Directors' Remuneration Policy

2023 Policy

The Directors' Remuneration Policy in force from time to time, sets the overall framework for the remuneration of the Directors of the Group and is designed to attract, retain and incentivise our Executive Directors in such a way as to promote the long-term success of Crest Nicholson and be aligned with our shareholders' and other stakeholders' interests. Simplicity and transparency are also key.

Subject to shareholder approval, the 2023 Policy which follows, will apply from the date of the 2023 AGM for a period of three years, unless changes to the 2023 Policy are required earlier. All remuneration payments and payments for loss of office must be consistent with the terms of the Policy in place at that time.

If the Group wishes to make a payment which is not consistent with a policy, it must seek shareholder approval for an amendment to the prevailing policy before the payment can be made.

Decision-making process for determination, review and implementation of the 2023 Policy

The 2023 Policy was developed by the Committee taking into account:

- clear alignment with financial and operational performance as well as the Group's strategy, purpose, values and KPIs
- changes in institutional views and the broader corporate governance environment
- alternative structures such as restricted shares
- the remuneration arrangements, policies and practices for the workforce throughout the Group
- promotion of high levels of Executive Director share ownership to align the interests of shareholders and Executive Directors
- the importance of attracting, retaining and incentivising high-calibre Executives.

The Committee communicated details of the revised 2023 Policy to major shareholders and employees in consultation exercises held during the financial year. The Committee also took into account the views of management and its independent remuneration consultants but no individual was involved in discussions about their own remuneration.

In considering the use of restricted shares, the Committee concluded that the existing LTIP structure with specific performance conditions provided a stronger link to the strategy than alternative structures.

The Committee will continue to consult with shareholders where there is a material change proposed in the way in which we operate our Policy throughout the Policy period to ensure their views are taken into account.

The implementation of the Policy is considered annually by the Committee for the year ahead in light of the strategic priorities while incentive targets are also reviewed to check if they remain appropriate or need to be recalibrated.

Alignment of the proposed 2023 Policy with the UK Corporate Governance Code 2018

Clarity Remuneration arrangements should be transparent and promote effective engagement with shareholders and workforce.	— The Policy is clear and is described in straightforward concise terms.
Simplicity Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	— Remuneration structures are as simple as possible and market typical, while at the same time structured to ensure a strong alignment to performance, strategy and minimising the risk of rewarding failure.
Risk Remuneration arrangements should minimise reputational and other risks from excessive rewards. Behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	— The Policy has been designed to discourage inappropriate risk taking through: — A weighting of incentive pay towards long-term incentives — The balance between financial and non-financial measures — A significant portion of the annual bonus being paid in shares, the presence of recovery provisions, as well as in-employment and post-employment shareholding requirements.
Predictability The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.	— The annual bonus and LTIP awards are subject to caps and plan dilution limits. Examples of how remuneration varies depending on performance are set out in the scenario charts on page 110 — The Committee may exercise its discretion to adjust Executive Directors' remuneration if a formula-driven incentive pay-out is inappropriate in the circumstances — Outcomes will not reward poor performance.
Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	— There is a broadly equal balance between fixed pay and variable pay at a target level of performance.
Alignment with culture Incentive schemes should drive behaviours consistent with company purpose, values and strategy.	— The Committee considers the Group's culture alongside employee policies across the Group when developing and implementing Executive Director remuneration policies. There is a constant focus on the appropriateness and fairness of remuneration structure and outcomes throughout the Group and its workforce.

The changes to the Policy approved in 2020 are set out below:

	Proposed change	Rationale
Variable pay	Limit for annual bonus increased from 125% to 150% of salary. Maximum award for LTIP simplified from 150% of salary, or 200% of salary in exceptional circumstances to 200% of salary in all cases.	This will provide additional flexibility over the 2023 Policy period. There is no current intention to vary the limits for current Directors' annual bonus or LTIP (they will remain at 125% and 150% respectively for FY23). However, the flexibility may be required in the future, for example for management succession where we may wish to have a lower proportion for fixed pay and higher proportion for incentive pay. Any use of higher award limits will be disclosed and explained in the following Directors' Remuneration Report.
Bonus deferral	Currently, one-third of a bonus earned by Executive Directors is deferred as share award under the Deferred Bonus Plan. Each award vests after three years subject to service and shares are delivered at the end of this period. Instead, one third of the total annual bonus net of tax, national insurance and other statutory deductions will be delivered in shares immediately, subject to a holding period of three years (Deferred Shares). Deferred Shares would continue to be subject to the holding period after cessation of employment and clawback and malus provisions will continue to apply in the same way as the existing arrangements. Deferred Shares will receive the dividends paid by the Company from time to time.	Immediate delivery of the shares provides a greater alignment with the interests of shareholders and is a simpler approach. The Group will have in place an appropriate mechanism to ensure that shares subject to the holding period, are under its control.
LTIP vesting	The Committee currently has the flexibility to use its discretion to reduce the value of an LTIP award at the time of vesting. This flexibility will be broadened to allow the Committee to also use discretion to increase or decrease the value of an LTIP award on vesting.	This will bring this aspect of the LTIP in line with market practice and be consistent with the annual bonus plan. Discretion will continue to be used carefully and with full rationale given in the following Directors' Remuneration Report.
Pension	The section covering pensions has been simplified to reflect the position on 1 January 2023 whereby all Executive Director pension contributions are in line with the contribution applying to the majority of the workforce (currently 6% of salary).	Transitional arrangements for the Chief Executive are no longer required and have been removed.
Payment of NED fees in shares	Allow the option to pay some or all of a Non-Executive Director's fees in shares.	Although the Company has no current intention to do so, it is aware that the Government has stated that it wishes to see this reform. The Committee considers it prudent to add this ability to the 2023 Policy to give this flexibility should market practice develop in this way.

Statement of consideration of shareholder views

As part of developing the 2023 Policy, the Committee consulted with its major shareholders and noted that the majority of feedback was positive. The feedback received was taken into account in the formulation of the 2023 Policy and the new Long Term Incentive Plan rules. In particular the individual limit in exceptional circumstances in the LTIP rules was reduced from 300% to 200% of salary, following feedback.

In considering the operation of the Policy, the Committee takes into account the published remuneration guidelines and specific views of shareholders and proxy voting agencies. The Committee consults with the Company's major shareholders, where considered appropriate, regarding changes to the operation of the 2023 Policy and when the 2023 Policy is being reviewed and brought to shareholders for approval. The Committee considers specific concerns or matters raised at any time by shareholders. In addition, the Chair of the Committee regularly participates in governance meetings with the Company Chairman, offered to larger institutional shareholders normally on an annual basis.

Engagement on Executive Director remuneration and the Directors' Remuneration Policy

At the Employee Voice Forum (Forum) led by Louise Hardy, Non-Executive Director responsible for employee engagement during late September and early October 2022, the Chair of the Committee attended and engaged with Forum members on remuneration matters. During the course of the presentation, Octavia Morley covered such matters as the remit of the Committee, the Committee's approach to reward and how it seeks to achieve the right balance in remuneration decisions. A table showing how the reward package cascaded across the Group was shared and a more detailed discussion was held on how the variable reward plans and their measures are developed. As part of this, the draft 2023 Policy was discussed and feedback sought on how culture should be taken into account when setting pay, whether employees understood their bonus schemes or had ideas on other measures that could be used and whether employees had any concerns about the 2023 Policy.

In general, the Forum attendees were supportive of the 2023 Policy and thought it was transparent and fair. However, they agreed more could be done to assist with understanding how their own annual bonus schemes were tracking during the year.

Directors' Remuneration Policy continued

Remuneration Policy table

This section sets out the 2023 Policy that will guide the Remuneration Committee's decision-making process in the area of Executive Director remuneration. This can also be found at **www.crestnicholson.com/investors/results-centre**.

The 2020 Policy was approved at the Company's AGM on 24 March 2020 and has reached the end of its three-year cycle. Subject to receiving shareholder approval at the Company's AGM in March 2023, the new Policy, set out below, will replace the current Policy – effective from the date of the 2023 AGM for a period of up to three years.

Element and link to strategy	Operation (including maximum opportunity)
Base salary for Executive Directors Recognises individual experience, responsibility and performance. Provides an appropriate level of fixed pay without over-reliance on variable pay. Essential to recruit, incentivise and retain the best people in the market to execute the Group's strategy.	Salaries are normally reviewed annually, or when there is a change in position or responsibility, taking into account: — Personal and Group performance — Salary increase received by the wider workforce — Inflation and earnings forecasts — External marketplace comparisons. Base salary is set with reference to similar roles in a group of UK housebuilders and other listed companies more widely. The exact positioning of salary depends on a variety of factors, including: — The specific nature of the role and responsibility (particularly where this is not directly comparable to roles outside the Group) — Individual experience and performance — Cost of living increases and inflation — Group performance — Relativities to other Group employees — Market practice among other UK housebuilders. A new Director may be appointed at a salary less than the prevailing market rate but which may increase over a period to the desired positioning, subject to satisfactory performance. While the Committee is guided by increases applied to employees in general, it retains discretion to apply an above-employee increase to a Director's salary. This may occur, for example, should there be a change in: the scope of an individual's role, the complexity of the business or market, or the size or value of the business that the Committee believes justifies a further adjustment of salary. **Performance framework** The Committee considers and sets appropriate individual Director salary levels annually having regard to the factors noted in this element of the Policy. Salary is not linked to specific financial or non-financial performance measures.
Fees for Non-Executive Directors Remunerates appropriately based on individual experience, time commitment and responsibilities.	Non-Executive Directors' fees are paid in cash and/or shares and are not performance related. Fees are reviewed annually and set taking into consideration the time commitment and responsibilities of the role, the sector and market practice. Fees are determined and approved by the Board upon a recommendation from the Executive Directors. The Chairman's fee is set by the Committee. No Director is involved in setting his or her own fee. Additional fees may be payable in relation to extra responsibilities or time commitments undertaken, for example chairing a Board Committee and/or holding the position of Senior Independent Director. Any reasonable expenses incurred in carrying out duties will be fully reimbursed by the Company including any personal taxation associated with such expenses.
Benefits Provides a competitive level of benefits and encourages the wellbeing and engagement of our people.	A range of benefits are provided, including but not limited to: — Family private medical insurance — Company car or car allowance — Income protection — Personal accident insurance — Life assurance — Annual health check — Holiday and sick pay. The cost of these benefits varies over time depending on their cost in the market and individual circumstances. Directors who are required to move for a business reason may, where appropriate, be provided with relocation assistance. Where the Group offers a flexible benefits approach to employees generally (where the value of one benefit may be exchanged for another), a Director would also have the option to do so. Other benefits in line with those received by employees generally may also be offered at the discretion of the Committee, such as long service awards or recognition of life events. The Group may also operate all-employee share incentive plans including Sharesave (SAYE), Share Incentive Plan (SIP) and other HMRC tax-approved all-employee schemes. Directors may participate in these on the same terms as other employees. As a general principle, benefits are not provided to Non-Executive Directors. However, there may be exceptional circumstances under which the Group provides a benefit, for example private medical cover, either with or without their meeting the cost (at the Group's negotiated rate).

Element and link to strategy	Operation (including maximum opportunity)
Pension Provides retirement planning and protection to employees and their family during their working life.	Executive Directors may participate in the Crest Nicholson defined contribution pension scheme or, where deemed appropriate, receive cash in lieu of all or some of such benefit. A contribution will be payable in line with the pension contribution available to the majority of the workforce, currently 6% of salary.
Annual bonus Incentivises and rewards individuals to execute the Group's strategy and achieve objectives linked to its strategic priorities and foundations. Deferred element encourages longer-term shareholding and links part of annual bonus payment to the further success of the Group and stakeholder and shareholder interests.	The maximum bonus opportunity is capped at 150% of salary for Executive Directors, with on-target performance receiving 50% of maximum and up to 25% of the maximum payable for threshold performance. — Two-thirds of the bonus is paid in cash — One-third of the bonus is paid in shares (post tax, national insurance and other statutory deductions) and subject to a holding period of three years (Deferred Shares). Annual bonus is non-pensionable. Deferred Shares will receive the dividends paid by the Company from time to time. **Performance framework** At least half of the bonus will be linked to one or more financial metrics with the remainder linked to non-financial metrics, normally measured over a period of one financial year. Non-financial metrics will be based on relevant operational, business, ESG or personal objectives. The specific performance targets are set with the aim of setting stretching targets which incentivise and reward improved performance. The Committee may, in exceptional circumstances, use its discretion to amend the bonus outcome if it believes that it does not properly reflect overall underlying business performance, an individual's contribution or some other factor. The bonus (cash and Deferred Shares) is subject to recovery provisions for three years from the date of payment in the event of serious misconduct, corporate failure, material misstatement of financial statements, material failure of risk management, material breach of health and safety or environmental regulations, serious reputational damage arising from misconduct, error in calculation, or events that are similar in nature or outcome to those above. Repayments may be made through a reduction in future bonus or share awards on vesting, or by direct repayment.
Long-Term Incentive Plan (LTIP) Incentivises long-term shareholder value creation and execution of the strategy over the longer term. Drives and rewards achievement of key long-term Group objectives aligned with the strategy and with shareholder interests. Contributes to building a meaningful shareholding by aligning interests with wider shareholders.	LTIP awards will take the form of nil-cost options or conditional share awards. LTIP awards normally vest on the third anniversary of grant subject to achievement of performance measures and (other than in good leaver situations) provided the Director remains in office with the Company. Award levels will be at a maximum of 200% of salary. Amounts equivalent to any dividends or shareholder distributions made during the vesting period may be awarded in respect of vested or exercisable LTIP awards, normally in the form of shares. A two-year post-vesting holding period will apply to all vested LTIP awards. **Performance framework** Awards will be subject to challenging performance conditions in line with the Group's strategy (including ESG measures) and Total Shareholder Return (TSR) and will be measured normally by reference to a three-year performance period. A maximum of 25% of each element vests for achieving the threshold performance target. The Committee intends to use TSR (50%), ROCE (35%) and ESG (15%) for new awards and the range of metrics over the policy period is expected to remain consistent, though the Committee reserves discretion to change these metrics. The Committee will review the measures, their relative weightings and targets prior to each award and may make changes as is deemed appropriate. The Committee reviews the measures, their relative weightings and targets prior to each award and makes changes as are deemed appropriate. The Committee may, in exceptional circumstances, use its discretion to adjust the level of vesting of LTIP awards if it believes it does not properly reflect overall underlying business performance, shareholders' experience, an individual's contribution or any combination thereof. LTIP awards are subject to clawback and malus at the Committee's discretion in the event of material misstatement of financial statements, material failure of risk management, corporate failure, material breach of health and safety or environmental regulations, serious reputational damage arising from misconduct, serious misconduct, error in calculation, or events that are similar in nature or outcome to those set out above. Clawback and malus applies if such an event occurs within three years of an award vesting or, in the case of an option, when it first becomes exercisable. Repayments may be made through a reduction in future bonus or share awards on vesting, or by direct repayment.
Minimum shareholding requirement Encourages long-term commitment and alignment with shareholder interests.	Executive Directors are expected to build up and retain a significant shareholding equivalent to at least 200% of their base salary. Executive Directors are required to retain 50% of vested deferred bonus/shares and LTIP awards after sale of shares for tax, national insurance or other statutory deductions until the requirement is met. **Post-service requirement** An Executive Director shall continue to hold shares equivalent to 200% of their base salary for a period of two years following termination of their employment. If an Executive Director holds less than 200% of their base salary at the date of cessation, they must continue to hold that lower level for the same period of two years. Shares purchased by an Executive Director from their own funds will not be required to be held. The Committee may, in exceptional circumstances, exercise its discretion to adjust the holding requirement.

Directors' Remuneration Policy continued

Remuneration policy for other employees

The 2023 Policy described in the previous table applies specifically to the Company's Executive Directors and Non-Executive Directors.

The Committee believes that it is appropriate that the reward of the Group's senior management be linked to Group performance and aligned with the growth of shareholder value. The same remuneration and benefits framework is operated across the Group:

Area	Policy and operation
Salary	The Policy applied to Executive Directors is applied in the same way to the wider workforce.
Benefits	The Policy applied to Executive Directors is applied in the same way to the wider workforce. Certain benefits apply at higher levels based on seniority, relate to specific roles or have shorter or no waiting periods.
Annual bonus	Annual bonus schemes operate throughout the Group at all levels of seniority. Performance targets and the amount which can be earned are based on seniority and the nature of the role and responsibilities.
Long-Term Incentive Plan	Share-based long-term incentive arrangements also apply to senior management at a reduced opportunity level commensurate with the seniority and level of responsibility of participants.
SAYE	All eligible employees are invited to participate in the Crest Nicholson Sharesave scheme or any other all-employee scheme operated by the Company.

When making remuneration decisions for Executive Directors, the Committee considers the wider economic environment and conditions within the Group. In particular, the Committee is sensitive to pay and employment conditions across the wider workforce and carefully considers the employee salary increase budget when making reward decisions for Directors. The Committee considers industry benchmarking in the context of monitoring its overall position on Director and employee pay.

Approach to recruitment remuneration

The table below sets out the components that would be considered for inclusion in the remuneration package of an Executive Director on appointment, and the approach the Committee will adopt in respect of each element.

Area	Policy and operation
Overall	For an external appointment, the Committee will take account of an individual's remuneration package in their prior role, the market positioning of the package and their skills and experience. The Committee will not pay more than necessary to facilitate the recruitment of an individual. For an internal appointment, the Committee may initially position remuneration below market level and increase overall pay levels over a period of time to achieve alignment with market levels for the role, subject to Group and individual performance.
Base salary	Salary level will be set taking into account the skills and experience of the individual, responsibilities of the role and salaries paid for similar roles in comparable organisations. The direct comparability or otherwise of those other roles will be a material factor.
Pension and benefits	Directors will be eligible to participate in Crest Nicholson's benefit plans and the Crest Nicholson defined contribution pension scheme or salary supplement scheme in accordance with the Policy set out in the Policy table.
Annual bonus	Directors will be eligible to participate in the discretionary annual bonus scheme as set out in the Policy table. Depending on the timing of the appointment, the Committee may deem it appropriate to set different annual bonus performance conditions to the current Executive Directors in the first performance year of appointment.
Long-Term Incentive Plan	An Executive Director will be eligible to participate in the LTIP set out in the Policy table. The opportunity levels will be consistent with what is disclosed in the Policy table. An LTIP award may be made shortly following an appointment.
Replacement awards	The Committee may grant an Executive Director replacement awards to compensate for forfeited remuneration (including bonus and long-term incentive awards) from previous employment. Should replacement awards be made, the awards granted would be no more generous in terms of quantum or vesting period than the awards due to be forfeited. In determining the quantum and structure of these commitments, the Committee will seek to replicate the fair value of the award and, as far as is practical, the timing and performance of the remuneration foregone. For an internal appointment, any variable pay element awarded in respect of their prior role may be permitted to pay out according to its terms.
Other	The Committee may agree that the Group will meet certain relocation or other transitional expenses deemed appropriate.

Service contracts and policy on payment for loss of office

For Executive Directors, nine months' notice of termination is required from either party and this will be the approach for all new appointments.

The table below sets out the Committee's policy on termination arrangements for Executive Directors. References to good or bad leavers below are examples of how the Policy could work and are not definitive:

Area	Policy and operation
Overall	Because terminations do not always fit neatly into defined categories, when considering the suitable treatment of a termination, the Committee will have regard to all relevant facts and circumstances available at the time including the reason, contractual obligations and incentive plan rules. The Committee is firmly set against rewarding failure. The Committee retains discretion for payments to be made in good faith in relation to very specific legal circumstances, such as the discharge of an existing legal obligation in respect of salary, benefits and other contractual entitlements, damages for breach of obligation and a settlement or compromise of any claim or potential claim arising with the termination of a person's office or employment. In any event the Committee will only make such payments where it considers it to be in the best interests of the Group and its shareholders, with full disclosure of any such payments in the following year's Directors' Remuneration Report.
Contractual payments	Crest Nicholson may terminate service contracts immediately by making a payment in lieu of notice consisting of base salary, pension and any contractual benefits for the unexpired period of notice. This payment may be made as either a lump sum or as instalments over the period. If Crest Nicholson elects to make this payment by instalments, the Executive Director normally has a duty to seek alternative employment and, where practical, any remuneration received from a new role will be offset against the payment.
Annual bonus	In the event of termination for a reason other than resignation or gross misconduct for material performance or conduct concerns, a Director may be entitled, at the discretion of the Committee, to a bonus in respect of the year in which their employment terminates. Payment would be reduced on a pro rata basis to reflect the portion of the bonus year worked, be paid at the usual time and be subject to an assessment of performance over the period. For any bonus payable in shares, these shares will normally continue to be subject to the holding period post cessation of employment. In relation to Deferred Bonus Awards made in or prior to 2023, if an individual is categorised as a good leaver then, other than in exceptional circumstances, they will continue to hold the deferred share award, which will vest on the normal vesting date. If an individual is considered by the Committee to be a bad leaver, their deferred share awards will lapse in full. Good leavers are those leaving under pre-determined circumstances such as retirement (proved to the satisfaction of the Board), redundancy, ill-health, death or disability (proved to the satisfaction of the Board), or those deemed by the Board in its absolute discretion to be good leavers given the circumstances surrounding termination. All other leavers would be bad leavers.
Long-term incentives	Individuals would be defined as good or bad leavers, with good leavers being those leaving under pre-determined circumstances such as retirement (proved to the satisfaction of the Board), redundancy, ill-health, death or disability (proved to the satisfaction of the Board), or those deemed by the Board in its absolute discretion to be good leavers given the circumstances surrounding termination. All other leavers would be bad leavers. If an individual is categorised as a good leaver then, other than in exceptional circumstances, the award will vest on the normal vesting date reflecting the extent to which performance targets have been met. The number of shares would normally reflect the reduced service period, pro rata, and any amounts equivalent to any dividends or shareholder distributions made during the vesting period. The post-vesting holding period would also apply, other than in exceptional circumstances. If an individual is determined to be a bad leaver, their awards will lapse in full.
Shareholding requirements	The Committee would enforce the post cessation of employment shareholding requirements, as described in the Policy.
Other	The Committee may provide for outplacement services where it considers that this is reasonable.

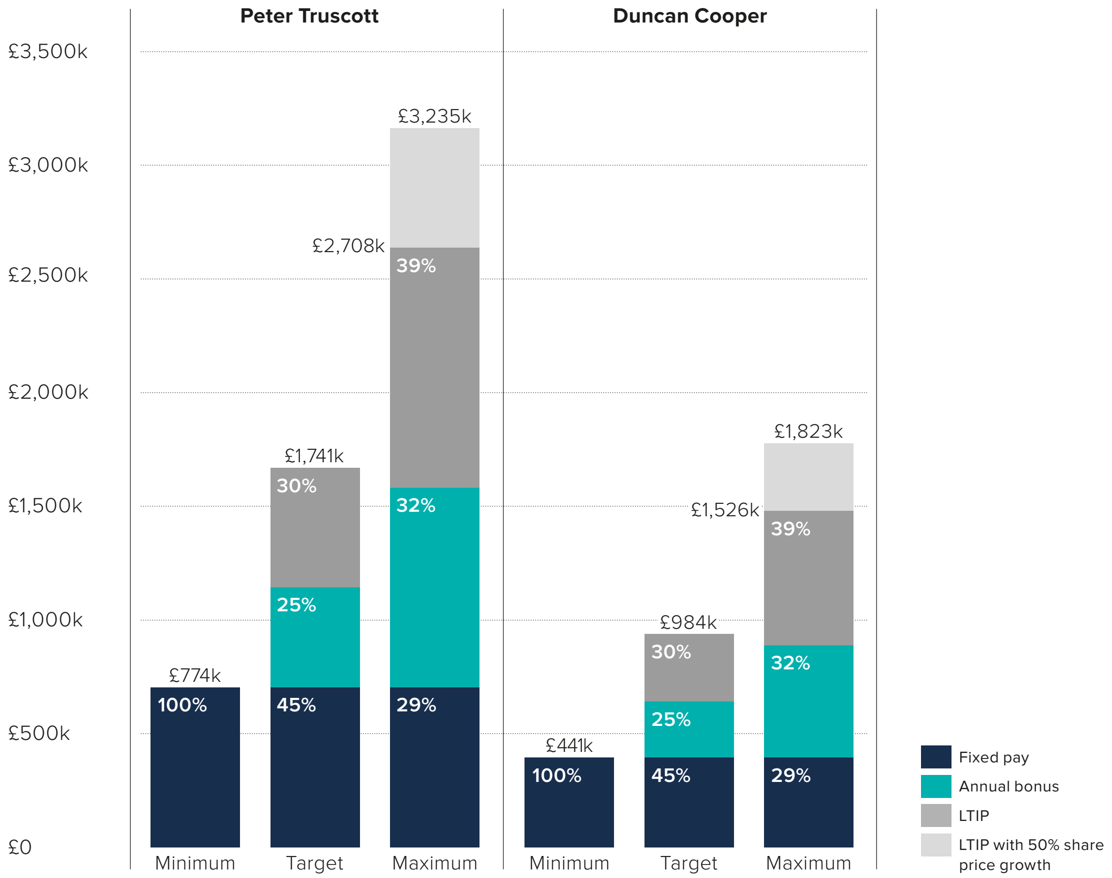
Directors' Remuneration Policy continued

Performance conditions and target setting

Performance metrics for incentives, weightings and targets are considered annually for the year ahead. The Committee considers the application of the prevailing policy in the prior year and whether in light of the strategy, market practice or the remuneration policy for the wider workforce, changes are required for the year ahead. Targets for the annual bonus and LTIP awards are also reviewed and consideration is given as to whether these remain appropriate or need to be recalibrated. The specific performance targets seek to be stretching to incentivise and reward improved performance. Shareholders' views will be sought depending on the changes proposed.

Illustration of application of Policy in FY23

The composition and structure of the remuneration package for Executive Directors in three performance scenarios is set out in the chart below:



Key and assumptions

Minimum: fixed remuneration consisting of current annualised salary, pension (plan contribution or cash supplement) and benefits.

Target: fixed remuneration as detailed above, plus 50% of maximum as target bonus opportunity, and vesting of 50% of the maximum LTIP award.

Maximum: fixed remuneration together with the maximum annual bonus opportunity of 125% and vesting of 100% of LTIP award representing 150% of salary.
The graph also shows what would happen should Crest Nicholson's share price increase by 50%, increasing the value of LTIP awards.

Other than illustrating 50% share price growth, share price movement and dividend accrual are excluded.

Legacy arrangements

For the avoidance of doubt, authority is given to the Committee to honour any commitments entered into with current or former Directors under a previous shareholder-approved remuneration policy that has been disclosed to shareholders in previous remuneration reports.

How the Committee will use its discretion

Incentive plans will be operated in line with the rules of each plan, together with relevant laws and regulations. However, it is important that the Committee retains appropriate discretion (as is customary) over the administration and operation of incentive plans.

Discretion includes, but is not limited to, the following in relation to incentive schemes:

— Changes or adjustments required in certain circumstances (e.g. change of control, rights issues, special corporate or dividend events, or change in business strategy)
— Determination of vesting (or payment) and the treatment of leavers and vesting for leavers
— As permitted by HMRC and other regulations, in respect of SAYE, SIP or any other all-employee schemes.

In relation to incentive schemes including annual bonus and LTIP, the Committee may adjust performance targets and/or measures where these have ceased to be appropriate. Such adjusted targets or measures will not be materially less difficult to satisfy. Any use of this discretion would, where relevant, be explained in future Directors' Remuneration Reports and may be subject to consultation with major shareholders where appropriate.