

Global Remuneration Principles and how executive remuneration aligns to the pay policies for our wider workforce.

This is Our Purpose

We benefit society by helping people succeed and organisations to thrive – creating opportunities and improving lives.

These are our Values

Value	What it stands for
Do the right thing	<i>Underpinning everything we do is our belief that we must always do the right thing. Doing the right thing enhances and protects our reputation, building trust with all our candidates, clients and other stakeholders. This unites us and makes us stronger.</i>
Passionate about People	<i>We are in business because we believe in people. We know the right person in the right role can change lives and transform organisations for the better – making that connection means everything to us. With diligence, empathy and pride, we help organisations secure the talent they need to succeed and help individuals make the most of every stage of their career.</i>
Expert	<i>People come to us because we're the experts with over 50 years of experience in recruitment and talent management. We combine this insight with deep specialist knowledge that enables us to place talent across a wide spectrum of industries and sectors all over the world. This professional know-how is indispensable – you simply cannot find, engage and place the right people in the right roles without it.</i>
Insightful	<i>Beyond understanding people's skills and experience, there's a real art to matching them with the right opportunity. This involves taking an inquisitive approach to understand their aspirations and motivations, building the insight required to ensure the ideal fit for any role. And when it comes to understanding the talent of organisations, that also takes vision, curiosity and instinct to help our clients achieve their full potential.</i>
Innovative	<i>We are always seeking new and better ways to make the perfect match between client and candidate. This means being bold, agile and open to ideas – whether it be embracing new technologies, developing our people, or innovating the way we work. Our goal is simple: to stay one step ahead in creating the recruiting experience of tomorrow.</i>
Ambitious	<i>The best way we can demonstrate commitment to our clients and candidates is through our ambition for them. Their success is our success, so we don't hold back. We make brave moves, aim high, and work hard every day to deliver the positive impact that achieving success brings to people's lives.</i>

How do these fit with our approach to Remuneration?

Our remuneration principles need to complement our Purpose and our Values. In addition, they must also be appropriate for our strategy. The table below shows how they interlink.

Our Purpose	<i>What does Hays stand for and champion that will ensure we are a sustainable company that will benefit both investors and the communities in which we work, now and in the future.</i>
Our Culture and Values	<i>The beliefs, attitudes, values and behaviours that we want to foster in our company and which form the framework for how we interact with each other, the policies we put in place, how we do business and how we conduct ourselves.</i>
Our Strategy	<i>Our long- term business goals on which we want to focus in order to ensure the company grows, delivers appropriate financial returns, is sustainable and fulfils our Purpose.</i>
Our Principles of Remuneration that form our reward policies	<i>How we determine pay and how we reward the people who work for us. Our overarching remuneration principles are global and form the basis on which to develop local policies which take into account local market conditions and local regulations and legislation.</i>
Our Executive Directors	<i>How the remuneration for our CEO and CFO relates to our global remuneration principles and reflects the local policies that apply to our employees in the country in which they are based, the UK.</i>

What does this mean?

The very nature of our business is based on one of the most fundamental and core needs in society- the importance of work. Work gives people the means to earn a financial income, allows them to be self-sufficient, gain self-respect and dignity, support those they care about and, in turn, to make their own contribution to society. Having a global footprint and a profound understanding of many industries and markets also means that we help thousands of candidates and businesses to prepare for the future world of work and sustain future generations as economies develop. In this way, we contribute to the wider growth and success of the economies and communities in which we operate.

The world of work is constantly changing and is being influenced by a number of trends – in particular technology and innovation, changing demographics, diversity, skills shortages, and migration. Hays believes in taking positive action to address these issues in a practical way. We aim to help influence the future shape of work and prepare for the challenges ahead. In this way, we can play an important role in society both now and in the future and ensure that we have a sustainable business model that can survive changing economies, demographics and business cycles.

In addition, Hays believes that we should constantly demonstrate our values within our own Company and amongst our own employees. It is imperative to our success that Hays is a company that people want to work for as well as do business with.

Our Culture and Values

We aim to foster a culture which is open and inclusive, where people are comfortable being themselves, can safely express their opinions and can be heard. As an international business, we embrace cultural diversity and understanding and encourage our employees to be “global citizens”. To this end, we encourage mobility and the opportunity to experience living and working in new locations. We believe that a diverse workforce together with an inclusive culture are essential to business success. We are committed to ensuring that everyone has the same opportunities and support to progress their career and have a meritocratic culture in which everyone has the chance to fulfil their career ambitions. We cultivate a professional approach to any business issue and

encourage collaboration, sharing of ideas and cross-functional and cross-cultural teams to inform the best debate and reach the best solutions. We are a company that “does the right thing” and this permeates through everything we do: from the way we work with and treat our employees, candidates, clients, suppliers and investors, as well as in our broader responsibilities such as our transparent tax approach and settling accounts to suppliers on a timely basis.

Our Remuneration Principles

Our remuneration principles are set in the context of our Purpose, Culture, Values and Strategy. These broad principles apply globally to all Hays employees but will be applied on a local basis in line with local legislation and market practice.

- 1) Hays aims to attract, retain and motivate employees by offering a remuneration and benefits package that is competitive in relation to its peer group businesses in the recruitment sector and in relation to companies of comparable size, scope and the markets in which we operate.
- 2) The determination of salary should take into account levels of salary for similar positions with comparable status, responsibility and skills. It should recognise any specific individual experience or qualities that the incumbent brings to the position.
- 3) Hays will comply with any local remuneration legislation and ensure that employees are paid accordingly.
- 4) Variable pay will be balanced against short term and long term performance depending on role. It should be linked to stretching but realistic and ultimately achievable objectives. These objectives may be financial, strategic or personal (personal goals in relation to the role or personal development) in nature. In order to achieve objectives and be rewarded for personal contribution or share in the company’s success, objectives set should be those over which the individual has some degree of influence or control or towards which they can make a valid contribution.
- 5) Hays will offer employees a benefits package that is in line with market practice in the countries in which it operates. Hays believes in the following five pillars of employee wellbeing.

Health	Money	Work / Life Balance	Working Environment	Learning & Development
Benefits which offer support on physical and mental health issues.	Benefits that provide the opportunity for short, medium and long-term monetary needs, as well as protection products.	Benefits that allow employees to achieve a positive work-life balance and include those that help contribute to the communities in which they work and causes important to them.	The opportunity to work in a pleasant working environment – this includes appropriate health & safety policies but also incorporates policies that support diversity & inclusion and endorse our culture and values.	The opportunity to learn & develop and reach full potential. This includes formal training, personal development, and access to apply for international experience.

- 6) Some benefits may be paid for by the Company (but could be taxable for the employee) and some may be offered on a voluntary basis where Hays uses its purchasing power to obtain benefits at a lower cost to the employee than they could otherwise obtain in the market.

Our Executive Directors : how their remuneration fits into the wider workforce pay policies

Hays has two executive directors (“EDs”):

- Our Chief Executive Officer (“CEO”)
- Our Chief Financial Officer (“CFO”)

As Hays is a listed company on the London stock exchange, the remuneration for our EDs is governed by legislation. The Company’s Board (comprising our Chairman as well as other independent non-executive directors) has appointed a Remuneration Committee (“RemCo”) that is responsible for setting the pay and benefits for the executive directors. Every three years, by law, the RemCo has to discuss its proposed Remuneration Policy (the “Policy”) for its EDs with its shareholders and these shareholders have a binding vote on the final proposals at the Annual General Meeting (“AGM”). Once a Policy is in place, EDs cannot receive any remuneration that is not covered by the Policy. The Policy is valid for three years, after which it has to receive a new vote from shareholders.

When determining the Policy for EDs, the Hays RemCo takes into account legislation on executive director pay as well as a number of guidance documents that are issued by large shareholders and investors, the UK government and “proxy voting” agencies who state their views on what appropriate remuneration should look like. These guidance documents and legislation aim to ensure that:

- Executive remuneration is appropriate and not excessive in relation to the job they do;
- That remuneration is linked to performance and ensuring the long-term sustainability of the company;
- That remuneration aligns to the Company’s culture, values and strategy; and
- It aligns more broadly to the policies and principles in place for the wider workforce.

The legislation is very specific with respect to appropriate levels of pay, how incentives should be structured, what level of benefits are acceptable and what good practice looks like. Hays’ RemCo takes into account this guidance and adheres to any legislation when setting the pay (including salary, bonus and long-term incentive plans and benefits) for EDs.

Examples of this good practice include:

- Pay increases for the EDs should be no more than the budget for other relevant employees in the jurisdiction in which they work and must be justified if they fall outside this level;
- EDs should participate in the same benefits as other employees;
- Their bonus and incentive plans should have stretch targets that are linked to our strategy, the quantum should be appropriate and there should be no reward for “failure”. When looking at targets and outcomes the RemCo also considers environmental, social and governance (“ESG”) issues.
- They should be obliged to hold a certain number of Hays shares in order that they have a personal commitment and a focus on the long-term strategy and sustainability of the company. For our EDs this means they have to hold Hays shares with a value of 200% of their base salaries. In fact, our own EDs both own much higher than this level.

In line with our values, the RemCo looks to “do the right thing” when assessing ED remuneration. In addition to being constrained by the Remuneration Policy that is approved by shareholders, each year our EDs’ remuneration is set out in detail in the Annual Report & Accounts in the Directors’ Remuneration Report (“DRR”). Their salary, value of their benefits, the value of their bonus and long-term incentive plan are all detailed, including their personal objectives and what they achieved. Their shareholdings are also set out in detail. The shareholders also vote on the DRR each year. If there is a vote of more than 20% against the DRR, then the RemCo and Board has to engage with shareholders and talk about their concerns.

The roles of the EDs – our CEO and CFO – carry an enormous responsibility. Shareholders that have invested in Hays expect Hays to deliver appropriate financial returns and deliver that return on their investment by way of dividends as well as capital appreciation. In addition, they are responsible for all our employees – their livelihood, their safety, their jobs, diversity and inclusion, their wellbeing. They are also responsible for ensuring our candidates, clients and suppliers are all treated in the appropriate way and in line with legislation across 33 countries. They set the criteria for our company purpose, culture and values and the way we work. The legislation that governs a large company like Hays is vast – data protection, immigration, health & safety, compliance, competition law etc. In many cases, as EDs, they are held personally responsible under the law and, if things go wrong, it is their reputation and livelihood, as well as the Hays' reputation and brand, that is at stake. In some cases, they could also potentially be personally fined or imprisoned. The RemCo takes into account this responsibility and accountability, their experience and the size, complexity and global nature of Hays in relation to its peer group and other companies of comparable size and scope when setting their remuneration. This is a similar philosophy to how employees' remuneration is set.

The governance and legislation surrounding the remuneration for EDs is designed to ensure that their pay is appropriate for their role and performance, with a significant proportion paid based on individual or company performance and paid in shares which further links their reward to rewards delivered to shareholders.

Full details of the executive Remuneration Policy can be found in the 2017 Annual Report and is valid until the end of FY20 and our EDs' annual remuneration can be found each year in the DRR within the Annual Report & Accounts on [haysplc.com](https://www.haysplc.com) website.