkwood Capital LLP, NED at real-time location technology specialist Ubisense Trading Limited, NED at internet TV specialist Amino Technologies plc, NED at smart metering and software company BGlobal plc and acting CFO at internet specialist Envisional Solutions Limited. Earlier in his career David worked as an investment banker for over 15 years.

Committees

Audit, Remuneration, Nominations

4. JONNY WATTS

Chief Creative Officer

Joined: November 1998

Jonny has over 30 years' experience in gaming. He joined the Company in 1998 from Sensible Software, and over the course of his career has been involved in all aspects of the creation of 25 published games such as *Sensible Soccer* and *Cannon Fodder*, along with Frontier's suite of games, including *Rollercoaster Tycoon 3*, *Elite Dangerous* and the forthcoming *Planet Coaster*. Jonny's titles span the full range from independent development to 400-person projects, encompass a diverse range of genres, and together have been enjoyed by over 35 million people worldwide.

Jonny holds zoology and computer science degrees, is an active member of BAFTA, including serving as a judge for seven years, and an advocate of supporting young game developers. Jonny joined the Board in February 2012.

Committees

n/a

2. DAVID BRABEN OBE

Founder and CEO

Founding shareholder January 1994

David is the co-author of the seminal *Elite* title and has over 34 years' experience in the gaming industry. David is also one of the six founding trustees of the Raspberry Pi Foundation, a charity which aims to inspire a new generation of children to get interested in computer science through the use of a low cost credit-card sized computer that plugs into your TV and a keyboard.

David was formerly a Non-Executive Director of Phonetic Arts, a Cambridge-based company focused on speech synthesis that was acquired by Google in December 2010. David is a Fellow of the Royal Academy of Engineering, was honoured with a Fellowship of BAFTA in 2015, the recipient of three honorary doctorates (from Abertay University, The Open University and York University), and was honoured with an OBE in the 2014 Birthday Honours for services to the UK computer and video games industry.

Committees

Nominations

5. CHARLES COTTON

Non-Executive Director

Joined: July 2016

Charles has a successful worldwide track record in high-growth technology companies. He was a Supervisory Board member of Euronext Amsterdam listed Tele Atlas which was sold to TomTom for €2.8 billion in 2008; Executive Chairman of NASDAQ listed GlobespanVirata Inc.; and CEO of Virata Corp. which he took public on NASDAQ in 1999 and achieved a market capitalisation of \$5 billion in 2000.

Charles is an active member of the Cambridge technology community, holding a range of technical and financial roles. He also founded and is currently Chairman of Cambridge Phenomenon International Ltd and has co-authored two books; *The Cambridge Phenomenon 50 Years of Innovation and Enterprise* and *The Cambridge Phenomenon: Global Impact*.

Committees

Remuneration

3. DAVID WALSH

Chief Operations Officer

Joined: September 2001

David has over 25 years' experience of engineering and commercial management roles in high-growth technology companies. In 2001 David joined Frontier from ARM, the FTSE / NASDAQ listed microprocessor IP licensing company where he served for six years, helping to grow the company and, as Director of Software Systems, setting up a division of the company to facilitate adoption of the architecture in key target market segments. David is President of Frontier Developments Inc., Frontier's wholly owned Canadian subsidiary, and Frontier Developments Inc. (USA), Frontier's wholly owned US subsidiary.

Committees

Remuneration

6. NEIL ARMSTRONG

Company Secretary and CFO

Joined: June 2010

Neil qualified with Ernst & Whinney (now Ernst & Young) as a chartered accountant in 1989. He has previously held various senior finance positions in the SME space with experience of media, manufacturing and international charities. In 2014 Neil was appointed as Treasurer to Frontier Developments Inc. (USA), Frontier's wholly owned US subsidiary.

Committees

Audit, Remuneration, Nominations

CORPORATE DIRECTORY

DIRECTORS

Mr D R Gammon
Dr. D J Braben
Mr D J Walsh
Mr J F Watts
Mr C W A Cotton

COMPANY SECRETARY AND CFO

Mr N R Armstrong

REGISTERED OFFICE

306 Science Park
Milton Road
Cambridge
CB4 0WG

REGISTERED COMPANY NUMBER

02892559

(Incorporated and registered in England and Wales)

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MAY 2016

The Directors present their report for the Group and Company together with the financial statements for the year to 31 May 2016. The financial statements are prepared under International Financial Reporting Standards as adopted by the EU.

BUSINESS REVIEW

A review of the Group's development performance and future development is provided in the Strategic Report (see page 9 to 19). Information on the financial risk management strategy is given within that report and in note 28 to the financial statements.

GOING CONCERN

The Group's forecasts lead to a reasonable expectation that the Group has adequate resources to continue business for the foreseeable future. Further to a review of required cash resources the Group did not renew the revolving credit facility with Barclays Bank plc of £1 million, which expired on 8 May 2016.

SHARE ISSUES

Details of shares issued during the year are given in note 17 to the financial statements. The Company has one class of Ordinary Shares which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company, with the exception of shares held by the Employee Benefit Trust that are not eligible to vote under the Trust deed.

DIRECTORS' REMUNERATION AND SHARE OPTIONS

Details of Directors' remuneration and share options are provided within the Remuneration Report and are in addition to the interests in shares shown below.

During the year

David Gammon purchased 20,000 Ordinary Shares of 0.5 pence each in the Company at 240 pence per share.

David Braben sold 750,000 Ordinary Shares at 240 pence per share.

Jonathan Watts exercised share options in respect of 30,000 Ordinary Shares at an exercise price of 67 pence per Ordinary Share. On the same day as the exercise of these options, Mr Watts sold 19,370 Ordinary Shares at a price of 230 pence per Ordinary Share to meet the exercise costs and associated tax liabilities.

DIRECTORS

The Directors who held office at 31 May 2016 and their interest in the share capital of the Company were as follows:

Name	2016 Number	2016 %	2015 Number	2015 %
David Gammon*	311,720	0.9	291,720	0.9
David Braben	17,160,953	50.3	17,910,953	53.3
David Walsh*	1,245,820	3.7	1,245,820	3.7
Jonathan Watts	55,390	0.2	44,760	0.1
Jonathan Milner*	662,104	1.9	662,104	2.0
Total	19,435,987	57.0	20,155,357	60.0

* Including direct family holdings.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report, Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare such financial statements for each financial year. Under that law, the Directors have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and of the profit or loss of the Company and Group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the applicable IFRSs have been followed, subject to any material departures disclosed and explained in the Company's financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- the Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

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.

DIRECTORS' INDEMNITY ARRANGEMENTS

During the year the Company purchased directors' and officers' liability insurance in respect of itself and its Directors.

INTELLECTUAL PROPERTY AND RESEARCH AND DEVELOPMENT

The Group actively protects its intellectual property via trademark registrations. Whilst the Directors consider these to be of significant value, the costs associated with registrations are expensed.

The Group invests heavily in research and development through the COBRA engine and associated development tools. Costs that meet the criteria for capitalisation are included in intangible assets (see note 7 of the financial statements). The Group's total spend, including items expensed, in research and development to support its strategy was £9.5 million in the year (2015: £5.1 million).

DIVIDEND

The Directors are not recommending the payment of a dividend at this time (2015: £nil).

EMPLOYEE INVOLVEMENT

The Group seeks to encourage and promote an agile, open, fair and meritocratic culture of engagement, achievement and fun.

The Group is committed to the principle of equal opportunities in employment. Its aim is to ensure that no job applicant or employee receives less favourable treatment or is placed at a disadvantage by requirements or conditions that cannot be shown to be justifiable and thereby promote equality of opportunity for employment within the Group on grounds such as sex, disability, marital status, religion, colour, race, nationality, ethnic or national grounds, age or sexual orientation.

The Group's policies and procedures are created and administered in such a way that they do not tolerate or foster such discrimination.

The Group has an Employee Consultation group that meets regularly with senior management.

The Group encourages employee involvement in the Group's performance by using a contractual bonus scheme for all Non-Director level staff. In addition, it seeks to issue share options at relevant times.

EMPLOYMENT POLICIES

The Group is committed to following UK employment law for its Cambridge-based operations, the Canada Labour Code for its Halifax, Nova Scotia operations and applicable labor codes for its US operations based in Nevada and Kansas.

Where possible the Group strives for similar employment and benefit arrangements between territories.

HEALTH AND SAFETY AND ENVIRONMENT

The aim of the Directors is to provide healthy, safe and congenial working conditions, equipment and systems of work for all employees.

The Directors further intend to provide sufficient information, training and supervision to enable employees to do their work safely, effectively and without risk to themselves or to others.

We acknowledge that we are responsible for the safety of visitors, both professional and social, who enter the premises.

Frontier Developments plc recognises its duty to comply and operate within the requirements of statutory environmental legislation and is committed to minimising the environmental impacts of its business operations. The Directors of the Group will support this policy with this commitment in mind.

SUBSTANTIAL SHAREHOLDERS

At 1 September 2016 the following, other than the Directors whose shareholdings are listed on page 28, had notified the Company of disclosable interests in 3% or more of the nominal value of Frontier Developments plc of 0.5 pence each:

Name	Shareholding	%
Lansdowne Partners	3,263,089	9.6
Chris Sawyer	1,283,726	3.8
Amati Venture Capital	1,073,230	3.1

AUDITOR

A resolution to re-appoint Grant Thornton UK LLP as the Company's Auditor will be proposed at the forthcoming Annual General Meeting. In accordance with normal practice, the Directors will be authorised to determine the Auditor's remuneration.

Approved by the Board of Directors and signed on behalf of the Board.

NEIL ARMSTRONG

Company Secretary

6 September 2016

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MAY 2016

The Board of Frontier Developments plc established Corporate Governance arrangements through consideration of best practice guidelines and aspects of the UK Corporate Governance Code relevant to the Company. Progress is reviewed against the 12 principles of Corporate Governance issued by the Quoted Companies Alliance issued in the 2013 Corporate Governance Code for Small and Mid-sized Quoted Companies. Being an AIM-listed company Frontier is not required to comply with the UK Corporate Governance Code.

THE BOARD

The Board is responsible for the long-term growth and profitability of Frontier Developments plc. Among its responsibilities it works with management to set corporate values and to develop strategy, including deciding its risk management policy and financial objectives.

A schedule of matters reserved for the Board's resolution details key aspects of the Company's affairs that are not delegated beyond the Board (including, among other things, approval of business plans and budgets, material expenditure and alterations to share capital).

Approximately half of the time at Board meetings is set aside for Core Strategic issues. At least two meetings a year have extended time allowed where the focus is predominantly on Core Strategic issues.

The following statements set out the principles and methods to which it adheres.

BOARD MEETINGS AND PRACTICES

The Board seeks to meet formally at least nine times a year including two extended strategic review days. The entire Board is invited to attend all meetings. In the financial year to 31 May 2016 the Board met on nine occasions.

The Chairman and the Company Secretary plan the agenda for each Board meeting in consultation with all other Directors. The agenda is issued with supporting papers ahead of the Board meetings, along with appropriate information required to enable the Board to discharge its duties.

The matters reserved for the attention of the Board include:

- overall business strategy;
- review of key operational and commercial matters;
- review of key finance matters, including approval of financial plans, changes to capital structure, acquisitions and disposals of businesses, material capital expenditure and dividends;
- governance: Board membership and powers including the appointment and removal of Board members, set up and delegation of matters to appropriate committees, and the reviewing of reporting back thereof;
- approval of financial statements both interim and year end;
- stock exchange related issues including the approval of communications to the stock exchange and communications with Shareholders in conjunction with any financial public relations firm;
- subsidiary Board appointments, as the 100% shareholder, and review of key decisions at their Board meetings;
- approval of acquisitions, disposals, borrowing facilities, premises and matters proposed by the corporate lawyer (Bird and Bird) and nominated advisor and broker, Numis Securities Limited;
- appointment and performance review of key advisors; and
- approval of letters of recommendation for the Employee Benefit Trust in the respect of the operation of share option schemes.

BOARD COMPOSITION

The Board of Frontier Developments plc is comprised of the Non-Executive Chairman, the Chief Executive Officer and two other Executive officers, one further Non-Executive Director and the Company Secretary. As per the individual biographies, the Directors have a range of experience and provide a balance of skills, experience and knowledge to the Board.

All Directors are subject to election at the first Annual General Meeting following their appointment and to re-election thereafter at intervals of no more than four years.

The composition of the Board of Directors is illustrated on pages 26 and 27. There were no changes in membership during the financial year 2015/16, however, on 1 July 2016, Jonathan Milner stepped down as Non-Executive Director and Charles Cotton was appointed in his place as NED.

COMPANY SECRETARY

The role of the Company Secretary is to ensure reliable and regular information flows to the Board and its committees and to ensure applicable rules and regulations are followed. The Company Secretary is available to all Directors to provide advice and assistance and is responsible for providing governance advice to the Board.

BOARD COMMITTEES

The committees report regularly to the Board on the performance of the activities they have been assigned.

Audit Committee

The Audit Committee comprises only independent Non-Executive Directors; its members are: David Gammon and Neil Armstrong, supported by Amanda Alsop (Group Accountant).

The Audit Committee determines the terms of engagement of the Company's Auditor and, in consultation with the Auditor, the scope of the audit. It will receive and review reports from management and the Auditor relating to the interim and annual accounts as well as the accounting and internal control systems in use by the Company and Group. The Audit Committee has unrestricted access to the Company's Auditor. The Audit Committee also reviews accounting and treasury policies, financial reporting including key performance indicators and supporting key areas of management judgements, and corporate governance standards. The Audit Committee is open to attendance by any Director and reports its key issues at Board meetings.

In the financial year to 31 May 2016 the Audit Committee met on four occasions, including three meetings with the Auditor present.

Key areas of activity

- Financial reporting
- Internal control and risk management reviews
- External audit
- Significant audit issues – revenue recognition
- Treasury policy and foreign exchange risk review

ATTENDANCE AT MEETINGS

	Board	Remuneration Committee	Nominations Committee	Audit Committee
Number of meetings	9	5	2	4
David Gammon	9	5	2	4
David Braben	9	–	2	–
David Walsh	9	5	–	–
Jonathan Watts	9	–	–	–
Jonathan Milner	9	4	–	–
Neil Armstrong	9	5	2	4

Remuneration Committee

During the financial year the Remuneration Committee comprised David Gammon, David Walsh, Jonathan Milner, Neil Armstrong and, as required, Yvonne Dawes (HR Manager). Charles Cotton replaced Jonathan Milner on 1 July 2016.

The Remuneration Committee reviews the scale and structure of the Executive Directors' future remuneration and the terms of the service agreements with due regard to the interests of shareholders. No Director is permitted to participate in discussions or decisions concerning their own remuneration.

The Remuneration Committee also approves annual salary review limits, bonus schemes and payment limits, in addition to significant employee benefits, such as pensions, medical insurance and share option schemes.

In the financial year to 31 May 2016 the Remuneration Committee met on five occasions.

Key areas of activity

- Review of staff benefits through employee surveys and benchmarking
- Introducing performance related pay for Executives

Nominations Committee

The Nominations Committee comprises David Gammon, David Braben and Neil Armstrong.

The Nominations Committee reviews the constituents of the Board and its committees to ensure appropriate balanced representation.

In the financial year to 31 May 2016 the Nominations Committee met on two occasions.

Key areas of activity

- Assessing the need for further Non-Executives
- Review of senior positions required to strengthen the organisation

CORPORATE GOVERNANCE REPORT CONTINUED

FOR THE YEAR ENDED 31 MAY 2016

AUDITOR INDEPENDENCE

Frontier Developments' external Auditor is Grant Thornton UK LLP, who has served the Company since 2012. The external audit function provides independent review and audit. It is the responsibility of the Audit Committee to review and monitor the external Auditor's independence, objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements as well as developing and implementing policy on the engagement of the external Auditor to supply non-audit services.

The Audit Committee monitors procedures to ensure the rotation of external audit partners every five years and audit managers every seven years.

SENIOR MANAGEMENT AND GROUP FUNCTIONS

Frontier's Senior Management are involved in multiple functions within the Company.

They are responsible for reviewing the overall organisational structure of the Company, as well as refining and implementing the recruitment and retention programme in order to identify and hire the right candidates as required in addition to retaining existing staff members.

INTERNAL CONTROL AND ASSESSMENT OF BUSINESS RISK

The systems for internal control and risk management processes are designed to manage and mitigate risks that may impact achievement of the Company's strategic objectives. Such systems can only provide a reasonable but not absolute level of assurance against material misstatement or loss.

The strategic risks are regularly reviewed by the Board and a Corporate Risk Register (CRR) is maintained.

The risk assessment process is facilitated by the COO who holds and appraises the Risk Register at least once a year.

A further review is then undertaken with Senior Management and the Register itself is updated for the Executive Team to consider.

Once the review has concluded the revised CRR is forwarded to the Audit Committee which assesses the updated register and confirms the key risks. A proposal for updating the risks reported in the Annual Report is then drawn up; the Audit Committee will then take its recommendations to the Board on key risks and the reporting thereof.

CONTROL ENVIRONMENT AND INTERNAL AUDIT

The Group has established operating procedures appropriate to its size and structure for reporting both financial and non-financial information to the Board.

These include, but are not limited to:

- operating guidelines and procedures with approval limits;
- accounting policies, controls and procedures;
- performance monitoring systems updated monthly for review at Board meetings; and
- regulatory and legal changes that may materially impact on the business.

Due to the Executive Directors' close involvement in business activities, the Group does not currently believe that an internal audit function would be cost effective. The Audit Committee considers the need annually and will advise the Board as and when it feels this position is required.

INVESTOR RELATIONS

The Company places considerable importance on communication with Shareholders and maintains regular contact with its larger institutional Shareholders through its investor relations team, meetings with the Executive Directors and the Chairman and through investor events.

The Directors, together with the Group's advisors, held a number of meetings and discussions with key institutional Shareholders, ensuring clarity around the Group's strategic intent. The Executive Directors and officers also took the opportunity during the year to hold external (London based) and on-site meetings to demonstrate *Elite Dangerous: Horizons* and *Planet Coaster* to both investors and potential investors.

The Group uses the Annual General Meeting to encourage attendance and participation by Shareholders. In order to support internal capacity building for investor relations the Group has continued to be a member of the Quoted Companies Alliance and the IR Society.

The latest results presentation is available through the Company's investor relations website.

ANNUAL GENERAL MEETING

The AGM will be held at:

306 Cambridge Science Park
Milton Road
Cambridge
CB4 0WG
UK

On:

18 October 2016

At:

9.15am

The Company's Annual General Meeting ("AGM") affords shareholders the opportunity to question the Chairman and the Board. The Chairmen of the Audit, Nominations and Remuneration Committees are also available to answer questions.

All voting at the meeting will be conducted on a poll where every shareholder present in person or via proxy will have one vote per share held. The Group will convey the results of the poll via RNS following the AGM.

Shareholders are invited to submit written questions in advance of the meeting. Questions should be sent to the Company Secretary, Neil Armstrong, Frontier Developments plc 306 Cambridge Science Park, Milton Road, Cambridge CB4 0WG, UK or via email to IR@frontier.co.uk

Details of resolutions to be proposed at the meeting are set out in the Notice of General Meeting on pages 65 to 66.

Notice of the AGM, the Form of Proxy and the Annual Report are sent to shareholders at least 20 working days before the AGM via post and online at AR2016.frontier.co.uk



REMUNERATION REPORT

FOR THE YEAR ENDED 31 MAY 2016

As Frontier Developments is an AIM-listed company it is not required to disclose all the information in the Remuneration Report; however, in the interests of transparency the Board has chosen to provide the following details as a voluntary disclosure.

The Auditor is not required and has not, except where indicated, audited the information included in the Remuneration Report.

The Remuneration Committee is responsible to the Board for developing remuneration policy. The Report of the Remuneration Committee has been approved by the Board of Directors for submission for Shareholders' approval at the Annual General Meeting.

REMUNERATION COMMITTEE TERMS OF REFERENCE

The Remuneration Committee comprises both Non-Executive Directors of the Company, the Chief Operations Officer and the Company Secretary. The Remuneration Committee meets at least twice a year. After the financial year end Charles Cotton replaced Jonathan Milner and was appointed as chairman of the committee.

The Remuneration Committee is responsible for the following functions:

- setting of remuneration for Directors and officers, including pay, annual cash bonuses and long-term incentive arrangements;
- approval of the overall increase for annual pay and bonus levels for all other staff;
- approval of share option plans or arrangements;
- setting of overall share option issues;
- approval of any significant employee benefit arrangements; and
- reviewing the Committee's terms of reference and submitting to the Board for subsequent approval.

Remuneration policy

The Remuneration Committee approved the following policy:

"Frontier endeavours to pay salaries and benefits around the median level for relevant skills. Where there is a material gap in remuneration, it is the policy of the Group to close this over time and subject to affordability."

The Remuneration Committee commissioned a report from KPMG LLP on Executive Incentives, bonus schemes and Long Term Incentive plans in order to bring incentives in line with the Group's strategic objectives and investor interests by way of linking the majority of remuneration with market based performance criteria and structure commonly operated by AIM and FTSE 350 companies.

Having reviewed the report the Remuneration Committee has decided to revise the annual bonus scheme to operate from 1 June 2016 based on EPS performance against market consensus. Arrangements for a Long Term Incentive Plan based on share price performance remain under consideration.

COMPONENTS OF EXECUTIVE DIRECTORS' REMUNERATION

Overview

The remuneration policy is to maintain an appropriate balance between fixed elements of remuneration and performance related elements, with an increasing proportion of the latter.

Directors and staff are all encouraged to acquire shares in the Company and to hold these shares for the long term. This participatory element is an important aspect of the Group's culture and its focus on long-term performance.

The Remuneration Committee is pleased to report on progress against the policy objectives as follows:

- the move to median level pay as benchmarked by KPMG LLP's survey of Executive remuneration in AIM companies (March 2016);
- from 1 June 2016 the introduction of an annual cash bonus scheme based on market consensus EPS; and
- plans to set up a new Executive share option scheme based on share price performance.

COMPONENTS OF REMUNERATION PACKAGE

Service contracts

The service agreements adopted on 1 July 2013 for the Executive Directors can be terminated by either party provided at least six months' notice has been given.

Basic pay

Salaries were last reviewed to take effect from 1 June 2014. Having considered the results of KPMG's survey of Executive remuneration in AIM companies, an update of base pay will be implemented to take effect from 1 June 2016.

Annual bonus

A bonus payment totalling £0.07 million was made for the year to May 2015, paid in December 2015 representing 3.5% of the 5% eligible pool. The interim scheme adopted for the year to 31 May 2015 is based on a 5% pool of profit before tax and bonus allocated between Executive Directors and officer. The scheme operates in the same way as the staff contractual scheme whereby an element is paid pro rata and the remainder discretionary.

Share options

No further share option grants were made to Executive Directors and the Non-Executive Directors in the year to 31 May 2016.

Pension contributions, medical insurance and life cover

The Executive Directors joined the Group's scheme for pension auto enrolment and life cover arrangements. A basic life cover sum of £25,000 per person was adopted from 1 October 2013. Pension auto enrolment of a 1% employer contribution was commenced from 1 July 2014. These benefits are the same as adopted for all UK-based staff. From August 2014, medical insurance including family cover was offered to all employees including Executive Directors. All Executive Directors elected to take up these arrangements.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The remuneration of Non-Executive Directors is determined by the Board and reflects their anticipated time commitment to fulfil their duties. The Non-Executive Directors' remuneration is subject to the same principles of the remuneration policy for the Group and the same transitional phase of alignment to median market rates was undertaken. The letters of appointment of Non-Executive Directors can be terminated with six months' notice for the Chairman and three months' for all other Non-Executives under notice given by either party.

Share warrants were issued to the Non-Executive Directors in connection with the IPO (see note 19 to the accounts).

DIRECTORS' REMUNERATION (AUDITED)

The remuneration of the Directors is as follows:

	Salary / fee £'000	Bonus £'000	Pension contribution £'000	Taxable benefits £'000	2016 Total £'000	2015 Total £'000
Current Directors						
Executive						
David Braben	180	20	2	1	203	183
David Walsh	180	20	2	1	203	183
Jonathan Watts	180	29	2	1	212	183
Non-Executive						
David Gammon	50	–	–	–	50	50
Jonathan Milner	30	–	–	–	30	30
Total	620	69	6	3	698	629

The expense recognised in the statement of comprehensive income for the Directors' share options including Non-Executive Directors' was £207,765 (2015: £375,525) with the amount attributable to the highest paid Director being £46,149 (2015: £34,612).

The gain attributable to Directors on share options in the year at the date of exercise was £31,573 (2015: £1,246).

A resolution to accept the Report of the Remuneration Committee will be put to Shareholders at the Annual General Meeting.

DAVID GAMMON

Chairman, Remuneration Committee

6 September 2016