

Report of the Remuneration and Nomination Committee

Dear Shareholder,
I am pleased to present the Remuneration and Nomination Committee (“the Committee”) report for the financial year ended 31 December 2018 which provides a summary of the activities carried out by the Committee during the financial year.

2018 Performance

Overall, 2018 was a very productive year for Glenveagh with significant progress made on the objectives set at IPO. The Group has successfully assembled an attractive multi-year landbank capable of meeting the strategic goals of the Group in the short term, while it continues to actively assess an attractive pipeline of further opportunities for capital deployment with specific focus on sites of an appropriate scale to deliver optimal returns within a suitable timeframe. To date the Group has invested in locations where demand for affordable new homes is high which has resulted in a strong trading performance from both a sales and gross margin perspective. We have achieved a solid start in terms of opening, constructing and actively selling from our sites and look forward to further progress in 2019.

Committee Activity

During the financial year the Committee invested significant time to ensure that both the financial and non-financial Key Performance Indicators (KPIs) in place for both the Executive Directors and employee bonus incentives were appropriate in the context of the maturity of the business. Following approval by the shareholders of an Irish Revenue



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Richard Cherry
Chairman, Remuneration and Nomination Committee

approved savings related share option scheme (SAYE Scheme) at an Extraordinary General Meeting in June, as unanimously recommended by the Directors, the Committee approved the establishment of the ‘Glenveagh Properties PLC Saving Related Share Option Scheme’. The SAYE Scheme was subsequently rolled out across the employee pool (excluding Executive Directors), allowing participating employees to use a portion of their salaries to purchase shares in the Company at a fixed price on completion of a three or five year period. The SAYE Scheme was unanimously recommended to shareholders by the Directors to assist in reinforcing the Group’s strategy to encourage employee engagement and retention by giving all employees the opportunity to share in the future success of the business, further aligning the interests of the employee base with those of

the shareholders. In carrying out its duties during the year, the Committee met and consulted with specialist external advisors, members of the Executive Committee and members of the wider management team on a number of occasions.

Succession planning for the Board and its committees was also on the Committee’s agenda in 2018, particularly given the partial sell-down by Oaktree Capital Management (OCM) during the year. As previously disclosed, Caleb Kramer was appointed to the Board at IPO as an OCM-representative non-independent, non-executive Director of the Company. Following the reduction in OCM’s shareholding in the Company, Caleb Kramer informed the Board of his intention to step down as a Director in 2019 and therefore not to seek re-election at the Company’s AGM.



Marina Village, Greystones, Wicklow



In addition, the size and composition of the Board was a key theme emerging from the first Annual Board Evaluation. One of the recommendations arising from the results of this process was that, while adequate to meet the needs of the Group in the short-term, the collective skills and experience of the Board would benefit from the further experience and fresh perspective that an additional independent NED could provide.

The Committee has therefore commenced the process, assisted by an external recruitment and advisory company, of reviewing the size, structure and composition of the Board to ensure it has the right mix of skills and experience to guide the Group in its longer-term strategic objectives. During 2019, the Committee will work to identify and recommend to the Board at least one new suitable candidate to act as an independent non-executive Director of the Company.

Incentive Outcomes for 2018

The Group's performance in 2018, together with individual performance during the year, is reflected in annual bonus pay-outs for Executive Directors of between 45% and 50% of the maximum opportunity. The annual bonus pay-out is considered and approved by the Committee based on challenging internal targets across a range of financial and non-financial metrics to ensure the interests of Executive Directors are aligned with those of shareholders. The 2018 pay-outs reflect the strong operational performance of the Group during the year, while

also recognising the impact of macroeconomic and wider market influences on the Company's share price during 2018.

The Committee has reviewed the ongoing appropriateness and relevance of the Group's comprehensive Remuneration Policy, which is laid out in this report, taking into account all factors which it deems necessary including the risk appetite of the Group and alignment to the Group's long-term strategic goals. In fulfilling its primary objectives, the Committee has developed appropriate annual and long-term incentive arrangements as part of its Remuneration Policy. No changes are proposed to be made to Executive Director remuneration packages for 2019.

In December 2018 the Committee completed the annual review of its Terms of Reference. The Committee confirmed the appropriateness of the Terms of Reference and recommended to the Board that no significant changes were required to be made on foot of the annual review. The Committee Terms of Reference are provided in full on the Group website.

It is our intention to continue to operate in line with the approved Remuneration Policy. We welcome and will consider any shareholder feedback on the Remuneration Policy and Annual Report on Remuneration for 2018.

Richard Cherry
Chairman,
Remuneration and Nomination Committee

Roles and Responsibilities

The principal responsibilities and duties of the Committee include:

- Assessing the effectiveness and performance of the Board and each of its Committees including consideration of the balance of skills, experience, independence and knowledge of the Group on the Board, its diversity, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness;
- Where necessary, making recommendations to the Board based on the above considerations;
- Considering succession planning for Directors and members of senior management, including the identification and assessment of potential Board candidates, and making recommendations to the Board for its approval;
- Preparing job specifications for the appointment of a Chairman; Senior Independent NED; and other NEDs;
- Have responsibility for setting the Remuneration Policy for all Executive Directors including pension rights and any other compensation payments;
- Recommend and monitor the level and structure of remuneration for senior management;
- Review the ongoing appropriateness and relevance of the Remuneration Policy, taking into account all factors which it deems necessary, including the risk appetite of the Group and alignment to the Group's long-term strategic goals;
- Review the total individual remuneration package of each Executive Director, and other designated senior executives including any bonuses, incentive payments and share options or other share awards; and
- Oversee any major changes in employee benefits structures throughout the Group.

These responsibilities are performed in conjunction with the Executive Committee.

Committee Composition

The Committee comprises three Independent NEDs; Richard Cherry (Chairman), Robert Dix and Lady Barbara Judge. The biographies of these Directors can be found on page 90.

The Board believes that the Committee members offer a balanced suite of expertise, meeting the specific requirements of this Committee. The breadth of skills and experience enables the Committee to carry out its duties and responsibilities as detailed in the Committee Terms of Reference.

Meetings

The Committee met on four occasions during the financial year ended 31 December 2018. On occasion, additional attendees including the Board Chairman, the CEO, the CFO, the CPO and specialist external advisers were invited to attend all or part of Committee meetings as deemed appropriate and necessary by the Committee Chairman.

Committee Member	In Attendance	Committee member as of
Richard Cherry	4/4	2017
Robert Dix	3/4	2017
Lady Barbara Judge	4/4	2017

Board Nomination Activities

The Remuneration and Nomination Committee continues to consider the future direction of the business to ensure that the skills, knowledge and experience of the Board remains appropriate to support the Group's strategic objectives for 2019 and beyond. As part of the Board evaluation process completed in 2018, the Board reviewed the overall balance of skill, experience, knowledge and independence of the Board and its Committees. There were no changes to the membership of the Board or its Committees during 2018 as the Board are of the view that the current composition provides a suitable balance of skills and experience for the short term. As the business continues to scale in line with the Group's longer-term strategic objectives, the Directors consider that the Board would benefit from the skills and experience of an additional Independent NED to further equip the Board in effectively discharging its collective duties and responsibilities to the Group and to

the shareholders, and to ensure that the Board is of an appropriate size for the future requirements of the business. Caleb Kramer has also informed the Board of his intention not to seek re-election at the Group's AGM. The process of identifying suitable candidates is currently underway and a nomination and appointment of at least one new independent NED is expected during the course of 2019.

As part of the nomination process, the Committee will consider the balance of skills, experience, independence and knowledge on the Board. The Committee will also consider the diversity of the Board, including gender, and how the Board work together as a collective unit. Any appointments to the Board will have due regard to the benefits of diversity on the Board, including gender, but will be made on merit to ensure that the appropriate balance of skills and experience required by the business continue to be met.

As part of this first nomination and appointment process post-IPO, the Committee will oversee the introduction of a formal Diversity Policy for the Group in 2019.

Other Activities

Set out below is a summary of the Committee's activity during the financial year.

Activity in 2018	
Topic	Description of activity
KPIs for annual bonus incentives	The Committee undertook a detailed review, through discussions and presentations from management and external advisors, of the KPIs for Executive Director and Employee annual bonus incentives. The Committee considered both the financial and non-financial KPIs as well as the remuneration strategy of the Group. Following on from this review, the Committee formally approved the KPIs for both the Executive Director and employee incentives for FY18. The Executive Director targets for 2019 have also been considered and approved by the Committee.
SAYE Scheme	The Committee undertook a detailed review, through discussion and presentations from management, of the new SAYE scheme being offered to the employee pool. Following on from this review, and the approval of the shareholders at an Extraordinary General Meeting, the Committee formally established the new employee incentive scheme.
Long-Term Incentive Plan (LTIP)	The Committee approved the granting of share options to certain members of the senior management team and noted its intention to obtain advice from independent specialists in respect of further grants in FY19.
Executive Committee	The Committee met representatives from the Executive Committee throughout the financial year to receive updates on the business and specific areas of interest to the Committee.
Committee Evaluation	During the year the Committee reviewed its Terms of Reference to ensure they were fit for purpose. The Terms of Reference are available on the Group's website.

Diversity

Glenveagh recognises the benefits of a diverse workforce to deliver on our business objectives. Diversity on the Board and in senior management positions brings broader perspectives, experience and understanding which enables more robust discussion and effective decision making.

In acknowledgement of this view, and in preparation for the first nomination and appointment process since IPO, the Committee has determined that it is appropriate to formally implement a Group Diversity Policy. Significant focus will be given to drafting and implementing an effective Diversity Policy in 2019 that re-affirms the Board's commitment to diversity across the Group. The policy will include measurable objectives for gender diversity and other diversity metrics to track progress and report on in future reporting periods.

Reporting

The Chairman of the Committee reports to the Board on the activities of the Committee. The Chairman of the Committee will attend the AGM to answer questions on the report on the Committee's activities and matters within the scope of the Committee's responsibilities.

External Advisers

During the financial year, the Committee obtained independent advice from external remuneration consultants, Mercer in relation to market trends, comparator benchmarking, developments in remuneration policies and practice and governance best practice. Mercer also advised the Committee on the drafting of the proposed new SAYE scheme. Mercer are members of the Remuneration Consultants Group and signatories to its Code of Conduct, and all advice is provided in accordance with this code.

Remuneration Policy

The following table outlines the key details of the Executive Directors' Remuneration Policy. In designing this Remuneration Policy, the objective of the Committee is to continue to attract, retain and motivate executive management of the quality required to run the Group successfully, having regard to views of shareholders and other stakeholders. The Committee is satisfied that the remuneration framework is in alignment with the Group's risk appetite and its long-term strategic goals.

Element	Operation	Maximum Opportunity
Base Salary		
To attract and retain high calibre individuals	<p>Base salaries are reviewed by the Committee annually in the last quarter of the year with any adjustments to take effect from 1 January of the following year.</p> <p>Factors taken into account in the review include the individual's role and level of responsibility, personal performance and developments in pay in the market generally and across the Group.</p> <p>Base salary for Executive Directors is inclusive of fees receivable by the Executive as a Director of the Group.</p>	<p>There are no prescribed maximum salaries or maximum increases. Increases will normally reflect increases across the Group and in the market generally.</p> <p>However, increases may be higher or lower to reflect certain circumstances such as changes in responsibility or in the case of newly appointed individuals to progressively align salary with market norms. In line with good practice, market movements will not be considered in isolation but in conjunction with other factors.</p>

Element	Operation	Maximum Opportunity						
Benefits								
To be competitive with the market	In addition to their base salaries, Executive Directors' benefits include life and health insurance and a car allowance in line with typical market practice.	No maximum levels are prescribed as benefits will be related to each individual's circumstances.						
Annual Bonus								
To reward the achievement of annual performance targets	<p>Individuals will receive annual cash bonus awards based on the achievement of financial and non-financial targets agreed prior to the start of each financial year. Threshold levels will be set for minimum and maximum awards with pro-rata payments between the two points based on relative achievement levels against agreed targets.</p> <p>Annual bonus awards will be based 60% on financial KPIs and 40% on non-financial KPIs. The financial KPIs will ensure that employees are aligned with shareholders' interests and the parameters that the Group will be assessed on by the market in the long-term. The financial KPI targets will be set annually based on the budget and strategic plan process carried out in Q3/Q4 every year.</p> <p>The financial metrics for 2019 will be based on targets relating to consolidated revenue; consolidated EBITDA (excluding bonus charge) and consolidated EBITDA margin (excluding bonus charge).</p> <p>Non-financial targets for 2019 are based on metrics related to safety and customer satisfaction.</p> <p>The Committee retains discretion to adjust any award to reflect the underlying financial position of the Group and to agree awards outside of the above framework in respect of recent joiners and leavers.</p>	<p>The maximum award for Executive Directors as a percentage of base salary is as follows:</p> <table border="1"> <tbody> <tr> <td>Executive Chairman</td> <td>75%</td> </tr> <tr> <td>CEO</td> <td>100%</td> </tr> <tr> <td>COO</td> <td>100%</td> </tr> </tbody> </table>	Executive Chairman	75%	CEO	100%	COO	100%
Executive Chairman	75%							
CEO	100%							
COO	100%							

Element	Operation	Maximum Opportunity
Founder Share Scheme ("FSS")		
To incentivise the three founders of Glenveagh to grow the business through the initial five-year period.	<p>In lieu of a long-term incentive plan, Executive Directors (the Group's founding shareholders) are entitled to participate in the FSS. If predetermined targets are met, the Scheme will reward the Founders through an allotment of Ordinary Shares or a cash equivalent.</p> <p>The scheme will run over five years from 2018 to 2022. Performance will be assessed separately over five separate Test Periods, with shares vesting based on performance in that Test Period. The Test Period is from 1 March to 30 June each year.</p> <p>Vesting of awards is subject to a performance condition. In order for awards to vest, for a period of 15 or more consecutive business days during the Test Period, the Closing Share Price must exceed the Adjusted Issue Price¹ by 12.5%. This percentage increase is to be on a compound basis.</p> <p>If the performance condition is satisfied, the Founders are entitled to convert Founder Shares into such number of Ordinary Shares which, at the Highest Average Closing Price of an Ordinary Share during the Test Period, have an aggregate value equal to the Founder Share Value.</p> <p>The "Founder Share Value" shall be calculated as 20% of the Total Shareholder Return ("TSR") in the relevant period, being (i) the first-time the Performance Condition is satisfied, the period from Admission to the Test Period in which the Performance Condition is first satisfied; and (ii) for subsequent Test Periods, the period from the end of the previous Test Period in respect of which Founder Shares were last converted or redeemed to the Test Period in which the Performance Condition is next satisfied.</p>	<p>Following the conversion of 18,993,162 Founder Shares to Ordinary Shares during the year, the total number of Founder Shares in issue at 31 December 2018 is 181,006,838 (2017: 200,000,000 shares). The table at page 89 sets out the ownership split between the Executive Directors.</p>

Element	Operation	Maximum Opportunity
Retirement Benefits		
To attract and retain high calibre individuals and reward sustained contribution.	The Group operates a defined contribution pension scheme for Executive Directors. Pension contributions are calculated on base salary only.	15% of base salary.

⁽¹⁾ The Adjusted Issue Price is defined as the IPO Offer Price (€1) as adjusted to reflect any subsequent consolidation or subdivision of Ordinary Shares or any allotment of Ordinary Shares pursuant to a capitalisation of profits or reserves.

Policy for Leavers

Salary and Benefits

Payments are made only in respect of annual salary excluding benefits for the relevant notice period. The notice period for the Executive Directors is 6 months. In all cases, the notice period applies to both the Group and the Executive.

Annual Bonus

In order for annual bonus payments to be made, Executive Directors must be employed by the Group on the bonus payment date.

Founder Share Scheme ("FSS")

If one of the Founders ceases to be a Director or employee of the Group, he will retain his Founder Shares.

Remuneration Policy for Non-Executive Directors

NEDs have letters of appointment which set out their duties and responsibilities. The appointments are initially for a three-year term but are terminable on one month's notice.

The NEDs each receive a fee which is set by the Committee and approved by the Board on advice from the independent professional advisors. The NEDs are paid a basic fee of €60,000 per annum with additional fees payable to the Senior Independent NED of €30,000 per annum. NEDs will receive an additional €15,000 for taking on Chairmanship of the Audit and Risk Committee and Remuneration and Nomination Committee.

Accordingly, the NED letters of appointment detail the following annual fees:

NED	Role	€
Lady Barbara Judge	Senior Independent NED	90,000
Robert Dix	Chairman, Audit & Risk Committee	75,000
Richard Cherry	Chairman, Remuneration & Nomination Committee	75,000
Caleb Kramer	NED	60,000

There has been no change in the fees payable to NEDs since appointment and no change is proposed for 2019. NEDs are not eligible to participate in any Group pension plan. The NEDs do not have service contracts and do not participate in any bonus or share option schemes.

Long-Term Incentive Plan ('LTIP')

In addition to the FSS, the Group also operates a long-term incentive plan for members of the senior management team (excluding Executive Directors). During the Group's initial development phase, the LTIP grants participants options over a number of Ordinary Shares in the Group.

Participants are allocated options based on a percentage of their gross salary. The number of options is calculated based on that percentage of gross salary divided by the share price on the date of grant. LTIP Awards are granted subject to performance conditions.

Options will vest based on the achievement of TSR targets as follows over a three-year vesting period:

- 25% of the options will vest based on 6.25% compound TSR growth per annum;
- The remaining options vest on a straight-line basis to a maximum of 100% when 12.5% compound TSR growth per annum is reached; and
- TSR growth performance will be assessed on a cumulative basis over the full period.

The Committee plans to grant further awards in 2019. All LTIP awards granted going forward will be subject to a 3-year vesting period from grant date. Any vesting of awards is subject to Committee discretion that it is satisfied the Group's underlying performance has shown a sustained improvement in the period since the date of grant.



Annual Remuneration Report for 2018

The following table illustrates remuneration awarded to Directors for the financial year ended 31 December 2018:

Name	Fees/Salary (€) ⁽¹⁾		Annual Bonuses (€) ⁽²⁾		Benefits (€) ⁽³⁾		Employer Pension Contribution (€) ⁽⁴⁾		Total (€)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Robert Dix	75,000	16,438	-	-	-	-	-	-	75,000	16,438
Richard Cherry	75,000	16,438	-	-	-	-	-	-	75,000	16,438
Lady Barbara Judge	90,000	19,726	-	-	-	-	-	-	90,000	19,726
Caleb Kramer	60,000	13,151	-	-	-	-	-	-	60,000	13,151
John Mulcahy	300,000	68,182	100,500	-	18,500	4,205	-	-	419,000	72,387
Justin Bickle	450,000	102,273	225,000	-	22,000	5,000	22,500	5,114	719,500	112,387
Stephen Garvey	350,000	85,127	175,000	-	21,901	4,205	17,500	3,977	564,401	93,309
Total	1,400,000	321,335	500,500	-	62,401	13,410	40,000	9,091	2,002,901	343,836

1. Amounts reflect Directors' fees in respect of NEDs and salaries in respect of Executive Directors.
2. Annual Bonuses relate to bonuses paid to Executive Directors in accordance with their employment contracts.
3. Benefits largely relate to car allowances and healthcare provided to Executive Directors in accordance with their employment contracts.
4. Only Executive Directors are eligible to receive pension contributions. NEDs do not receive pension contributions.
5. The 2017 amounts are in respect of the period from incorporation on 9 August 2017 to 31 December 2017.
6. In addition to the above, the Executive Directors received 18,993,162 of Ordinary Shares in respect of shares converted in accordance with the terms and conditions of the Founder Shares Scheme. John Mulcahy received 1,899,316 shares, Justin Bickle received 8,546,923 shares and Stephen Garvey received 8,546,923 shares. Further detail is included in Note 26 of the consolidated financial statements.

Base Salary

The salaries of the Executive Directors for the financial year ended 31 December 2018 are set out above.

The base salaries of Executive Directors (as set out in the table within the annual bonus section of this report below) will remain unchanged for the 2019 financial year.

Annual Bonus

Executive Directors' first annual bonus payments will be made in relation to performance over a 16-month period to 31 December 2018. A threshold level of achievement in respect of agreed financial and non-financial KPIs must be achieved before any level of bonus is payable. Targets are set at a challenging level and where target performance levels have been met, executives will be eligible to receive between 50-70% of annual bonus. In the event stretch performance is achieved, executives will be awarded maximum bonus entitlement. Entitlements for Executive Directors are set out below.

Name	Role	Salary €'000	Annual Bonus %			Actual 2018 Bonus	
			Threshold	Target	Max	€'000	%
Justin Bickle	CEO	450	40	70	100	225	50
Stephen Garvey	COO	350	40	70	100	175	50
John Mulcahy	Executive Chairman	300	25	50	75	101	45

The annual bonus payments for Executive Directors in 2018 were based 60% on financial KPIs (Revenue Consolidated Gross Margin % & EBITDA) and 40% on non-financial KPIs (metrics based on Safety and Customer Satisfaction).

Long-term Incentives – Founder Share Scheme (“FSS”)

In lieu of a long-term incentive scheme, Executive Directors (the Group's founding shareholders) are entitled to participate in the FSS. The FSS as set in detail on page 85 was in operation for 2018 with the first Test Period running from 1 March 2018 to 30 June 2018.

Following the completion of the first Test Period, it was confirmed that the Founder Share Value was satisfied by way of conversion of Founder Shares into 18,993,162 Ordinary Shares of €0.001 each (“New Ordinary Shares”). All New Ordinary Shares issued in respect of the conversion of Founder Shares are subject to a 1-year lock-up period, with 50% of the New Ordinary Shares remaining subject to a further 1-year lock-up period thereafter.

Name	No. of Founder Shares at 31 December 2018	No. of Founder Shares at 31 December 2017
Justin Bickle*	81,453,077	90,000,000
Stephen Garvey	81,453,077	90,000,000
John Mulcahy	18,100,684	20,000,000
Total	181,006,838	200,000,000

* Beneficially held by Durrow Ventures

** Details of the ordinary shares held by Executive Directors are set out in the Directors' Report on page 90.