Remuneration Committee Report

Role of the Committee

- Review the ongoing appropriateness and relevance of the remuneration policy, having regard to the pay and employment conditions across the group.
- Consider and recommend to the Board the framework for the remuneration of the Executive Directors and Chairman.
- Within the terms of the agreed policy, determine the total individual remuneration package of the Chairman and each Executive Director, including salary benefits, bonuses and incentive payments.
- Review the design of all incentive plans for approval by the Board and Shareholders and, for each such plan, recommend whether awards are made and, if so, the overall amount of such awards, the individual awards to Executive Directors and the performance targets to be used.

The remuneration of the Non-Executive Directors is approved by the Board.

A copy of the Committee's terms of reference can be found on the company's website: **www.dalatahotelgroup.com.**

Dear Shareholder,

I am pleased to present the report of the Remuneration Committee of Dalata Hotel Group plc for the year ended 31 December 2017, another year of exceptional progress for the company.

2017 was a very busy year for the Remuneration Committee as we developed and implemented a new Remuneration Policy and a new Long-Term Incentive Plan (LTIP). The company has grown at a great pace and these structures set out our approach to executive remuneration providing a sign of the growing maturity of the organisation and its corporate governance. I was delighted to have the opportunity to speak with many of you as we developed the Policy, at the AGM in May and again at the capital markets event in November. As an Irish-incorporated company, we are not subject to the UK remuneration reporting regulations. However, in keeping with our longstanding commitment to high standards of corporate governance, the Committee decided to voluntarily comply with these requirements, which is why we sought shareholder approval for the Policy.

We presented three resolutions for your approval at the AGM and I am grateful for your approval of each of them. The new Remuneration Policy and LTIP received 99% and 97% backing respectively, illustrating the extent of support for the structures we had developed alongside our investors. We noted that the remuneration report received a lower level of support (approximately 75%) and we understand, from our engagement with you and your proxy voting agencies in the lead up to the AGM, that there were some who had a concern with the percentage increase, for 2017, in the executive director's salaries. The increases at that time were a response to the delivery of exceptional performance against the expectations set when the company listed in 2014 and part of our strategy to establish a fair remuneration framework reflecting the increased scale and complexity of business with an emphasis on reward for performance. I set out in detail the context and rationale for the increase in my discussions during the year with individual shareholders (representing approximately 70% of the register) and in our 2016 report. The Committee has listened to the concerns of those investors and as a result has committed that no increases would be made to executive director's salaries above those awarded to the general workforce during the lifetime of the current remuneration policy and we are happy to reiterate that commitment.

I believe the new structures align the interests of management closely with those of shareholders and I am reassured by your strong support for the new remuneration policy and the LTIP.

I would like to take this opportunity to thank all of you who took my calls and for your input which continues to inform the Committee's deliberations.

PERFORMANCE AND INCENTIVE OUTCOMES IN 2017

2017 was another year of exceptional growth in revenue and earnings as well as progress with the construction of new hotel assets and hotel extensions. Further strides were made in building the development pipeline to underpin Dalata's growth model and, as set out in this annual report, continued development in human resources and technology systems to support business strategy.

The Committee determined that 100% of the annual bonus to executive directors should be awarded and further detail on the underlying target is set out on page 85. A portion of this award will be deferred into Dalata Shares.

The LTIP award made to the executive directors in March 2015 is based on the Group's total shareholder return (TSR) performance over the three year period to 27 March 2018 against a selected group of comparators. While the performance period had not ended at the date of this report, the Group's TSR performance to the date of this report exceeds the upper quartile TSR of the comparator group and therefore the award is expected to vest in full. Details of this award have therefore been included in this report on page 84.

DEFERRAL AND HOLDING PERIODS

Our remuneration policy calls for the delivery of 20% of bonus payments in the form of Dalata shares, deferred for a period of three years. Conditional shares granted under the 2014 LTIP have a three year performance period with a holding period of at least two years. In 2017 the Committee implemented an extended five year deferral period for the 20% portion of the 2016 bonus delivered in shares and a five year holding period for the net awards vesting under the LTIP. Similar extended deferral and holding periods will apply for bonus payments delivered and share awards vesting in 2018.

PROPOSED CHANGES FOR 2018

In preparation for its review of executive remuneration for 2018, the Remuneration Committee received presentations from the Group Head of Human Resources, which analysed pay and reward conditions across the employee population, and from our independent remuneration advisors, Deloitte LLP, dealing with the wider market considerations for executive remuneration and developments in corporate governance and regulation.

The Committee determined that basic pay for the executive directors would be increased by 2% on January 2018. This increase was determined having regard to the company's trading conditions and is in line with pay increases for the wider employee population. This is in keeping with our commitment that no increase in salary will be granted to executive directors in the lifetime of the 2017 to 2019 remuneration policy above those granted to the general workforce.

No pension contribution is paid for the CEO and a defined contribution pension payment of 15% of base salary will remain unchanged for the other executive directors.

The maximum annual bonus will remain at 110% of salary for the CEO and 100% of salary for the other Executive Directors. The bonus for 2018 will be subject to stretching earnings before interest and tax (EBIT) and personal targets which will be disclosed retrospectively.

LTIP awards of 150% of salary for the CEO and 125% of salary for the other executive directors will be awarded. These are the same award levels as last year, in line with our Remuneration Policy. 50% of the vesting will be based on EPS achieved in 2020 - threshold vesting (25% of the maximum) will occur for 2020 Basic EPS of €0.43, with the maximum vesting for EPS of €0.54. The remaining 50% will be based on TSR against the Dow Jones European STOXX Travel and Leisure index over the three year performance period, with threshhold vesting (25% of maximum) for TSR equal to the index and with maximum vesting for out-performance of the index by 10% or more per annum.

Continuing our longstanding commitment to the highest standards of disclosure, this report has been prepared in accordance with the disclosure requirements of Schedule 8 of the UK Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

We look forward to receiving your continuing support.

Margaret Sweeney
Chairman,
Remuneration Committee

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DIRECTORS' REMUNERATION POLICY 2017 – 2019

Dalata's Remuneration Policy was approved by shareholders at the 2017 AGM. A summary of the Remuneration Policy table for executive directors is reproduced below for information only.

The full Remuneration Policy is set out on pages 80 to 85 of the 2016 Annual Report.

Policy Table for Executive Directors

The Group's policy on Executive Directors' remuneration is designed to ensure that employment and remuneration conditions reward, retain and motivate them to perform in the best interests of shareholders. The elements of the remuneration package which may apply to Executive Directors are base salary, pension and benefits, annual bonus, and the long-term incentive plan.

Element	Purpose and operation	Maximum opportunity	Performance Metrics
Base Salary	An appropriate level of fixed remuneration to reflect the skills and experience of the individual. Salaries are reviewed annually by the Committee, taking into account all relevant factors, which may include the size and scope of the role, the experience and performance of the individual, and appropriate market data.	There is no prescribed maximum. Salary increases are normally in line with those of the wider workforce. Larger increases may be awarded to reflect circumstances such as an increase in the size of the Group or the responsibilities of the role, or changes in the competitive market place.	N/A
Pension	Contributions into the Company's defined contribution pension scheme, or an equivalent cash supplement.	15% of base salary.	N/A
Benefits	To provide a market competitive benefits package. The benefits available currently comprise a company car and fuel, and benefits under the group risk benefit scheme which includes death in service cover and disability benefit. The Committee may determine that other benefits will apply where appropriate. Directors are eligible to participate in the Company's Sharesave Scheme on the same basis as all other employees.	The level of benefits is set at an appropriate market rate. Participation in Sharesave Scheme up to statutory limits.	N/A
Annual bonus	To drive and reward the delivery of business objectives over the financial year. The bonus is discretionary and any pay-out is determined by the Committee based on performance. Targets are set and assessed by the Committee each year. At least 20% of the bonus will be delivered in the form of Dalata shares deferred for a period of at least three years. The remainder is payable in cash following the year end. This deferral may be operated under the terms of a restricted share trust. Malus and clawback provisions apply.	The maximum opportunity is: › CEO: 110% of salary › Other executive directors: 100% of salary.	Payment is determined by reference to performance assessed over one financial year, and will normally be measured against a combination of financial and personal performance targets. The Committee determines the weightings of the performance measures each year. The overall framework will normally be weighted towards financial measures of performance. The Committee will consider the Group's overall performance before determining final bonus payment levels.
Long-term Incentive Plan (LTIP)	To reward executive directors for the delivery of long-term performance and align their interests with shareholders. Awards are made under, and subject to the terms of, the 2017 LTIP approved by shareholders at the 2017 AGM. Awards are in the form of shares which vest no earlier than the third anniversary of the award grant date, subject to performance. Vested shares are subject to an additional holding period of at least two years. Shares subject to a holding period may be placed in a restricted share trust. Malus / clawback and dividend equivalent provisions apply (see notes to the table)	The maximum annual award level is › CEO: 150% of salary › Other executive directors: 125% of salary.	Performance targets are measured over a period of three financial years, using performance measures aligned to the strategy and shareholder value. This may include measures such as total shareholder return (TSR) and earnings per share (EPS). 25% vests for threshold performance. The Committee has discretion to use different or additional performance measures to ensure that LTIP awards remain appropriately aligned to the business strategy and objectives. The Committee will consider the Group's overall performance before determining the final vesting level.
Shareholding Guidelines	To increase long term alignment between executives and shareholders. Executive Directors are required to build up and maintain a beneficial holding of at least 200% of base salary. Unvested deferred bonus shares and vested LTIP shares within a holding period will count towards the guideline (on a net of tax basis).	N/A	N/A

Notes to the table:

a) LTIP awards may incorporate the right to receive an amount equal to the value of dividends which would have been paid on the shares under an award that vests up to the time of vesting (or where, the award is subject to a holding period, up to the time of release).

b) The annual bonus and the LTIP contain malus and clawback provisions. The cash and share elements of the annual bonus may be clawed back for a period of three years and awards under LTIP may be cancelled (prior to vesting), reduced or clawed back for a period of two years post vesting, in the event of a material misstatement of results or serious misconduct.

c) The remuneration framework for other employees is based on broadly consistent principles used to determine the policy for Executive Directors. All executives and senior managers are generally eligible to participate in an annual bonus plan. Participation in the LTIP is extended to executives and senior managers, with LTIP performance conditions generally consistent across all levels.

Individual salary and pension levels and incentive award sizes vary according to the level of seniority and responsibility, in line with market data.

d) The choice of the performance measures applicable to the annual bonus (currently adjusted EBIT and personal performance measures) reflects the Committee's belief that any incentives should be aligned to the Group's financial and strategic objectives. In the LTIP, the current measures provide a balance between incentivising long term profit growth from the execution of the strategy and recognising performance delivered for shareholders via share price growth and dividend performance relative to sector peers. For both the bonus and the LTIP, the Committee sets challenging targets taking into account the Board's objectives for the business and shareholder expectations. Performance conditions may be amended or substituted by the Committee if an event occurs which causes the Committee to determine an amended or substituted performance condition would be more appropriate and not materially more or less difficult to satisfy.

Service contracts/letters of appointment

The service contracts for Pat McCann and Stephen McNally are dated 9 August 2007. The service contract for Dermot Crowley is dated 24 October 2013. The service contracts have a notice period of 24 weeks for Pat McCann and Stephen McNally and six months for Dermot Crowley. Other than entitlement to notice and a payment of salary and contractual benefits in lieu of notice, the Executive Directors are not entitled to compensation on termination of their respective contracts. These terms would normally apply to a service contract for a new executive director.

Each of the Non-Executive Directors has been appointed pursuant to the terms of their Non- Executive Directors' letters of appointment dated 27 February 2014. Appointment was for an initial term of three years, and is extended annually for further terms of one year, upon and subject to the articles of association, and continuation of appointment is contingent on satisfactory performance. Appointment is terminable by either party giving one month's written notice.

ANNUAL REMUNERATION REPORT

This report will be submitted as an advisory vote to shareholders at the 2018 AGM.

Statement of implementation for 2018

This section summarises the remuneration packages for the Directors for the 2018 financial year.

Base salaries

The following table shows the base salaries effective 1 January 2018 with comparative figures for 2017:

€'000	2018	2017	Increase
Pat McCann	586.5	575.0	2%
Stephen McNally	341.7	335.0	2%
Dermot Crowley	341.7	335.0	2%

Salaries for the Executive Directors are set at a market competitive level for the scope of the roles and the size and complexity of the business. A 2% increase was granted for 2018, in line with pay increases for the wider employee population. In recommending the 2018 salary increase, the Committee took account of the review of wages and salaries across the group, trading circumstances for the group, and the personal performance of each individual. This is consistent with our Policy and the commitment made last year that, in recognition that levels of fixed pay had been increased in consecutive years up to 2017, the Committee has decided that during the lifetime of this Policy, no future increases in salary will be made to Executive Directors above those awarded to the general workforce.

Pension

The CEO does not receive a pension contribution. Other Executive Directors will receive a contribution into the defined contribution pension scheme, or an equivalent cash salary supplement, of 15% of base salary, in line with the Policy.

Annual bonus

Executive Directors will be eligible for a maximum annual bonus as set out in the Policy. The bonus will be based on the following performance measures:

Maximum Annual Bonus (as a % of salary)	CEO	Others
Adjusted EBIT	82.5%	75%
Personal targets	27.5%	25%
Total	110%	100%

The Committee has determined that the specific targets for 2018 are commercially sensitive and cannot be disclosed at this time. To the extent that the targets for 2018 are no longer deemed to be commercially sensitive, they will be disclosed in next year's report.

20% of any bonus earned will be deferred into Dalata shares for a period of at least three years in line with the Policy.

LTIP

The following awards will be made in 2018 in accordance with rules of the 2017 LTIP approved at last year's AGM. Awards will vest after a three year performance period based on the TSR and EPS targets shown in the table below. Vested shares will be subject to an additional two year post- vesting holding period.

The CEO will be awarded LTIP awards of 150% of salary and the other executive directors will be awarded 125% of salary in line with policy.

	TSR (50% of award)	EPS (50% of award)
Definition	TSR performance against the Index	EPS achieved in the year ending 31 December 2020
Threshold vesting (25% of maximum)	TSR equal to Index	€0.43
Maximum vesting	TSR equal to 10% or more per annum above Index	€0.54

a) No vesting below threshold performance.

b) Straight-line vesting between points.

c) For TSR, the "Index" referred to in the schedule is the Dow Jones European STOXX Travel and Leisure Index. TSR will be calculated using a 3 month average at start and end of the performance period (1 January 2018 to 31 December 2020).

d) Basic EPS will exclude items which are deemed one-off. For reference, the relevant adjustments to EPS for 2016 and 2017 are set out in note 27 to the consolidated financial statements.

We want to encourage vigorous pursuit of the opportunities and by excluding these one-off items, we drive the behaviours we seek from the executives and encourage management to invest for the long-term interests of shareholders.

e) EPS targets may be amended if an event occurs which causes the Committee to determine an amended or substituted performance condition would be more appropriate and not materially more or less difficult to satisfy.

Non-executive director fees

The following table shows the fees effective 1 January 2018. There will be no increase to fees for 2018.

€'000	2018
Chairman fee	125
Basic NED fee	60
Committee chairmanship / SID fee	15

OUTCOMES IN RESPECT OF 2017

Where indicated the disclosure has been audited in accordance with the UK reporting regulations.

Single total figure of remuneration (audited).

The following table summarises the remuneration received by the Directors for the 2017 financial year (with the 2016 prior year comparator also shown).

€'000	Year	Base Salary/Fees	Pension	Benefits	Bonus	LTIP	Total
Executive Directors							
Pat McCann	**2017**	**575**	**0**	**0**	**633**	**504**	**1,712**
	2016	475	0	0	470	658	1,603
Stephen McNally	**2017**	**335**	**50**	**3**	**335**	**315**	**1,038**
	2016	275	41	3	254	411	984
Dermot Crowley	**2017**	**335**	**50**	**12**	**335**	**315**	**1,047**
	2016	275	41	12	254	411	993
Non-Executive Directors							
John Hennessy	**2017**	**125**	**0**	**0**	**0**	**0**	**125**
	2016	100	0	0	0	0	100
Robert Dix	**2017**	**75**	**0**	**0**	**0**	**0**	**75**
	2016	60	0	0	0	0	60
Alf Smiddy	**2017**	**75**	**0**	**6**[1]	**0**	**0**	**81**
	2016	60	0	0	0	0	60
Margaret Sweeney	**2017**	**75**	**0**	**0**	**0**	**0**	**75**
	2016	60	0	0	0	0	60

[1] Expenses incurred

a) Base salary / fees represent all amounts received in respect of the financial year.

b) Pension represents payments into the Company's defined contribution pension plan. For 2017 (and 2016) the CEO, Pat McCann, did not participate in the pension plan.

c) Benefits includes a company car and fuel, and benefits under the group risk benefit scheme which includes death in service cover and disability benefit.

d) Bonus represents the value of the bonus receivable in respect of the Group's annual bonus plan (see section below for further detail) for the relevant financial year. 20% of the bonus shown above will be deferred into Dalata shares for a period of five years.

e) For the LTIP, the value shown for 2017 reflects the anticipated vesting of the LTIP award granted on 27 March 2015 with TSR to be measured over the three year performance period to 26 March 2018. The values have been calculated using TSR data as at 16 February 2018 and a three month average share price to 31 December 2017 in accordance with the methodology set out in the UK reporting regulations.

e) The LTIP value for 2016 is restated to reflect the final outcome of the vesting which took place on 22 May 2017.

Annual bonus plan outcome for 2017 (audited)

Under the 2017 annual bonus, the Executive Directors could receive up to a maximum of 100% of salary and in the case of CEO 110% of salary, in line with the Policy. This was based 75% on the achievement of stretching adjusted EBIT targets and 25% on personal objectives aligned to the delivery of key strategic and operational objectives. The adjusted EBIT target was based on the budgeted EUR/GBP exchange rate which was set at £0.85 for 2017. The adjusted EBIT target range and a summary of the personal objectives for the year are set out in the table below:

	Threshold (25% payout)	Target (50% payout)	Maximum (100% payout)	Actual	Outcome
Adjusted EBIT	€78.6m	€82.7m	€88.5m	€90.2m[1]	Adjusted EBIT was in excess of the maximum target leading to a 100% (of maximum) bonus payout for the CEO and the Deputy CEOs

1. For the purpose of the annual bonus evaluation, EBIT is adjusted to remove the effect of fluctuations between the actual and budgeted EUR/GBP exchange rate and other one-off items considered, at the discretion of the Committee, to fall outside of the framework of the budget target set for the year. A reconciliation of adjusted EBIT to Profit before tax is provided in the Glossary and Supplemental Financial Information section on page 182.

The directors had a number of personal objectives aligned to the strategic and operational objectives of the business for 2017.

Personal targets

Objectives aligned to strategic and operational goals, including:

Pat McCann

- Development and presentation of five year strategy (described in Strategic Priority: Our Growth on page 18);
- Implementation of structures to support the business operating model and IT systems to support the business strategy (described in the Business Model: What Differentiates Us on page 13);
- implementation of the management succession planning process (described in Strategic Priority: Our People on page 20);
- implementation of enhanced strategic risk management process for the business (reflected in the Risk Management report on page 36).

2017 Personal objectives at maximum: 27.5% (base salary)

2017 Full year performance: 27.5%

Stephen McNally

- Development of opening plans for properties launching in 2018 (see Strategy in Action case study Strategic Priority: Our People on page 21);
- Delivery of HR plan for new UK business; development of account relationships with key group B2B customers (see Strategic Priority: Our Customers page 16);
- Maintain customer satisfaction levels and revenues at hotels undergoing extension work (see Strategic Priorities: Our Customers on page 16 and Our Brands on page 22);
- Implementation of systems and structures to deliver strategic cost management objectives (for example, see energy supply case study, Responsible Business Report page 48).

2017 Personal objectives at maximum: 25% (base salary)

2017 Full year performance: 25%

Dermot Crowley

- Development of finance function resources and structure (referred to by Audit and Risk Committee Chairman on page 72);
- Delivery of the investor relations programme considering effect of MIFID 2 regulatory changes and effectively communicating long term strategy to investors (described in the Governance Report on page 68);
- Secure debt funding and assess refinancing options (see Note 20 to the Financial Statements on page 150);
- Secure specified acquisition and pipeline development targets (described in Pat's Review on page 7);
- Support development of revenue management and rooms distribution change initiatives (see Strategy in Action case study on page 23);
- Lead Dalata group community initiative to support CMRF at Crumlin Children's Hospital, Great Ormond Street and Cancer Focus Northern Ireland (see Responsible Business Report page 53).

2017 Personal objectives at maximum: 25% (basic salary)

2017 Full year performance: 25%

LTIP – vesting outcome of the 2015 award (audited)

The LTIP award granted to Executive Directors on 27 March 2015 will be eligible for vesting from 26 March 2018 subject to the TSR performance of Dalata compared to a comparator group of 12 listed peers measured over that three year period. The performance period for this award was substantially complete by the end of the 2017 financial year and therefore the vesting of this award is reported in this year's report (in accordance with the reporting regulations) based on the expected vesting level. As at the date of this report, it is anticipated that the award will vest in full based on the current assessment of the TSR performance, as shown below.

LTIP targets	Vesting outcome (% of maximum)	Required TSR performance vs group[1]
Threshold	25%	Median
Maximum	100%	Upper quartile

1. Comparator group companies are: Whitbread plc, Accor plc, Intercontinental Hotels plc, Millennium & Copthorne plc, Tsogo Sun Holdings, Melia Hotels International SA, CPL Resources plc, ICG, Wireless Group plc, Total Produce plc, FBD plc, Independent News and Media. Straight-line vesting between points

Outcome	TSR achieved[1]	Expected vesting outcome
Group Median	11%	
Group Upper quartile	84.3%	Dalata's TSR exceeds the upper quartile and the award is expected to vest in full.
Dalata	91.4%	

1. TSR calculated as at 16 February 2018

Share incentive plan interests awarded during 2017 (audited)

The table below provides details of the LTIP awards made during the year to the Executive Directors.

Director	Type of Award	Face value of the award at grant	Number of shares awarded	Vesting at threshold (% of maximum)	Performance period
Pat McCann	LTIP	150% of salary	174,130	25%	1 Jan 2017 to 31 Dec 2019
Dermot Crowley	LTIP	125% of salary	84,541	25%	1 Jan 2017 to 31 Dec 2019
StephenMcNally	LTIP	125% of salary	84,541	25%	1 Jan 2017 to 31 Dec 2019

a) Vesting is based on two separate performance criteria: 50% of the award is based on TSR performance compared with the Dow Jones European STOXX Travel and Leisure Index. Threshold vesting occurs for TSR equal to the index and maximum vesting where TSR is equal to or greater than 10% per annum above the index. The remaining 50% is based on basic EPS achieved in FY19 with threshold vesting for EPS equal to €0.37 and maximum vesting if EPS is equal to or greater than €0.46.

b) The number of shares awarded was calculated using the volume weighted average share price on 19 May 2017 (€4.95), the day prior to the date of grant.

Directors' and Company Secretary's Share Interests

	Shares beneficially owned as at 31 December 2016	Shares beneficially owned as at 31 December 2017	2017 Option to acquire shares under Sharesave Scheme	Interest in unvested LTIP awards subject to performance conditions			
				2015 award vesting in 2018	2016 award vesting in 2019	2017 award vesting in 2020	Total
Pat McCann	914,927	1,121,014	6,132	88,889	101,279	174,130	364,298
Dermot Crowley	276,727	366,510	6,132	55,556	58,635	84,541	198,732
Stephen McNally	300,611	390,394	6,132	55,556	58,635	84,541	198,732
John Hennessy	100,000	100,000		-	-	-	
Robert Dix	67,858	67,858		-	-	-	
Alf Smiddy	66,646	66,646		-	-	-	
Margaret Sweeney	46,787	46,787	-	-	-	-	
Sean McKeon	80,000	119,023	6,132	35,417	32,623	34,069	102,109

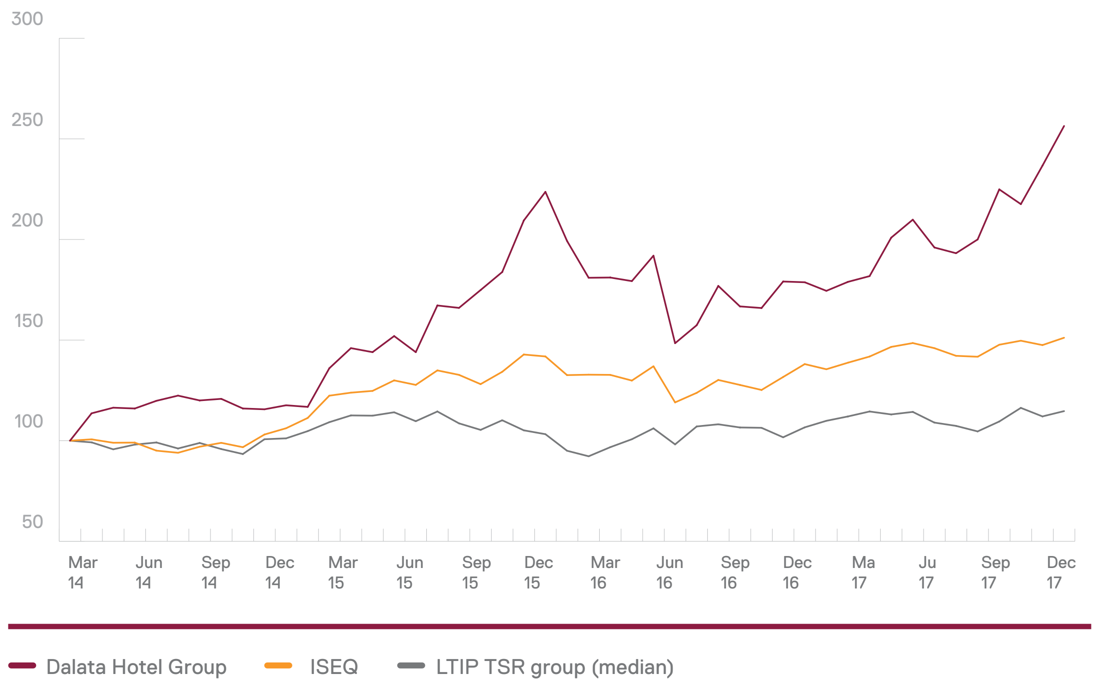
a) Shares beneficially owned include those of connected persons.

b) LTIP awards to Executive Directors represent the maximum number of shares which may vest under the 2015, 2016 and 2017 LTIP awards based on the performance conditions as described elsewhere in this report. As described above, the 2015 award is expected to vest in full in March 2018 based on the achievement against the performance conditions.

c) There was no change in the beneficial interests of the Directors between the year-end and the date of this report.

TSR performance summary and historic remuneration outcomes

The graph below compares the TSR (re-based to 100) over the period since listing to the performance of the ISEQ Index and the median of the current LTIP peer group.



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The following table shows the remuneration for the CEO for each financial year over the same period.

	2014[1]	2015	2016[2]	2017
Single figure (€'000)	441	840	1,603	1,712
Annual bonus outcome (% of maximum)	67%	100%	90%	100%
LTIP vesting (% of maximum)	N/A	N/A	100%	100%

1 Includes remuneration prior to IPO
2 2016 single figure is restated to reflect the final vesting outcome of LTIP awards granted in 2014 which vested in May 2017

Percentage change in Chief Executive's remuneration

The table below shows the percentage change in the remuneration of the CEO from the prior year compared to the average percentage change in remuneration for a comparator group of other employees.[1]

Total employee remuneration in the Company (including Executive Directors) increased by 14% in 2017 (from €76.2 million in 2016 to €86.5 million in 2017).

	CEO	Comparator group of employees[1]
Salary	21%	9%
Benefits	N/A[3]	N/A
Bonus	35%	14%

1 The Group employs a large workforce of full-time, part-time and seasonal staff making the basis for the calculation complex and unreliable. Accordingly, a comparator group of management and specialist staff was selected.
2 A minimum 2% pay increase was applied for all staff on 1 January 2017, including part-time and seasonal staff. Larger pay increases were awarded for employees where it was merited on the basis of personal performance, increased responsibility, specialist skills or market conditions.
3 The CEO does not receive any benefits from the Company.

Relative spend on pay

The following table shows the Company's aggregate actual spend on pay (for all employees) and dividends in respect of the current and previous financial year.

	2016	2017	Change
Dividend	€0.0m	€0.0m	€0.0m
Aggregate employee remuneration	€76.2m	€86.5m	14%

AGM voting

At last year's Annual General Meeting, the following votes were received on resolutions dealing with executive remuneration:

	2016 Directors Remuneration		Directors Remuneration Policy 2017 to 2019		2017 LTIP Rules	
	Votes	%	Votes	%	Votes	%
Votes For	100,403,551	74.56%	134,056,854	99.11%	131,791,482	97.44%
Votes Against	34,258,162	25.44%	1,197,842	0.89%	3,463,214	2.56%
Total Votes	134,661,713	100.00%	135,254,696	100.00%	135,254,696	100.00%
Votes Withheld	592,983		0		0	

We noted that the remuneration report received approximately 75% support and we understand, from our engagement with investors and proxy voting agencies that there were some who had a concern with the percentage increase, for 2017, in the executive director's salaries. The increases at that time were a response to the delivery of exceptional performance against the expectations set when the company listed in 2014 and part of our strategy to establish a fair remuneration framework reflecting the increased scale and complexity of business with an emphasis on reward for performance. The Committee has listened to the concerns of those investors and as a result has committed that no increases would be made to executive director's salaries above those awarded to the general workforce during the lifetime of the current remuneration policy.

Remuneration Committee and advisors

The Remuneration Committee comprises three independent Non-Executive Directors and operates in accordance with its terms of reference which are available on the Company's website www.dalatahotelgroup.com.

Details of Committee membership and attendance at meetings in 2017 are outlined in the table below.

Member	No. of meetings
Margaret Sweeney	6/6
John Hennessy	6/6
Robert Dix	6/6

In addition to the Remuneration Committee members, Non-Executive Director Alf Smiddy attended each meeting at the invitation of the Chairman. The Chief Executive Officer and the Company Secretary attended at each meeting (but were not present for discussions on their own remuneration).

The Committee's independent advisor Deloitte LLP and the Group HR Manager also attended some meetings.

All members of the Remuneration Committee are considered by the Board to be independent. The Board considers the Remuneration Committee Chairman to have relevant financial and commercial experience for the role and that there is sufficient financial and commercial experience within the Remuneration Committee as a whole. These Directors have no financial interest and no potential conflicts of interest, other than as shareholders, in the matters to be decided, and no day-to-day involvement in the running of the business.

In carrying out its duties, the Committee considers any relevant legal requirements, the recommendations in the UK Corporate Governance Code and the Listing Rules of the LSE/ISE and associated guidance and investor guidelines on executive remuneration. The Committee considers annually remuneration trends within the Group and externally in the market with particular attention to peer companies and practice within the hospitality sector. The remuneration of the Non-Executive Directors is approved by the Board.

During 2017, the Committee continued to receive independent advice from Deloitte LLP in respect of the development of the Remuneration Policy. Deloitte LLP is a member of the Remuneration Consultants Group and adheres to its code in relation to executive remuneration consulting. Fees charged by Deloitte LLP during the year were £64,750.