

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL

The Remuneration Policy Introduction

The Committee has conducted a review of the Policy for senior executives with a view to ensuring it continues to support our strategy, the continuing cyclical nature of our business, as well as evolving market and best practice.

The current Policy comprises a FTSE conventional bonus plus performance-based long-term incentive. The Committee is not proposing any substantial changes to this approach in 2023. Our current Policy, approved in 2020 with a strong favourable vote of 91.47%, has aligned the Executive Directors' ('ED's) pension with that of the wider workforce (their pension contribution is currently 4% of base salary) and includes post-employment shareholding requirements, as well as malus and clawback provisions.

Although Hays faces many structural growth opportunities, our markets are highly cyclical. Hays has built a diversified portfolio designed to try and best mitigate this by:

- Balancing the business between permanent and temporary/contractor candidate placements;
- Having a wide range of business specialisms covering 21 professional and technical sectors; and
- Having a global geographic footprint in 33 countries.

Nevertheless, the Group is subject to the volatility and vagaries of the economic markets which can create sudden changes within the recruitment market and industry. In this environment, where it is extremely difficult to give an accurate, robust, long-term prediction of the economy, the Committee believes it is important that the executives' reward is consistent with the need to be agile in managing the business.

Under the current incentive structure, outcomes are based on the key measures of success. There is a short-term focus on profit via the annual bonus and a long-term focus on cash generation through the Performance Share Plan ('PSP'). With reference to our business and investment strategy, cash generation will take on an even greater importance to fund our expansion to ensure the business outperforms the market, and so that the business maintains an attractive and appropriate returns policy.

Subject to shareholder approval, the Directors' Remuneration Policy (the Policy) as set out below will become formally effective at the Annual General Meeting on 15 November 2023. While the Policy is expected to apply for the period of three years from the date of approval, the Committee will continue to monitor our approach to pay following the 2023 AGM. The Committee would consult with shareholders about any future changes to the Policy that might be required and seek shareholder approval for a new Policy as necessary.

There are no major changes proposed to the Policy approved at the 2020 AGM. However, as part of the renewal process the opportunity has been taken to simplify, clarify and refine detailed terms to reflect market and best practice. The Committee held workshops during 2022 and 2023 to review the evolving business environment, the Group's strategic priorities as outlined to shareholders on the Investor Day in April 2022, market practice and investor guidance. Although the management team were asked to provide views on proposals, safeguards were put in place to ensure conflicts of

interests were suitably mitigated. External perspective was provided by our independent advisers. Further detail on how the Committee assessed the Policy against the principles of clarity, simplicity, risk management, predictability, proportionality and alignment to culture is set out on [page 126](#).

Engagement with shareholders and shareholder feedback

The Committee takes the views of shareholders seriously and these views are taken into account in shaping and reviewing remuneration policy and practice. Shareholder views are considered when evaluating and setting remuneration strategy and the Committee commits to consulting with key shareholders prior to any significant changes to its Remuneration Policy.

We value open and transparent dialogue with our shareholders and, during the consultation process, we have engaged with major investors and the main shareholder advisory bodies regarding both the operation of the 2020 Policy and the renewal in 2023. We were very pleased that many shareholders and advisory bodies responded to us and we very much appreciate the interaction we had, either through direct dialogue or email conversations. During the engagement most respondents were comfortable with maintaining the current structure.

Policy summary

The Committee determines the Policy for the Chairman, Executive Directors and other senior executives for current and future years and this is reviewed on an annual basis. The Policy is designed to support the strategic objectives of the Company and to allow the business to attract, retain and motivate the quality of individuals needed to shape and execute the strategy and deliver shareholder value.

The Policy is designed around the following key principles:

- Ensure a strong link between reward and individual and Company performance to align the interests of senior executives with those of shareholders;
- Provide a balanced package with a focus on variable pay;
- Take into account the associated risks of each aspect of remuneration;
- Encourage a material, personal stake in the business and a long-term focus on sustained growth through long-term shareholding;
- Maintain a competitive package against businesses of a comparable size in the FTSE and comparable peer group businesses in the recruitment sector with reference to the breadth of the role and experience the role holder brings to the Company;
- Encourage the right culture, behaviours and values and "doing the right thing"; and
- Operate a consistent performance, reward and recognition philosophy throughout the business.

The Committee considers that a successful Policy needs to be sufficiently flexible to take account of future changes in the Company's business environment and in remuneration practice.

Remuneration structure (policy table)

Elements of Executive Director remuneration package

Element	Base salary
Objective and Link to the Strategy	<p>Base salary recognises individual contribution, changes in responsibilities and competitive market rates.</p> <p>Provides a base level of remuneration to support recruitment and retention of Directors with the necessary experience and expertise to deliver the Group's strategy.</p> <p>Key element of core fixed remuneration.</p>
Operation	<p>Base salary is normally set annually on 1 July.</p> <p>When determining the base salary of the Executive Directors the Committee takes into consideration:</p> <ul style="list-style-type: none"> – The levels of base salary for similar positions with comparable status, responsibility and skills in organisations of broadly similar size and complexity; – The comparator groups currently include the FTSE 250, sector peers and UK companies of a similar size and complexity. The Committee keeps the comparator groups under review and may add or remove companies from the group as it considers appropriate. – The performance of the individual Executive Director; – The individual Executive Director's experience and responsibilities; and – Pay and conditions throughout the Company. The Committee has access to pay and conditions of other employees within the Group when determining remuneration for the Executive Directors and also considers the relationship between general changes to pay and conditions within the Group as a whole.
Maximum Potential Value	<p>Whilst there is no prescribed maximum level of salary, increases will normally be set with reference to the market and the average base pay increase for other employees in the UK.</p> <p>Higher levels of increases may be made where there is a significant change to the individual's responsibilities or where there is significant difference to the market, for example in the case of individuals who are recruited, or promoted to the Board who may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases subsequent increases in salary may be higher than the average until the target positioning is achieved.</p> <p>Details of current salary levels are set out in the Annual Remuneration Report.</p>
Performance Conditions and Assessment	N/A

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Elements of Executive Director remuneration package continued

Element	Annual Bonus
Objective and Link to the Strategy	<p>To align reward to key annual objectives relating to the Group's financial performance and operational strength.</p> <p>The three-year deferral into shares aligns the interests of Executive Directors with those of shareholders and also assists with their retention.</p>
Operation	<p>Normally, 50% of bonus earned will be paid in cash and 50% deferred into shares for three years under the Deferred Annual Bonus plan (the 'DAB').</p> <p>Malus and Clawback provisions may be applied in case of:</p> <ul style="list-style-type: none"> – Material misstatement resulting in an adjustment to the audited accounts; – Incorrect assessment of any performance conditions or award calculations due to an error or misleading information; – Fraud; – Gross misconduct; – Severe reputational damage; and – Corporate failure. <p>Malus provisions allow the Committee to reduce or eliminate share awards granted under the DAB.</p> <p>Discretion may also be exercised in cases where the Committee believes that the bonus outcome is not a fair and accurate reflection of business or individual performance, or is inconsistent with the original intentions of the plan.</p> <p>The Committee has discretion to reduce the number of shares vesting if the underlying financial performance of the Company is not satisfactory over the three-year deferral period.</p> <p>Dividends or equivalents may be provided on deferred shares.</p>
Maximum Potential Value	<p>Maximum of 150% of base salary.</p> <p>There is scaled pay-out for performance between threshold and maximum which may vary depending on the nature of the target set. Normally the pay-out for on-target performance would be 50% of maximum.</p> <p>Zero payment for below threshold performance.</p>
Performance Conditions and Assessment	<p>Performance is assessed over the year based on a combination of financial (usually profit and cash) and personal/strategic objectives.</p> <p>The Company operates in a rapidly changing sector and therefore the Committee may change the balance of the measures, or use different measures for subsequent financial years, as appropriate. The majority of the award will normally be assessed against financial measures.</p> <p>Performance targets for the Annual Bonus are not pre-disclosed on an annual basis as they are considered to be commercially sensitive. However, we expect to disclose actual targets, performance achieved and awards made at the end of the performance periods so shareholders can fully assess the basis for any pay-outs under the Annual Bonus.</p> <p>The Company will disclose the nature of the targets and their weightings at the end of each year in the relevant Annual Report on Remuneration. The performance conditions, targets, weightings and their level of satisfaction for the year being reported on, are contained in the Annual Report on Remuneration on pages 129 and 130.</p> <p>The Committee retains discretion to change the performance measures and targets and their respective weightings part way through a performance year if there is a significant and material event which causes the Committee to believe the original measures, weightings and targets are no longer appropriate.</p>

Element	Performance Share Plan ('PSP') award
Objective and Link to the Strategy	To incentivise the delivery of sustained long-term performance and align with share price and dividend growth over the long term.
Operation	<p>In accordance with plan rules, PSP awards are granted annually and vesting is dependent on the achievement of performance conditions.</p> <p>Awards are subject to a two-year Holding Period.</p> <p>Malus provisions may be applied during the Performance Period and Clawback provisions may be applied during the Holding Period in case of:</p> <ul style="list-style-type: none"> – Material misstatement resulting in an adjustment to the audited accounts; – Incorrect assessment of any performance conditions or award calculations due to an error or misleading information; – Fraud; – Gross misconduct; – Severe reputational damage; and – Corporate failure. <p>Reviewed annually to ensure that grant levels, performance criteria and other features remain appropriate to the Company's current circumstances, and to ensure that there are no features of the plan that could inadvertently motivate irresponsible behaviour.</p> <p>Dividends or equivalents may be provided on released shares.</p> <p>Discretion may be exercised in cases where the Committee believes that the vesting outcome is not a fair and accurate reflection of business or individual performance, or is inconsistent with the original intentions of the plan.</p>
Maximum Potential Value	<p>Maximum awards will be 200% of base salary for Executive Directors.</p> <p>Maximum and threshold vesting levels for performance conditions are 100% and 25% respectively.</p>
Performance Conditions and Assessment	<p>Performance period of three financial years.</p> <p>For the 2023 (FY24) award, the performance conditions are based on:</p> <ul style="list-style-type: none"> – cumulative Earnings Per Share – 30%; – Cash Conversion – 50%; and – Total Shareholder Return relative to a comparator group – 20%. <p>The Company operates in a rapidly changing sector and therefore the Committee may change the balance of the measures, or use different measures for subsequent awards, as appropriate.</p> <p>The Committee will seek to suitably engage with shareholders regarding any material changes to the performance conditions.</p> <p>Details of the performance conditions for grants made in the year will normally be set out in the Annual Report on Remuneration.</p>

Element	Pension allowance
Objective and Link to the Strategy	To provide a competitive retirement benefit.
Operation	Company pension contribution or salary supplement in lieu of pension contributions.
Maximum Potential Value	<p>Pension is currently set at the level of the majority of the UK workforce.</p> <p>As outlined in the recruitment section, new Directors will also receive the same percentage of salary as the majority of relevant employees at that time or reflect employee practices in the jurisdiction in which an Executive Director is based.</p> <p>The pension contribution for UK based Executive Directors is currently 4% of salary but may change in the future.</p>
Performance Conditions and Assessment	N/A

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Elements of Executive Director remuneration package continued

Element	Other benefits
Objective and Link to the Strategy	To provide competitive employment benefits.
Operation	<p>Benefits will generally include:</p> <ul style="list-style-type: none"> – Car benefit or equivalent; – Private medical insurance; and – Life Assurance. <p>The level and types of benefits provided is reviewed every year to ensure it remains market competitive.</p> <p>Other role-appropriate benefits may be provided if considered reasonable and appropriate (e.g. in relation to relocation).</p>
Maximum Potential Value	The cost of benefits may vary from year to year. There is no maximum benefit value but the Committee aims to ensure that the total value of benefits remains appropriate.
Performance Conditions and Assessment	N/A

Element	Shareholding policy
Objective and Link to the Strategy	To ensure that Executive Directors' interests are aligned with those of shareholders over a longer time horizon.
Operation	<p>The Committee expects the Executive Directors to build and maintain a material shareholding in the Company of at least two-times base salary over the course of their tenure.</p> <p>Only shares which are beneficially owned by the executives or subject to a Holding Period count towards this requirement.</p> <p>The Committee has discretion to increase the shareholding requirement.</p>
Maximum Potential Value	N/A
Performance Conditions and Assessment	N/A

Element	Post-employment Shareholding Guideline
Objective and Link to the Strategy	To ensure Executive Directors' actions and interests continue to be aligned with shareholders over a long time horizon, and after they step down from the Board.
Operation	<p>Shares to the equivalent of 200% of base salary for the first year and 100% of base salary for the second year or actual relevant holding if lower.</p> <p>This guidance applies to shares granted to the Executive Directors under the PSP and DAB in relation to the 2020 Policy and beyond.</p>
Maximum Potential Value	N/A
Performance Conditions and Assessment	N/A

Element	All-employee Schemes
Objective and Link to the Strategy	To encourage wide employee share ownership and thereby align employees' interests with shareholders.
Operation	The Company operates Sharesave Schemes in which the Executive Directors are eligible to participate (which in the UK is HMRC approved and is open to all eligible staff in the UK). The Company retains the discretion to introduce additional all-employee plans, and to make Directors eligible for these as appropriate.
Maximum Potential Value	UK scheme in line with HMRC limits as amended from time to time. Overseas schemes broadly in line with UK values, or subject to limits based on local legislation.
Performance Conditions and Assessment	There are no performance conditions, in line with HMRC requirements, other than the inherent share price growth required to receive a benefit.

Element	Non-Executive Director fees
Objective and Link to the Strategy	Competitive fees for Chairman and Non-Executive Directors with the necessary skills and experience to advise and assist with establishing and monitoring the Group's strategic objectives.
Operation	The remuneration of the Non-Executive Directors is determined annually. The responsibility of the role and international nature of the Group are fully considered when setting the fee levels, along with external benchmarking market data on the chairing of, and participation in, Board committees. The comparator groups used are normally consistent with those used for the Executive Directors. The Non-Executive Directors' fees are non-pensionable and Non-Executive Directors are not eligible to participate in any incentive plans.
Maximum Potential Value	The fees will be within the Articles of Association limits. Additional fees are paid for additional responsibilities or time commitment such as chairing a committee and the Senior Independent Director role. Role appropriate benefits may be provided in certain circumstances. The Chair and non-executive directors will be reimbursed by the Company for all reasonable expenses incurred in performing their duties. This may include costs associated with travel where required and any tax liabilities payable.
Performance Conditions and Assessment	N/A

Notes to the policy table:

The Committee believes that incentive metrics should be simple and aligned with the delivery of the annual business plan and with long-term sustainable growth. In prior years, the three main measures used have been EPS, Cash Conversion and Relative TSR, with a clear focus on annual profit growth in the Annual Bonus Plan and main emphasis on long-term cash generation in the PSP.

- (1) EPS is a key performance measure aligned with shareholder interests.
- (2) Cash focus promotes sustained free cash flow and is a key indicator of ongoing operational cash efficiency.
- (3) The Annual Bonus includes an element of Personal Objectives linked to the delivery of key projects designed to enhance the Group's operational strength and competitiveness in line with future strategy. Appropriate ESG targets may be included.
- (4) Relative TSR is a measure favoured by a number of shareholders and provides for reward for outperformance of a number of sector comparators. The peer group has been chosen to reflect most closely the mix of the Company's business.

The Committee may adjust or amend any share based awards only in accordance with the relevant plan rules. In particular, awards under any of the Company's share plans referred to in this report may:

- (a) Be granted as conditional share awards or nil-cost options or in such other form that the Committee determines has the same economic effect;
- (b) Have any performance condition applicable to them amended by the Committee if the Committee determines that it has ceased to be a fair measure of performance provided that the amended condition is not, in the Committee's reasonable opinion, materially less difficult to satisfy;
- (c) Incorporate the right to receive an amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under an award that vests until the award is satisfied. This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis;
- (d) Be settled in cash at the Committee's discretion; and
- (e) Be adjusted in the event of any variation of the Company's share capital or any demerger, capital distribution or other event that may materially impact the Company's share price.
- (f) **Malus and Clawback** : Severe reputational damage is where a participant is found to have contributed to circumstances which give rise to a sufficiently negative impact on the reputation of the Company (or would have if such circumstances had been made public), and for the avoidance of doubt, circumstances need not relate to a financial year in which the relevant individual was a participant in the Plan.

Corporate failure is defined as when the Company enters an involuntary administration or insolvency process or the Grantor or an administrator (as applicable) determines that there has been a 'corporate failure' in respect of the Company (which for these purposes shall include a significant reduction or cessation of the Company's ability to continue normal operations).

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Service contracts

The Committee's policy for setting notice periods is that a maximum 12-month period will apply for Executive Directors. The Committee may, in exceptional circumstances arising on recruitment, allow a longer period, which would in any event reduce to 12 months following the first year of employment.

In the event of early termination of a Director's service contract, the Company would be required to pay compensation reflecting the salary, pension allowance and benefits to which the Director would have become entitled under the contract during the notice period. Alternatively, the Company may, at its discretion, pay a predetermined sum in lieu of notice. In the event of early termination, the Committee will give careful consideration to what compensation should be paid, taking into account the circumstances and the responsibility of the individual to mitigate loss.

The contract of Alistair Cox was agreed prior to 27 June 2012 and includes, in his sum in lieu of notice, an amount equal to his on-target bonus pro-rated for time. All future contracts will contain a 'PILON' clause based purely on salary, pension allowance and benefits with payments staged over the notice period and an obligation to mitigate loss.

	Current contract start date	Unexpired term	Notice period from Company	Notice period from executive
Alistair Cox	September 2007	Indefinite	One year	One year
Paul Venables	May 2006	Retired 30 September 2022	One year	Six months
James Hilton	October 2022	Indefinite	One year	One year

The Non-Executive Directors do not have service contracts with the Company, but are appointed to the Board under letters of appointment for an initial three-year period. They have agreed to annual retirement and reappointment by shareholders at the Company's Annual General Meeting and, with the exception of the Chairman, appointments can be terminated immediately by the Company. Contracts are available for inspection at the Registered Office.

Non-Executive Director	Date appointed to the Board	Date of current letter of appointment	Notice period
Andrew Martin	12 July 2017	28 August 2018	Three months
Peter Williams	24 February 2015	24 February 2015	None
Susan Murray	12 July 2017	12 July 2017	None
MT Rainey	14 December 2015	14 December 2015	None
Cheryl Millington	17 June 2019	17 June 2019	None
Zarin Patel	1 January 2023	29 September 2022	None

Payments to departing directors

The Committee will honour Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There are no contractual arrangements that would guarantee a pension with limited or no abatement on severance or early retirement. There is no agreement between the Company and its Directors providing for compensation for loss of office or employment that occurs because of a takeover bid. The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment or for any fees or outplacement assistance and/or the Director's legal and/or professional advice fees in connection with his cessation of office or employment.

When determining any payment for a departing individual the Committee will always seek to minimise cost to the Company while seeking to address the circumstances at the time.

The table below shows the approach the Committee will apply in respect of base salary, benefits and pension in respect of departing directors.

Component	Approach	Application of Remuneration Committee Discretion
Base salary, benefits and pension	In the event of termination by the Company, there will be no compensation for departure due to misconduct. In other circumstances, Executive Directors may be entitled to receive payment in lieu of notice. Payment in lieu of notice will be equivalent to the salary payments, benefit value and pension contributions that they would have received if still employed by the Company for a maximum of 12 months.	N/A
Other contractual obligations	There are no other contractual provisions other than those set out above agreed prior to 27 June 2012.	N/A

The rules of the Performance Share Plan ('PSP') and the Deferred Annual Bonus ('DAB') set out the treatment of specific categories of leavers as set out in the table below. In other cases where an executive leaves employment during the DAB period or during the PSP Performance Period, the Committee will consider the specific details of each case before determining whether to award Good Leaver status or allow awards to lapse. The Committee will provide a full explanation to shareholders when it is determined that an Executive Director is a Good Leaver. The Committee is unequivocally against rewards for failure.

Category	Cash Annual Bonus	DAB (Deferred Bonus Shares)	PSP
Good Leaver/Injury/Ill-health/Disability	Bonus paid at normal time, subject to performance with pro-rating for time. The Committee will determine whether share deferral applies in the year of departure.	Awards vest in full at normal vesting date.	To the extent that performance conditions are met, awards are pro-rated for service during the Performance Period and normally released at the end of the Holding Period.
Death, or sale of employing entity out of the Group	Bonus paid immediately based on estimated performance with pro-rating for time.	Awards vest in full on cessation of employment.	To the extent that performance conditions are met, awards are pro-rated for service during the performance period but released early.
Change of control	Bonus payment subject to pro-rating for time and performance.	Immediate vesting of awards in full in accordance with plan rules.	In accordance with the plan rules, where no replacement award, there will be early vesting of awards pro-rated for service during the performance period and performance.

Notes:

- (1) It should be noted that shares vesting under the DAB rules are shares related to previously earned bonus and therefore the performance conditions for the relevant Annual Bonus had to be met before the shares were awarded.
- (2) Under the DAB rules the Committee has the discretion to allow the award to vest early in 'exceptional circumstances' following cessation of employment as a Good Leaver. It is anticipated that this would only apply in the case of death in service.
- (3) The Committee has discretion under the rules of the PSP to bring forward the date of vesting for a Good Leaver to the date of the cessation of employment subject to the award being pro-rated for time during the Performance Period and to the extent that performance is met. It is not the current intention of the Committee to use this discretion.
- (4) Any shares in the two-year PSP Holding Period remain in place and would be released at the normal time (other than in the case of Gross Misconduct) and would be subject to any Clawback provisions prior to release. Clawback provisions would continue to apply after release until the end of the normal Holding Period time frame.
- (5) In the event that the Committee determines Good Leaver status to be applicable, it may impose certain conditions for an executive receiving shares under DAB or PSP on cessation of employment.
- (6) Executives would be treated in accordance with the scheme rules in respect of the HMRC approved Hays Sharesave.

The Chairman and Non-Executive Directors do not have service contracts but instead have letters of appointment. On termination, they are only entitled to accrued fees to the date of termination.

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Setting payments for new appointments

The Company's principle is that the remuneration of any new recruit will be assessed in line with the same principles for the Executive Directors, as set out in the Remuneration Policy table above. The Committee's approach to recruitment remuneration is to pay no more than is necessary to attract candidates of the appropriate calibre and experience needed for the role from the international market in which the Company competes.

The table below summarises the Company's key policies with respect to recruitment remuneration for Executive Directors:

Component	Policy
Base salary and benefits	<p>The salary level will be set taking into account a number of factors including market practice, the individual's experience and responsibilities and other pay structures within the Company and will be consistent with the salary policy for Executive Directors.</p> <p>The Executive Director shall be eligible to receive benefits in line with the Company's benefits policy as set out in the Remuneration Policy table.</p>
Pension	<p>A pension allowance equivalent to that of the majority of UK employees at the time (or employees in another relevant jurisdiction based on the nature of the role). Currently this is 4% of base salary in the UK. The Company may choose to give part or all as a cash allowance rather than pay into a Group pension fund. Normal payroll deductions (for example income tax and National Insurance/social security) will be deducted from the gross cash allowance.</p>
Annual Bonus (and Deferred Bonus)	<p>An executive director will be eligible to participate in the Annual Bonus arrangements as set out in the Remuneration Policy table.</p> <p>For the first year only, the Committee retains the discretion to set performance conditions in the context of the business priorities on joining and the time frame available to year-end.</p> <p>Awards may be granted up to the maximum opportunity allowable in the Remuneration Policy table at the Committee's discretion.</p>
Performance Share Plan (PSP)	<p>An Executive Director will be eligible to participate in the PSP as set out in the Remuneration Policy table. Awards may be granted up to the maximum opportunity allowable under plan rules at the Committee's discretion.</p>
Share buy-outs/ replacement awards	<p>The Committee's policy is not to provide buy-outs as a matter of course.</p> <p>However, should the Committee determine that the individual circumstances of recruitment justified the provision of a buy-out, the value of any remuneration terms that will be forfeited on joining the Company will be calculated taking into account the following:</p> <ul style="list-style-type: none"> – The timeline of any award; – The performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied; and – Any other terms and conditions having a material effect on their value (lapsed value). <p>The Committee may then grant up to the equivalent value as the lapsed value, where possible, under the Company's incentive plans. To the extent that it was not possible or practical to provide the buy-out within the terms of the Company's existing incentive plans, a bespoke arrangement would be used.</p>
Relocation policies	<p>In instances where the new Executive Director is expected to relocate, the Company may provide one-off/ongoing payment(s) as part of the relocation benefits compensation.</p> <p>The level of relocation package will be assessed on a case by case basis but will take into consideration any differences in the cost of living/housing/schooling.</p>

Where an existing employee is promoted to the Board, the policy set out above would apply from the date of promotion but there would be no retrospective application of the policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing employee would be honoured and form part of the ongoing remuneration of the person concerned. These would be disclosed to shareholders in the Annual Report on Remuneration for the relevant financial year.

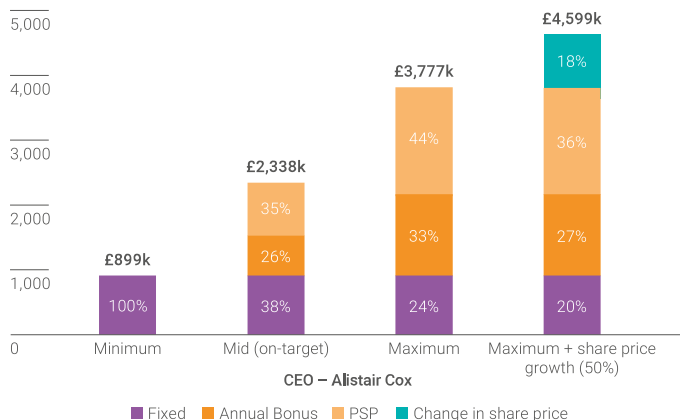
The annual fees payable to newly appointed Non-Executive Directors will be in line with the fees payable to existing Non-Executive Directors.

Remuneration scenario graph for executive directors

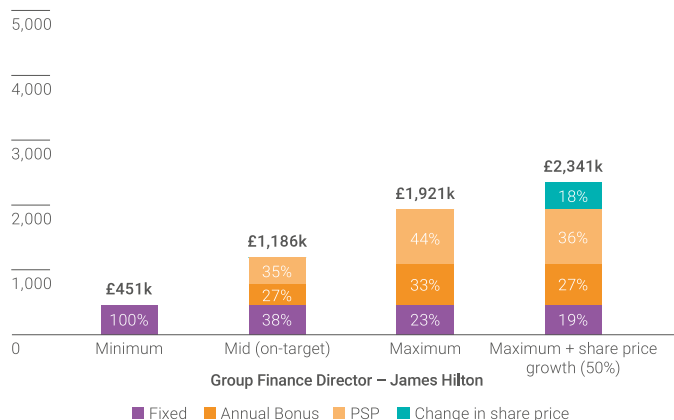
The graphs below illustrate the remuneration that would be paid to each of the Executive Directors, based on salaries at the start of financial year 2024 under four different performance scenarios: (i) Minimum; (ii) Mid (on-target); (iii) Maximum; and (iv) Maximum + share price growth. The elements of remuneration have been categorised into three components: (i) Fixed; (ii) Annual Bonus; and (iii) PSP.

Value of package

£'000s



£'000s



Each element of remuneration is defined in the table below:

Description
Total amount of salary and pension in respect of the FY24 financial year and annualised benefits as disclosed under the FY23 Single Figure.
Bonus of up to 150% of salary.
PSP of up to 200% of salary.
As PSP awards are granted as shares, the value of the award can vary significantly, depending on the extent to which the performance criteria are achieved and the movement of the share price over the relevant Performance Period and Holding Period. The above chart shows the effect on the maximum value if the share price increased by 50%. This would make a difference of £822k for Alistair Cox and £420k for James Hilton. Conversely, if the share price dropped by 50%, their maximum remuneration would reduce by these amounts.

Assumptions used in determining the level of pay-out under given scenarios are as follows:

- Minimum performance scenario assumes fixed pay only and no variable payments under the Annual Bonus and PSP;
- Mid (on-target) performance scenario assumes payment of Annual Bonus and PSP at 50% of the maximum;
- Maximum performance scenario assumes outstanding level of performance, resulting in 200% base salary pay-out in respect of the PSP and 150% base salary pay-out in respect of the Annual Bonus.

Statement of conditions elsewhere in the Group

Each year, prior to reviewing the remuneration of the Executive Directors and the members of the Executive Board, the Committee considers a report prepared by the Group Head of Reward detailing remuneration practice across the Group. The report provides a regional overview of how employee pay compares to the market, any material changes during the year and includes detailed analysis of basic pay and variable pay changes within the UK where all of the Executive Directors and most of the Executive Board are based. While the Company does not directly consult with employees as part of the process of reviewing executive pay and formulating the remuneration policy set out in this report, the Company does receive an update and feedback from the broader employee population on an annual basis using an engagement survey which includes a number of questions relating to remuneration.

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Our Policy aligns with Provision 40 of the UK Corporate Governance Code 2018

Clarity	Simplicity	Alignment to culture
<p>In formulating the Policy, we actively engaged with all our shareholders who held 1% of our shares or above. This represented approximately 70% of total shareholdings. In addition, we sought views and shared proposals with the major voting agencies.</p> <p>Our Global Principles of Remuneration that explain how executive remuneration aligns to that of the wider workforce is available on our intranet for all employees.</p>	<p>We aim to clearly and transparently disclose our remuneration structure within the Remuneration Policy and Remuneration Report and clearly explain how it aligns to our strategic goals.</p> <p>Our incentive plans are based on our key performance metrics which in turn fully align to our strategy.</p>	<p>Our Global Principles of Remuneration demonstrate how our remuneration links to our Purpose and Values and are available to all employees.</p> <p>We operate a high-performance model, with a high proportion of remuneration based on variable pay.</p> <p>The key metrics used within the Annual Bonus and Performance Share Plan align to our strategy.</p>
Predictability	Proportionality	Risk
<p>The scenario graphs demonstrate the range of potential outcomes under the Policy.</p> <p>They show how differing performance impacts the level of reward, including the effect of a change in the Company's share price.</p>	<p>As stated above, a high proportion of remuneration is based on variable incentives. Our PSP has a five-year life-span with a two-year Holding Period following a three-year Performance Period.</p> <p>Our Executive Directors are required to hold shares equivalent to 200% of salary while in office and have a post-employment shareholding requirement in order that they continue to align with shareholders.</p>	<p>The Committee retains discretion to adjust the outcome of the formulaic results if they feel these do not adequately reflect the underlying performance of the Company.</p> <p>Malus and Clawback apply to both the Annual Bonus and PSP.</p>

Discretion

The Committee has discretion in several areas of policy as set out in this Report. The Committee may also exercise operational and administrative discretions under relevant plan rules. In addition, the Committee has the discretion to amend the Policy with regard to minor or administrative matters (for example, regulatory, exchange control, tax or to reflect changes in legislation) where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

Prior commitments

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including the exercise of any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy where the terms of the payment were (i) agreed before 12 November 2014 (when the Company's first shareholder-approved Directors' Remuneration Policy came into effect); (ii) before the Policy came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; and (iii) at a time when the individual to whom the payment is made was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes, 'payments' include the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are agreed at the time the award is granted.

Differences in policy from the wider employee population

The Group aims to provide a remuneration package for all employees that is market competitive and consistent. Employees receive base salary and benefits and may receive bonus, pension and share awards with levels varying depending on the individual's location, seniority and responsibilities. Salary increases for Executive Directors are generally in line with those for UK-based employees.