



12 March 2012

Press Release

ShareSoc Launches Attack on Unjustifiable LTIP Award at Intercede Group Plc

ShareSoc (the "UK Individual Shareholders Society"), has launched a Shareholder Action Group in relation to Intercede Group Plc. Intercede announced a Long Term Incentive Plan ("LTIP") in August 2011.

In the view of ShareSoc, and the shareholders whom we represent, this LTIP demonstrates many of the aspects that are abhorrent in the current system of remuneration in public companies. The problems are:

- The **award of nominal cost share options (effectively free shares)** which simply transfers a part of the value of the company to the beneficiaries of the LTIP and dilutes other shareholders. Such awards do of course breach the Association of British Insurers (ABI) guidelines as they are recognised as being prejudicial to shareholders interests.
- The **failure of the company to consult** widely with shareholders on this change in remuneration before it was implemented, and the apparent **reluctance to give them a vote on the matter** (the company has not responded to our requests that they do so).
- The **failure to initially disclose the performance conditions** attached to the LTIP, which when they were eventually disclosed show quite low hurdles, and in reality are not focussed on the key aspects of the company that require development – in essence they are illogical and poorly thought out. The LTIP simply looks like a disguised pay increase to us.
- The **reluctance of the company to engage with shareholders** on this issue in any substantive way, or to make changes in response to our complaints.

There are many aspects of this matter which are questionable in the extreme – for example, **the main beneficiaries of the award are the Executive Chairman, Richard Parris and his wife** (who is also a senior executive in the company).

In our view, the LTIP award demonstrates both the problems with having board directors set their own pay and the poor corporate governance of AIM companies. It is a very good example of what needs to be changed if the interests of shareholders and the wider community are not to be undermined by decisions made by board directors that appear to be mainly in their personal interests rather than the company's.

Shareholder Action Group Formed

ShareSoc intends to garner more support on this issue over the coming months with a view to a further challenge to the board at a forthcoming General Meeting. Any shareholders in Intercede who wish to join our group should contact us.

Although the directors and Mr Parris may see our campaign as a distraction, we suggest that they only have themselves to blame for not responding to shareholders' concerns that have been expressed over many months. We have given them some suggestions about how shareholders' concerns might be assuaged, but they have been ignored. Shareholders are not going to accept remuneration schemes in the current economic climate that pay out substantial sums to executive teams for no good reason.

More Explanation

A note that explains the issues in more detail, and provides more background, is present on our web site at this address:

www.sharesoc.org/ShareSoc_Press019_Intercede_Note.pdf

Our wider views on how remuneration in public companies should be reformed were given in our responses to the current BIS consultation – see

www.sharesoc.org/consultations.html (items dated 3/11/2011).

For further information, please contact:

Roger W. Lawson,
Chairman, ShareSoc
Telephone: 020-8467-2686
Email: sharesoc@btconnect.com

Or Stan Grierson, ShareSoc, on
Telephone 01628-522514

Note any members of the press who wish to receive a complimentary copy of our informative monthly newsletter should send a request to sharesoc@btconnect.com. Our newsletters cover not just the affairs of our organisation but contain general financial news and commentary. Examples of our past newsletters are available on our web site.

About the UK Individual Shareholders Society (ShareSoc)

ShareSoc represents and supports individual investors who invest in the UK stock markets (and who own over 10% of the shares in UK public companies in aggregate). We are a mutual association controlled by our members with "not-for-profit" articles and incorporated as a company limited by guarantee. The organisation is financed by member subscriptions, donations from supporters and by the services it provides to members. Associate Membership of ShareSoc is free and is open to everyone with an interest in stock market investment (go to www.sharesoc.org/membership.html to register). More information on ShareSoc can be obtained from our web site at www.sharesoc.org (our objects are fully defined on this page: www.sharesoc.org/objects.html).