REMUNERATION REPORT

DEAR SHAREHOLDER

First, I would like to thank you for the support you have shown with your votes for both our reward policy and the Remuneration report for 2015. Your input to the consultations preceding the Annual General Meeting ('AGM') in May 2016 proved invaluable and helped us achieve a clear majority for the policy presented on the following pages. This should now remain in force unchanged for the next three years.

In the business environment and markets, change continues, presenting different challenges to the three main economic sectors (Products, Trade and Resources) in which Intertek operates. The launch and cascade of Intertek's 5x5 differentiated strategy for growth in early 2016, with its clear corporate goals, strategic priorities and enablers, provides guidance and focus to managers and employees on improving shareholder returns and creating new opportunities.

On remuneration, the major change in 2016 was the approach to the annual incentive. As indicated in last year's report, we have reduced the number of measures and aligned the annual incentive more closely to the delivery of our growth strategy. From 1 January 2016 the annual incentive has been based solely on financial performance with three main indicators weighted as shown below:

- 80% – a matrix based on revenue growth and operating profit growth; and
- 20% – based on return on invested capital performance.

Intertek delivered a strong performance in revenue, earnings and cash generation in 2016 with the achievement of 18.5% growth in revenue at actual rates (8.8% at constant currency), 19.3% growth in adjusted operating profit (10.4% at constant currency) and strong ROIC at 21.7% against stretching performance targets.

For the annual bonus, this performance resulted in the Remuneration Committee approving an overall payout for Group performance of 70.24% of maximum. As per policy, the proposed bonus was subject to a quality of earnings review at the end of the year to ensure that the pay-out was appropriate and commensurate with the underlying business performance and the Group's culture and values.

Gill Rider
Chair of the Remuneration Committee

The elements specifically required to be audited within the shaded sections of pages 73 to 77 have been audited by PwC LLP in compliance with the requirements of the Regulations.

The performance of the 2014 LTIP, which was measured based on EPS and relative TSR performance over the three-year period to 31 December 2016, resulted in a payout of 42.35%.

The salary increase for the Executive Directors in 2017 has been set at an inflation-based 2.0%.

In line with best practice when Edward Leigh was appointed as CFO, his base salary was positioned behind market levels to reflect that this was his first appointment as CFO. Having delivered over two years of performance in this role, the Committee intends to review the positioning of his base salary during the course of 2017, and we will consult on this matter with shareholders.

Information for André Lacroix for 2015 is for remuneration from 16 May 2015, the date of his appointment as CEO, unless stated otherwise.

Finally, I hope you will find that you are able to support the level of remuneration we have determined for 2016 as submitted for your approval at this year's AGM.

Yours sincerely,

Gill Rider
Chair of the Remuneration Committee

REMUNERATION REPORT continued

DIRECTORS' REMUNERATION POLICY REPORT

The section below sets out the Remuneration policy for Executive and Non-Executive Directors, which was approved by a resolution of the shareholders and became effective from 25 May 2016, the date of the 2016 AGM.

The policy remains unchanged. Tables have been updated with current data.

POLICY OVERVIEW

We continue to focus on ensuring that our remuneration policy is appropriate for the nature, size and complexity of the Group, encourages our employees in the development of their careers and is directed to deliver continued profitable growth.

Our remuneration strategy is to:

- align and recognise the individual's contribution to help us succeed in achieving our growth strategy and long-term business goals;
- attract, engage, motivate and retain the best available people by positioning total pay and benefits to be competitive in the relevant market and in line with the ability of the business to pay;
- reward people equitably for the size of their responsibilities and performance; and
- motivate high performers to increase shareholder value and share in the Group's success.

Each year the Committee approves the overall reward strategy for the Group and considers the individual remuneration of the Executive Directors and certain senior executives.

The Committee reviews the balance between base salary and performance-related remuneration against the key objectives and targets so as to ensure performance is appropriately rewarded. This also ensures outcomes are a fair reflection of the underlying performance of the Group.

As a global service business, our success is critically dependent on the performance and retention of our key people around the world. Employment costs represent the major element of Group operating costs. As a global Group our pay arrangements take into account both local and international markets and we operate a global remuneration policy framework to achieve our reward strategy.

Our peer groups for the majority of our employees consist of international industrial or business service organisations and similar-sized businesses. For our more senior executives we base our remuneration comparisons on a blend of factors, including sector, job complexity, location, responsibilities and performance, whilst recognising the Company is listed in the UK.

We believe that a significant proportion of remuneration for senior executives should be related to performance, with part of that remuneration being deferred in the form of shares and subject to continued employment and longer-term performance. We also believe that share-based remuneration should form a significant element of senior executives' compensation, so that there is a strong link to the sustained future success of the Group.

REMUNERATION POLICY FOR DIRECTORS

The following table sets out the key aspects of the Remuneration Policy for Directors:

ELEMENT OF PAY	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE MEASURES
BASE SALARY	To attract and retain high performing Executive Directors to lead the Group.	The Committee reviews salaries annually, taking account of the scale of responsibilities, the individual's experience and performance. Whilst the Committee takes benchmarking information into account, its decisions are based primarily on the performance of the individual concerned against the above factors to ensure that there is no unjustified upward ratchet in base salary.	There is no prescribed maximum annual increase. The Committee is guided by the general increase for the employee population but on occasions may need to recognise other factors including, but are not limited to, development in role, change in responsibility and/or variance to market levels of remuneration.	Individual performance is taken into account when salary levels are reviewed.
BENEFITS	To provide competitive benefits to ensure the well-being of employees.	Benefits include, but are not limited to, annual medicals, life assurance cover of up to six times base salary, allowances in lieu of a company car or other benefits, private medical insurance (for the individual and his dependants) and other benefits typically provided to senior executives. Executive Directors can participate in the all-employee share plans operated by the Company on the same basis as all other employees.	The total value of these benefits (excluding the all-employee plans) will not exceed 12% of salary. The maximum opportunity under any all-employee share plan is in line with all other employees and is as determined by the prevailing HMRC rules.	n/a
PENSION	To provide competitive retirement benefits.	Executive Directors can elect to join the Company's defined contribution pension scheme, receive pension contributions into their personal pension plan or receive a cash sum in lieu of pension contributions.	Up to 30% of salary.	n/a
ANNUAL INCENTIVE PLAN ('AIP')	To drive the short-term strategy and recognise annual performance against targets which are based on business objectives.	Awards are based on Group annual financial performance targets, with performance targets set annually by the Committee. Normally, 50% of any bonus is paid in cash and 50% deferred into shares which will vest after a period of three years subject to continued employment. Accrued dividends on deferred shares during the deferral period are paid in cash or shares at the end of the deferral period. Not pensionable. Malus and clawback provisions apply.	The maximum opportunity is 200% of salary for all Executive Directors. The Committee has the ability to reduce bonus payments if it believes that short-term performance has been achieved at the expense of the Group's long-term future success. The Committee can adjust upwards the bonus outturn (up to the maximum set out above) to recognise very exceptional circumstances or to recognise that circumstances have occurred which were beyond the direct responsibility of the executive and the executive has managed and mitigated the impact of any loss.	The annual bonus will be measured against a range of key Group financial measures. The current intention is that none of the bonus will be subject to non-financial measures or personal performance measures. The Committee, however, retains the discretion to introduce such measures in the future, up to a maximum of 20% of the bonus. Where the Committee were to introduce such measures, it would normally consult with the Company's largest institutional shareholders. The stretch targets, when met, reward exceptional achievement and contribution. There is no bonus pay-out if threshold targets are not met.

REMUNERATION REPORT continued

ELEMENT OF PAY	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE MEASURES
LONG-TERM INCENTIVE PLAN ('LTIP')	To retain and reward Executive Directors for the delivery of long-term performance. To support the continuity of the leadership of the business. To provide long-term alignment of Executives' interests with shareholders by linking rewards to Intertek's performance.	Annual grant of conditional shares which vest after three years, subject to Company performance and continued employment. Awards may be made in other forms (e.g. nil-cost options) if considered appropriate. The shares will also be subject to a six-month holding period after vesting. The Committee has the discretion to increase the length of the holding period in future years. Performance targets are set annually for each three-year performance cycle by the Committee. Accrued dividends during the vesting period to be paid in cash or shares at vesting, to the extent that shares vest. The Committee may adjust and amend awards in accordance with the LTIP rules.	Up to 250% of salary in respect of any financial year.	LTIP awards are subject to performance conditions based on Earning Per Share ('EPS') growth and relative Total Shareholder Return ('TSR'). At least a quarter of each award will be based on each of these measures, with the split determined each year by the Committee. 25% of an award will vest for achieving threshold performance, increasing pro-rata to full vesting for the achievement of stretch performance targets. Awards under the TSR element of the LTIP are also subject to the satisfaction of a financial underpin.
SHARE OWNERSHIP GUIDELINES	To increase alignment between executives and shareholders.	Executive Directors are required to retain any vested shares (net of tax) under the Group's share plans until the guideline is met. The guideline should be met within five years of the guideline being set.	CEO: 200% of salary. CFO: 200% of salary.	n/a
NON-EXECUTIVE DIRECTORS' FEES	To attract and retain high calibre Non-Executive Directors through the provision of market competitive fees.	A proportion of the fees (at least 50%) are paid in cash, with the remainder used to purchase shares. Fees are determined based on the responsibility and time committed to the Group's affairs and appropriate market comparisons. With the exception of benefits-in-kind arising from the performance of duties, no other benefits are provided, other than to the Chairman, who receives a car allowance of £25,000 per annum.	As for the Executive Directors, there is no prescribed maximum annual increase. The Committee is guided by the general increase for the employee population but on occasions may need to recognise other factors including, but not limited to, change in responsibility and/or variance to market levels of remuneration.	n/a

CHANGES TO THE POLICY TABLE

There have been no changes to the policy.

SELECTION OF PERFORMANCE METRICS

The annual bonus is based on performance against a mix of financial measures. The mix of financial measures is aligned to the Group's Key Performance Indicators (KPIs) and is reviewed each year by the Remuneration Committee to ensure that they remain appropriate to reflect the priorities for the business in the year ahead. The targets are set for each KPI to encourage continuous improvement and challenge the delivery of stretch performance.

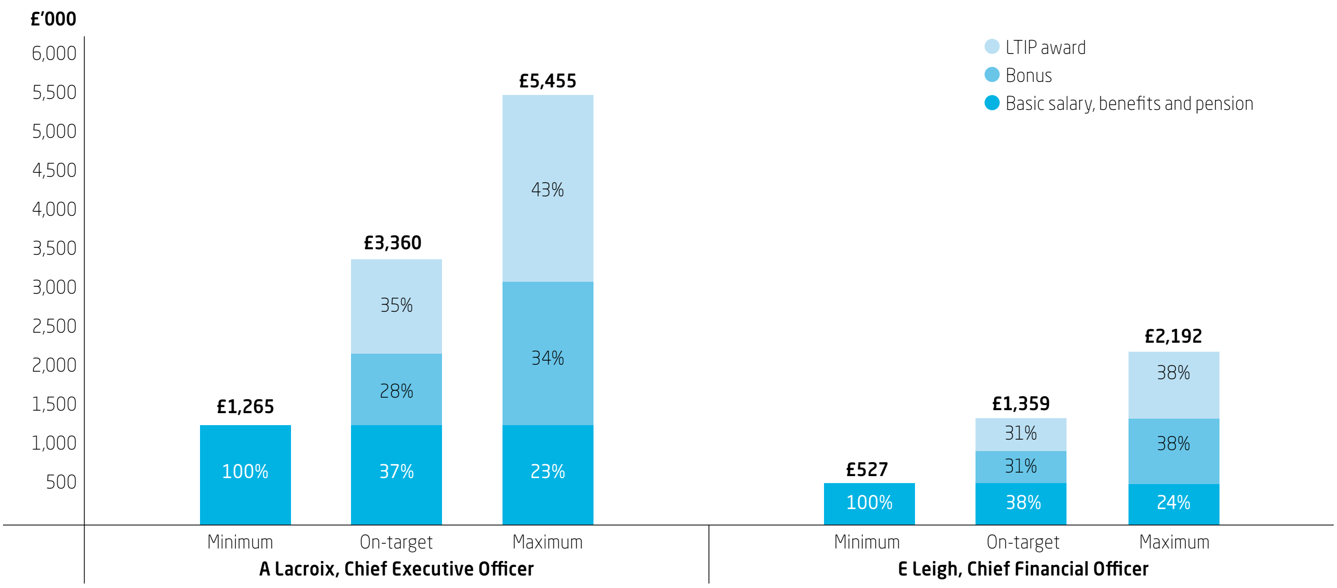
The LTIP is based on EPS growth and TSR performance. EPS is a measure of the Group's overall financial success and TSR provides an external assessment of the Company's performance against the market. It also aligns the rewards received by executives with the returns received by shareholders. A sliding scale of challenging performance targets is set for each measure. The Committee reviews the choice of performance measures and the appropriateness of the performance targets prior to each LTIP grant. The Committee reserves the discretion to set different targets for future awards, without consulting with shareholders. The targets for awards granted under this Remuneration Policy are set out in the Annual Report on Remuneration.

When setting the targets for the annual bonus and the LTIP, the Remuneration Committee takes into account a range of factors, including the business plan, prior year performance, market conditions and consensus forecasts.

REMUNERATION SCENARIOS FOR EXECUTIVE DIRECTORS

The charts below illustrate how the Executive Directors' remuneration packages vary at different levels of performance under the ongoing policy, which will apply in 2017 for both the Chief Executive Officer ('CEO') and Chief Financial Officer ('CFO'):

VALUE OF REMUNERATION PACKAGES AT DIFFERENT LEVELS OF PERFORMANCE



Points relating to the above table:

1. Salary levels are based on those applying on 1 April 2017.
2. The value of taxable benefits is based on the cost of supplying those benefits (as disclosed) for the year ended 31 December 2016.
3. The value of pension receivable by the CEO and CFO in 2017 is taken to be 30% of salary and 20% of salary respectively.
4. The on-target level of bonus is taken to be 50% of the maximum bonus opportunity.
5. The on-target level of the LTIP is taken to be 50% of the face value of the award at grant.
6. Share price movement and dividend accrual have not been incorporated into the values shown above.

APPROACH TO RECRUITMENT AND PROMOTIONS

The remuneration package for a new Executive Director – base salary, benefits, pension, annual bonus and long-term incentive awards – would be set in accordance with the terms of the Company's prevailing approved Remuneration Policy at the time of appointment. The Committee may set the base salary at a value to reflect the calibre, experience and earnings potential of a candidate, subject to the Committee's judgement that the level of remuneration is in the Company's best interest. The maximum level of variable pay (annual bonus and long-term incentive awards) which may be awarded to a new Executive Director at or shortly following recruitment shall be limited to 450% of salary. These limits exclude buy-out awards and are in line with the 'Remuneration Policy for Directors' set out previously.

The Committee may offer additional cash and/or share-based elements to take account of remuneration relinquished when leaving the former employer when it considers these to be in the best interests of the Company (and therefore shareholders) ('buy-outs'). Any such awards would reflect the nature, time horizons and performance requirements attaching to the remuneration it is intended to replace. Where appropriate the Committee retains the flexibility to utilise Listing Rule 9.4.2 for the purpose of making an award to 'buy out' remuneration relinquished when leaving the former employer.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses and continuing allowances as appropriate. Additionally, in the case of any Executive Director being recruited from overseas, or being recruited by the Company to relocate overseas to perform their duties, the Committee may offer expatriate benefits on an ongoing

REMUNERATION REPORT continued

basis subject to their aggregate value to the individual not exceeding 50% of salary per annum.

For an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

If a new Chairman or Non-Executive Director is appointed, remuneration arrangements will be in line with those detailed in the Remuneration Policy for Non-Executive Directors set out in the Remuneration Policy for Directors above.

SERVICE CONTRACTS FOR EXECUTIVE DIRECTORS

The service agreements of the Executive Directors are not fixed-term and are terminable by either the Company or the Director on 12 months' notice and make provision, at the Board's discretion, for early termination by way of payment of salary and pension contributions in lieu of 12 months' notice. In calculating the amount payable to a Director on termination of employment, the Board would take into account the commercial interests of the Company and apply usual common law and contractual principles. Any payments in lieu of notice may be paid in a lump sum or may be paid in instalments and reduce if the Director finds alternative employment. The service contracts are available for inspection at the Company's registered office. The Committee reviews the contractual terms for new Executive Directors to ensure these reflect best practice. In summary, the contractual provisions are:

Provision	Detailed Terms
Notice period	12 months
Common law and contractual principles	Common law and contractual principles apply
Remuneration entitlements	A bonus may be payable (pro-rata where relevant) and outstanding Share Awards may vest (see below)
Change of control	No Executive Director's contract contains provisions or additional payments in respect of change of control. The treatment of bonus awards and outstanding Share Awards will be treated in line with the relevant plan rules.

The annual bonus may be payable with respect to the period of the financial year served. Any share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on the relevant plan rules.

The default treatment under the 2011 LTIP is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, ill-health, disability, retirement or other circumstances at the discretion of the Committee, 'good leaver' status may be applied.

For good leavers, awards will normally vest on the original vesting date, subject to the satisfaction of the relevant performance conditions at that time and reduced pro-rata to reflect the proportion of the performance period actually served. However, the Committee has discretion to determine that awards vest at an earlier date and/or to disapply time pro-rating, although it is envisaged that this would only be applied in exceptional circumstances. Any such incidents, where discretion is applied by the Committee in relation to Executive Directors, will be disclosed in the following Annual Report on Remuneration.

The default treatment for deferred bonus awards is that any outstanding awards lapse on cessation of employment.

However, in certain 'good leaver' circumstances (as described under the 2011 LTIP above), awards will vest in full on the original vesting date, unless (as permitted under the plan rules) the Committee determines that awards should vest at an earlier date.

In determining whether an Executive should be treated as a good leaver or not, the Committee will take into account the reasons for their departure.

LETTERS OF APPOINTMENT FOR NON-EXECUTIVE DIRECTORS

The Letter of Appointment for each Non-Executive Director states that they are appointed for an initial period of three years and all appointments are terminable by one month's notice on either side. At the end of the initial period and after rigorous review the appointment may be renewed for a further period, usually three years, if the Company and the Director agree and subject to annual re-election at the AGM. Each letter of appointment states that if the Company were to terminate the appointment, the Director would not be entitled to any compensation for loss of office.

The table below sets out the terms for all the current Non-Executive Directors of the Board.

	Date of Appointment	Notice Period/ unexpired term as at 31 December 2016
Sir David Reid	1 December 2011 Reappointed: 1 December 2014	One month / 11 months
Alan Brown*	15 April 2011 Reappointed: 14 April 2014	One month / 3 months
Dame Louise Makin	1 July 2012 Reappointed: 1 July 2015	One month / 18 months
Andrew Martin	26 May 2016	One month / 29 months
Gill Rider	1 July 2015	One month / 18 months
Michael Wareing	15 April 2011 Reappointed: 14 April 2014	One month / 3 months
Lena Wilson	1 July 2012 Reappointed: 1 July 2015	One month / 18 months

* Alan Brown will be stepping down from the Board on 24 May 2017

CONSIDERATION OF EMPLOYMENT CONDITIONS ELSEWHERE IN THE COMPANY

When setting the Remuneration Policy for Executive Directors, the Remuneration Committee takes into account the pay and employment conditions elsewhere within the Group. When considering the remuneration arrangements for the Executive Directors for the year ahead, the Committee is informed of salary increases across the wider group. The Committee also approves the overall reward strategy in operation across the Group.

The remuneration strategy set out at the beginning of the Directors' Remuneration Policy Report reflects the strategy in place across all employees across the Group. Although this remuneration strategy applies across the Group, given the size of the Group and the geographical spread of its operations, the way in which the Remuneration Policy is implemented varies across the Group. For example, bonus deferral applies at the more senior levels within the Group and participation in the LTIP is at the Remuneration Committee's discretion and is typically limited to senior executives employed within the Group.

Given the geographical spread of the Group's operations, the Remuneration Committee does not consider it appropriate to consult employees on the Remuneration Policy in operation for Executive Directors.

CONSIDERATION OF SHAREHOLDER VIEWS

The Remuneration Committee takes the views of the Group's shareholders very seriously and, as highlighted in the Remuneration Committee Chair's statement, prior to the vote on the Annual Remuneration Report at the 2016 AGM took considerable time to engage with and listen to shareholders on their views and the Remuneration Policy going forward. The policy that was approved by shareholders at the 2016 AGM reflects the policy discussed with shareholders during the consultation process.

LEGACY ARRANGEMENTS

For avoidance of doubt, through this approved Directors' Remuneration Policy Report, authority is given to the Company to honour any commitments entered into with current or former Directors (such as the vesting of past share awards) that were agreed:

(i) before the policy set out above, or any previous policy, came into effect;

(ii) at a time when a previous policy approved by shareholders was in place provided that the payment is in line with the terms of that policy; and

(iii) at a time when the relevant individual was not a Director of the Company and the payment was not in consideration for the individual becoming a Director of the Company.

ANNUAL REPORT ON REMUNERATION

COMMITTEE MEMBERSHIP AND MEETING ATTENDANCE

Membership and attendance at meetings of the Committee during the year was as follows:

	Number of meetings held in 2016	
Committee Members	**Eligible to attend**	**Attendance**
Gill Rider (Committee Chair)	4	4
Dame Louise Makin	4	4
Michael Wareing[1]	3	3
Mark Williams[2]	1	0

1. Michael Wareing was appointed to the Committee on 20 April 2016.
2. Mark Williams missed one meeting due to illness. He passed away on 6 March 2016.

Throughout the year, the composition of the Committee was in compliance with the Codes, with the exception of the brief period between 6 March 2016 and 20 April 2016 when the Committee consisted of just two members following the sudden death of Mark Williams. All members are independent Non-Executive Directors.

On appointment, new Committee members receive an appropriate induction consisting of the review of the Terms of Reference, previous Committee meeting papers, meetings with senior personnel and advisors and, as appropriate, meetings with shareholders.

The Chairman, CEO and the EVP, Human Resources may, by invitation, attend the Committee meetings, except when their own remuneration is discussed. No Director is involved in determining his or her own remuneration. None of the Committee members has had any personal financial interest, except as shareholders, in the matters decided. The Group Company Secretary acts as Secretary to the Committee.

THE ROLE OF THE COMMITTEE

On behalf of the Board, the Committee:

- determines the Company's policy on the remuneration of the Chairman, the Executive Directors and other senior executives;
- determines the remuneration packages of the above, including any compensation on termination of office;
- reviews the remuneration arrangements for the wider employee population and considers issues relating to remuneration that may have a significant impact on the Group;
- provides advice to, and consults with, the CEO on major policy issues affecting the remuneration of other executives; and
- keeps the remuneration policy under review in the light of regulatory and best practice developments and shareholder expectations. Due regard is given to the interests of shareholders and the requirements of the Listing Rules and associated guidance.

The Terms of Reference of the Committee are available on the Intertek website at www.intertek.com.

REMUNERATION REPORT continued

THE ACTIVITY OF THE COMMITTEE

The Committee met four times during 2016 and considered:

- Executive Director remuneration;
- the salary for senior management and the determination of the bonus payments for 2016;
- the TSR and EPS performance results for the 2013 to 2015 share plan award cycles;
- the 2016 bonus targets and performance measures;
- share plan awards for 2016 to 2019 and TSR and EPS performance criteria;
- Remuneration Policy for Directors including outcomes from consultation and shareholder feedback;
- the remuneration proposals for new senior employees;
- the departure terms for senior executives;
- the review of the Directors' Remuneration report to ensure compliance with Remuneration Reporting Regulations;
- the annual Committee agenda schedule;
- the Committee Terms of Reference;
- the annual Committee evaluation;
- 2016 AGM update and Corporate Governance bodies voting recommendations; and
- updates on Corporate Governance developments.

ADVISORS

To ensure that the Group's remuneration practices drive and support achievement of strategies and are market competitive, the Committee obtains advice from various independent sources.

In 2015, the Committee selected and appointed Deloitte LLP for their particular expertise both at a local and global level due to the worldwide operations of the Group. During 2016 the Committee continued to receive advice from Deloitte LLP and following review remain satisfied that the advice is objective and independent. Deloitte provided no other services to the Committee during the year under review.

Deloitte are members of the Remuneration Consultants Group and adhere to the Voluntary Code of Conduct in relation to executive remuneration consulting in the UK.

The fees paid to Deloitte in the year were £81,370. The charges for services are calculated on the basis of time spent and the seniority of the personnel performing the work at their respective rates.

EXTERNAL APPOINTMENTS

The Company recognises that, during their employment with the Company, Executive Directors may be invited to become Non-Executive Directors of other companies and that such duties can broaden their experience and knowledge. Executive Directors may, with the written consent of the Company, accept such appointments outside the Company, and the policy is that any fees may be retained by the Director.

André Lacroix

André is the Senior Independent Non-Executive Director at Reckitt Benckiser Group plc for which his earnings from 1 January to 31 December 2016 were £125,000 which he retained.

STATEMENT OF SHAREHOLDER VOTING

At the 2016 AGM, a resolution was proposed to shareholders to approve both the Remuneration policy and the Remuneration report for the year ended 31 December 2015. These resolutions received the following votes from shareholders:

Remuneration policy:

	Votes	%
In favour	116,806,831	96.38
Against	4,383,570	3.62
Total	121,190,401	75.09*
Withheld	1,386,204	

* Percentage of total issued share capital voted.

Remuneration report:

	Votes	%
In favour	118,265,856	96.49
Against	4,304,004	3.51
Total	122,569,860	75.95*
Withheld	6,746	

* Percentage of total issued share capital voted.

A further resolution was proposed to approve the Intertek Group plc Savings-Related Share Option Scheme. This resolution received the following votes from shareholders:

	Votes	%
In favour	121,288,154	99.05
Against	1,158,001	0.95
Total	122,446,155	75.87*
Withheld	130,452	

* Percentage of total issued share capital voted.

DIRECTORS' REMUNERATION EARNED IN 2016

The table below summarises Directors' remuneration received in 2016 and the prior year for comparison.

		Base salary or fees £'000	Benefits[1] £'000	BIK arising from performance of duties[6] £'000	Pension £'000	Annual bonus[2] £'000	Long-term incentives £'000	Sub-total £'000	Other £'000	Total £'000
Executive Directors										
André Lacroix	**2016**	**908**	**53**	**–**	**273**	**1,282**	**–**	**2,516**	**2,906**[3]	**5,422**
	2015[7]	557	20	–	167	1,080	–	1,824	–	1,824
Edward Leigh	**2016**	**406**	**27**	**–**	**82**	**573**	**99**[4]	**1,187**	**–**	**1,187**
	2015	390	24	–	78[5]	772	–	1,264	–	1,264
Non-Executive Directors										
Edward Astle	**2016**[8]	**34**	**–**	**1**	**–**	**–**	**–**	**35**	**–**	**35**
	2015	71	–	1	–	–	–	72	–	72
Alan Brown	**2016**	**69**	**–**	**–**	**–**	**–**	**–**	**69**	**–**	**69**
	2015	67	–	–	–	–	–	67	–	67
Dame Louise Makin	**2016**	**68**	**–**	**1**	**–**	**–**	**–**	**69**	**–**	**69**
	2015	66	–	1	–	–	–	67	–	67
Andrew Martin	**2016**[10]	**35**	**–**	**–**	**–**	**–**	**–**	**35**	**–**	**35**
Sir David Reid	**2016**	**320**	**25**	**2**	**–**	**–**	**–**	**347**	**–**	**347**
	2015	320	25	3	–	–	–	348	–	348
Gill Rider	**2016**	**73**	**–**	**–**	**–**	**–**	**–**	**73**	**–**	**73**
	2015	32	–	–	–	–	–	32	–	32
Michael Wareing	**2016**	**98**	**–**	**7**	**–**	**–**	**–**	**105**	**–**	**105**
	2015	93	–	7	–	–	–	100	–	100
Mark Williams	**2016**[9]	**21**	**–**	**–**	**–**	**–**	**–**	**21**	**–**	**21**
	2015	65	–	4	–	–	–	69	–	69
Lena Wilson	**2016**	**68**	**–**	**1**	**–**	**–**	**–**	**69**	**–**	**69**
	2015	68	–	6	–	–	–	74	–	74

1 Benefits include allowances in lieu of company car, annual medicals, life assurance and private medical insurance, and the use of a car and driver for the CEO. With respect to the Non-Executive Directors, other than Sir David Reid who receives a car allowance of £25,000 per annum, no other benefits are provided.
2. This relates to the payment of the annual bonus and Deferred Bonus Share Award for the financial year end. Further details of this payment are set out on the following pages.
3. This relates to the vesting of the Mirror award granted on joining. The value shown is based on the share price of £31.12 which was the closing mid-market quotation on 25 May 2016, the date of vesting.
4. This relates to the vesting of the 2014 LTIP award. The value shown is based on the share price of £33.71 which is based on the average share price in the fourth quarter of 2016. The awards were granted on 10 March 2014 prior to Edward Leigh's appointment as CFO on 1 October 2014.
5. The pension contributions for Edward Leigh include the sum of £17,140 (2015: £39,600) which was paid into the Intertek Group Personal Pension Plan, which is a defined contribution scheme.
6. Certain expenses relating to the performance of a Director's duties (not included in the Benefits column above) such as travel to and from Company meetings and related accommodation have now been classified as taxable. In such cases, the Company will ensure that the Director is not out of pocket by settling the related tax via the PSA. In line with current regulations, these taxable benefits have been disclosed and are shown in the BIK arising from performance of duties column. The figures shown are the cost of the taxable benefit.
7. Information for André Lacroix for 2015 is for remuneration from 16 May 2015, on his appointment as CEO.
8. Edward Astle's fees relate to the period until he stepped down from the Board.
9. Mark Williams's fees relate to the period until he passed away on 6 March 2016.
10. Andrew Martin's fees relate to the period from 26 May 2016, the date he was appointed to the Board.

ANNUAL BONUS

The annual bonus for 2016 was based solely on financial measures:

- 80% based on a matrix (illustration provided on the following page) based on revenue and operating profit growth
- 20% based return on invested capital (ROIC)

REMUNERATION REPORT
continued

Overview of the matrix (80% of the award)

		Operating profit performance (£m)			
		Below threshold	Threshold	Target	Maximum
Revenue performance (£m)	Maximum	0%	40%	65%	100%
	Target	0%	30%	50%	75%
	Threshold	0%	25%	35%	60%
	Below threshold	0%	0%	0%	0%

Straight line pay-outs occur between each of the points noted above.

The Company's performance resulted in a Group bonus payout of 70.24%. Performance of individual components is shown below.

2016 Company Performance against bonus targets

Financial measures	% Weighting	2016 Threshold	2016 Target[2]	2016 Maximum	2016 Actual	Achieved[3]	Weighted achievement
Total External Revenue		£2,310.0m	£2,357.0m	£2,404.0m	£2,350.6m		
Operating Profit[1]		£363.0m	£374.2m	£385.4m	£380.9m		
Revenue/Profit Matrix	80%					62.8%	50.24%
Return on invested capital	20%	22.0%	22.2%	22.4%	23.6%	100%	20.00%
Total	**100%**						**70.24%**

1. Calculated using constant 2015 exchange rates. Adjusted results exclude the impact of Separately Disclosed Items.
2. Target is equivalent to 50% pay-out.
3. Percentage achieved against maximum targets.

For 2016, the annual bonus outturn in cash and shares is as follows:

	Payable in cash £'000	Deferred Share Award £'000
André Lacroix	**641.2**	**641.2**
Edward Leigh	**286.6**	**286.6**

The Committee has the discretion to adjust the final bonus outcome downwards if it considers short-term performance has been achieved at the expense of long-term future success. The Committee may also adjust the final bonus outcome upwards to recognise exceptional circumstances that were beyond the direct responsibility of the Executive Director and the Executive has managed and mitigated the impact of any loss. The Committee considered the results and did not exercise any discretion in respect of the above bonus outturn.

Both the cash and share elements of the bonus are subject to malus and clawback. Overpayments may be reclaimed in the event of performance achievements being found to be significantly misstated.

VESTING OF LTIP SHARE AWARDS

The LTIP Share Awards granted in 2014 are subject to performance for the three-year period ended 31 December 2016. The performance conditions attached to this award and actual performance against these conditions is as follows:

Metric	Performance condition	Threshold target	Stretch target	Actual performance	Vesting level
Earnings Per Share	Annualised fully diluted, adjusted EPS growth, calculated on the basis of foreign exchange rates adopted at the start of the performance cycle	6%	14%	6.92%	33.62%
Total Shareholder Return	Relative TSR performance against the FTSE 31 to 130 (excluding banks and investment trusts)	Median	Upper quartile	Between median and upper quartile[1]	51.09%
Total vesting					**42.35%**

1. TSR performance calculation was calculated by Deloitte; Intertek was ranked 39th of the 93 members of the comparator group of companies.

The LTIP Share Awards granted in 2014 to the Executive Directors were as follows:

Executive Director	Number of shares at grant	Number of shares based on accrued dividends	Total number of shares[1]	Number of shares to lapse	Number of shares to vest	Value of vested shares £'000
André Lacroix	–	–	–	–	–	–
Edward Leigh[2]	6,576	349	6,925	(3,993)	(2,932)	98.9
Total vesting						**98.9**

1. The 2014 award includes accrual of dividends paid and payable during the vesting period.
2. The value shown is based on the share price of £33.71 which is based on the average share price in the fourth quarter of 2016. The awards were granted on 10 March 2014 prior to Edward Leigh's appointment as CFO on 1 October 2014.

LTIP SHARE AWARDS GRANTED DURING THE YEAR

The following LTIP (Performance) Share Awards were granted to the Executive Directors on 21 March 2016:

	Type of award	Basis of award granted	Share price at date of grant £	Number of shares over which award was granted	Face value of award £'000	% of face value that would vest at threshold performance	Vesting determined by performance over
André Lacroix	LTIP Share Award	250% of salary	£31.084	71,982	2,237	25%	Three years to 31 December 2018
Edward Leigh	LTIP Share Award	200% of salary	£31.084	25,736	800	25%	

The LTIP Share Awards granted in 2016 are subject to performance for the three-year period ending 31 December 2018.

The performance conditions attached to this award and the targets are as follows:

Metric	Performance condition	Threshold target	Stretch target
Earnings Per Share	Annualised fully diluted, adjusted EPS growth, calculated on the basis of foreign exchange rates adopted at the start of the performance cycle	4%	10%
Total Shareholder Return	Relative TSR performance against the FTSE 31 to 130 (excluding banks and investment trusts)	Median	Upper quartile

SHARE PLAN AWARDS

The table below shows the Directors' interests in the Intertek Share Plans, all of which are restricted stock units (RSUs):

	Type of Award	31 December 2015 Number of shares	Granted in 2016 Number of shares	Award price[1] £	Dividend accrued in 2016[7]	Vested in 2016 Number of shares	Lapsed in 2016 Number of shares	31 December 2016 Number of shares	Date of vesting
André Lacroix									
2015[5]	LTIP Share	90,440	–	–	–	–	–	90,440	Sep 2018
	Dividend	612	–	–	1,493	–	–	2,105	
	Mirror share, Tranche A	91,575	–	28.006	–	(91,575)	–	–	May 2016
	Dividend	1,810	–	–	–	(1,810)	–	–	
	Mirror share, Tranche B	91,574	–	28.006	–	–	–	91,574	May 2017
	Dividend	1,810	–	–	1,511	–	–	3,321	
2016[6]	LTIP Share	–	71,982	31.084	–	–	–	71,982	Mar 2019
	Dividend	–	–	–	1,188	–	–	1,188	
	Deferred Share	–	17,376	31.084	–	–	–	17,376	Mar 2019
	Dividend	–	–	–	286	–	–	286	
Total		**277,821**	**89,358**	**-**	**4,478**	**(93,385)**	**-**	**278,272**	

REMUNERATION REPORT
continued

SHARE PLAN AWARDS (CONTINUED)

The table below shows the Directors' interests in the Intertek Share Plans, all of which are restricted stock units (RSUs):

	Type of Award	31 December 2015 Number of shares	Granted in 2016 Number of shares	Award price[1] £	Dividend accrued in 2016[7]	Vested in 2016 Number of shares	Lapsed in 2016 Number of shares	31 December 2016 Number of shares	Date of vesting
Edward Leigh									
2013[2]	Deferred Share	1,755	–	34.17	–	(1,755)	–	–	May 2016
	Dividend	88	–	–	–	(88)	–	–	
	LTIP (Performance)	1,755	–	34.17	–	–	(1,755)	–	May 2016
	Dividend	88	–	–	–	–	(88)	–	
2014[3]	Deferred Share	1,331	–	30.41	–	–	–	1,331	Mar 2017
	Dividend	48	–	–	21	–	–	69	
	LTIP Share	6,576	–	30.41	–	–	–	6,576	Mar 2017
	Dividend	241	–	–	108	–	–	349	
2015	Deferred Share[4]	5,405	–	25.572	–	–	–	5,405	Mar 2018
	Dividend	106	–	–	89	–	–	195	
	LTIP Share[5]	32,336	–	24.74	–	–	–	32,336	Sep 2018
	Dividend	218	–	–	533	–	–	751	
2016[6]	Deferred Share	–	12,425	31.084	–	–	–	12,425	Mar 2019
	Dividend	–	–	–	204	–	–	204	
	LTIP Share	–	25,736	31.084	–	–	–	25,736	Mar 2019
	Dividend	–	–	–	424	–	–	424	
Total		**49,947**	**38,161**	**-**	**1,379**	**(1,843)**	**(1,843)**	**85,801**	

1. Awards made are based on a share price obtained by averaging the closing share prices for the five dealing days before the date of grant.
2. Awards vested on 25 May 2016, on which date the closing market price of shares was £31.12 having been granted on 20 May 2013 on which date the closing market price was £33.27. 50% of LTIP (Performance) Awards were subject to EPS and 50% were subject to relative TSR. The EPS threshold level was set at 6% per annum and the upper target at 16% per annum. Under the TSR condition, the Company's TSR ranking is measured relative to the FTSE index members 31 to 130 (excluding banks and investment trusts). The LTIP (Performance) shares did not vest as performance conditions were not met.
3. Awards will vest on 10 March 2017, subject to performance and continued employment, having been granted on 10 March 2014 on which date the closing market price was £30.46. 50% of the LTIP Share Awards are subject to EPS and 50% are subject to relative TSR. The EPS threshold level was set at 6% per annum and the upper target at 14% per annum. Under the TSR condition, the Company's TSR ranking is measured relative to the FTSE index members 31 to 130 (excluding banks and investment trusts). As set out on page 74, 42.35% of awards will vest.
4. Awards will vest on 9 March 2018, subject to continued employment, having been granted on 9 March 2015 on which date the closing market price was £25.70.
5. Awards will vest on 22 September 2018, subject to performance and continued employment, having been granted on 22 September 2015 on which date the closing market price was £23.94. 50% of awards are subject to EPS and 50% are subject to relative TSR. The EPS threshold level was set at 4% per annum and the upper target at 10% per annum. Under the TSR condition, the Company's TSR ranking is measured relative to the FTSE index members 31 to 130 (excluding banks and investment trusts).
6. Awards will vest on 21 March 2019, subject to continued employment, having been granted on 21 March 2016 on which date the closing market price was £31.13. Awards were made on a share price of £31.084 being the share price obtained by averaging the closing share prices for the five dealing days before the date of grant. 50% of the LTIP Share Awards are subject to EPS and 50% are subject to relative TSR. The EPS threshold level was set at 4% per annum and the upper target at 10% per annum. Under the TSR condition, the Company's TSR ranking is measured relative to the FTSE index members 31 to 130 (excluding banks and investment trusts).
7. The dividend shares are accrued on the date the dividend is paid and determined using the closing market price of the shares on that date. The dividend accruals relate to Share Awards made in lieu of not receiving cash dividends during the vesting period.

MALUS AND CLAWBACK

Malus and clawback will operate, in respect of the 2011 Long Term Incentive Plan in circumstances where there is reasonable evidence of misbehaviour or material error, conduct considered gross misconduct, breach of any restrictive covenants by participants, conduct which resulted in (a) significant loss(es) to the Company, failure to meet appropriate standards of fitness and proprietary; a material failure of management in the Company, a discovery of a material misstatement in the audited consolidated accounts or the behaviour of a Director has a significant detrimental impact on the reputation of the Group. Clawback can be applied at any time during the clawback period which is six years from the date of the award unless extended by the Remuneration Committee prior to the expiry of the initial clawback period.

The Remuneration Committee has the discretion to reduce bonus payments if it believes that short-term performance has been achieved at the expense of the Group's long-term future or vice versa. The Remuneration Committee also retains the discretion to reduce or reclaim payments if the performance achievements are subsequently found to have been significantly mis-stated.