GOVERNANCE

How the Hays Board sets strategic direction and provides oversight and control.

CHAIRMAN'S STATEMENT

> **Stakeholder interests remain at the centre of the Board's deliberations.**
>
> **Andrew Martin**
> Chairman, Hays plc

Dear Shareholder

I am pleased to present to you the Company's Corporate Governance Report for the financial year ended 30 June 2020, prepared for the first time under the July 2018 version of the UK Corporate Governance Code (the Code). I am proud to say we were fully compliant with the Code during the year and to the date of this Report.

What a challenging year it has been. I don't recall a time in my executive working life nor in my time since then as a non-executive director which compares to the tumultuous year we have just experienced and, to a large extent, we still are experiencing. The impact of the Covid-19 pandemic has been felt right across Hays, as it has across the world, which has necessitated a new approach to the way we all work. I would like to thank everyone within Hays for the remarkable adaptability and resilience they have shown in continuing to perform to the best of their abilities in such challenging circumstances. It really is massively appreciated. I would also echo Alistair's sentiment and pay testament to those involved in ensuring the IT infrastructure was in place to facilitate home working across the Group, in such a short timescale.

In what feels like an age ago, in October last year the Hays plc Board visited our office in New York and spent some time with both the Hays Americas management team and also colleagues from the New York office. We heard first-hand about the significant positive developments that have taken place across those regions in recent years and, perhaps more importantly, the exciting plans for the future in a region which represents around 35% of the global recruitment market.

Our travel plans as a Board are on hold for the time being, but our learning and understanding from our global business leaders continues unabated through virtual channels. Such an approach does mean we miss out on that personal interaction we so value when the Board undertakes site visits for its meetings, but that will return as soon as the time is right.

The macroeconomic backdrop deteriorated over the first half, and this impacted Hays' trading in many of our main markets. But as we started the second half of the year and the extent and severity of the Covid-19 pandemic became even clearer, we were faced with some very difficult decisions. Countries across the world progressively implemented far-reaching "lockdowns", and our activity levels were significantly impacted, with no certainty of when, or how quickly, they would recover. The safety and wellbeing of our staff, clients and candidates was our main priority. Most of our offices were closed, but with remarkable commitment across the organisation, all of our people have worked from home since then. Then we had to ensure we were in a strong position financially, both for the short term and to take advantage of the longer-term opportunities. Against this backdrop, you will likely be aware of the equity financing exercise undertaken in April 2020. In this respect, I would like to express sincere thanks on behalf of the Board to all of those shareholders who supported us at that time. I was able to engage directly with some of you, though sadly not all, and the support shown at what were uncertain times for all organisations, coupled with the belief shown in the future of Hays, were greatly appreciated.

We are also grateful to the UK Government and other governments around the world for their support in these difficult and unprecedented times, through various schemes such as tax deferral and furlough. Following that support and that shown by our shareholders, and with significant continued uncertainty, the Board has taken the difficult decision to exercise caution and not to propose a final dividend for the year ended 30 June 2020; I hope you understand this decision.

During the last few months the Board has had to be very flexible, with meetings scheduled at short notice and held online, but with the considerable commitment and adaptability that I always see throughout Hays, and my thanks go to my fellow Board members.

The Covid-19 pandemic has also had many downsides less evident to the outside world and it is with regret that as a business some difficult decisions had to be taken, with some colleagues losing their jobs. Stakeholder interests are at the centre of the Board's deliberations, and interests sometimes have to be weighed against each other; as leaders, we always endeavour to do the right thing by all parties to steer a path to success for the Company, particularly in times of difficulty. You can be assured your Board has a strong foundation of governance at its core and as Chairman I feel fortunate in having the colleagues I do around the Board table as we face these challenges.

On that note, our Board evaluation was run internally this year, following last year's external evaluation, and further detail on that can be found in my Nomination Committee Report.

I am pleased that Hays exceeds the Hampton-Alexander Review target of 33% representation of women on FTSE 350 Boards by 2020, Hays currently standing at 37%. However, encouraging further diversity is something I continue to be very focused on both at, and below, Board level. While Hays has for a long time had regional diversity policies, I am pleased to report that there is now in place an overarching Group Equality, Diversity & Inclusion Policy, to provide greater coordination and impetus as we look to improve in this area. Again, more about that in the Nomination Committee Report.

I would like to extend my thanks to all of our shareholders for your continued support as we continue to chart our course through these most unusual of times.

And finally, to say once again, thank you to all of the Hays team, right across the world, for their incredible hard work, commitment and positivity, during a particularly challenging period.

Andrew Martin
Chairman

Our governance framework

Responsibility for good governance rests with the Board; this is underpinned by an effective governance framework which, the Board believes, fits the requirements of Hays' business.

The Board retains certain matters for its own preserve; other specific responsibilities are delegated to its principal Committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. Each of these Committees operates within defined terms of reference, which are available on the Company's website. The Board has also delegated to a sub-committee certain matters which are routine in nature, or which have been agreed in principle by the Board; these require a meeting of three directors, with an appropriate mix of executives and non-executives. Such matters are reported to the full Board.

The Chair of each Committee reports to the Board on its proceedings, and minutes of the meetings are available as appropriate.

Statement of Code Compliance

Hays plc is subject to the UK Corporate Governance Code (the Code) issued by the Financial Reporting Council (available at frc.org.uk), published in July 2018. As a listed company, Hays is required to report on how it has applied the principles of the Code and this is set out in the following pages. The Board is pleased to report that Hays has complied with all of the provisions of the Code throughout the year ended 30 June 2020 and to the date of this document.

Board of Directors

Responsible for the overall management of the organisation of our business
- Sets standards, policies and strategic aims
- Ensures we have the resources in place to meet our objectives
- Monitors and reviews material strategic issues, financial performance and risk management

More details **page 62**

Audit Committee
- Reviews and monitors financial statements
- Oversees external audit
- Reviews internal audit plans

More details **page 72**

Remuneration Committee
- Sets, reviews and recommends overall remuneration policy and strategy
- Reviews and approves remuneration arrangements for executive directors and senior management

More details **page 76**

Nomination Committee
- Makes recommendations to the Board on its composition and that of its Committees

More details **page 69**

Chief Executive

Management Board

- Day-to-day management of our business and operations, responsibility for monitoring detailed performance of all aspects of our business

More details **page 65**

Group Risk Committee

- Provides strategic leadership, direction and oversight of risk

More details **page 63**

BOARD OF DIRECTORS:
A BALANCED AND EFFECTIVE TEAM, FIT FOR PURPOSE

● Executive Director ● Non-Executive Director

Andrew Martin (60) ●
Non-Executive Chairman

Appointed:
12 July 2017

Committees:
Nomination (Chair)

Skills and experience:
Andrew trained as a Chartered Accountant at Peat Marwick before moving to Arthur Andersen where he became a partner. He was, until 2015, Group Chief Operating Officer, Europe and Japan, for Compass Group plc, having previously been their Group Finance Director from 2004 to 2012. Before joining Compass Group, Andrew was Group Finance Director at First Choice Holidays plc and prior to that held a number of Senior Finance roles at Granada Group plc.

Principal external appointments:
Andrew has been a Non-Executive Director of easyJet plc since 2011, chairing their Finance Committee, a Non-Executive Director at Intertek Group plc since 2016, chairing their Audit Committee since 2017, and in July 2018 Andrew was appointed as a Non-Executive Director of the John Lewis Partnership Board and Chair of their Audit and Risk Committee.

Alistair Cox (59) ●
Chief Executive

Appointed:
1 September 2007

Skills and experience:
A Chartered Engineer with an MBA from Stanford University, Alistair's early career was in various field engineering, management and research science roles with British Aerospace and then Schlumberger. Following his MBA, Alistair worked for McKinsey & Company before joining Blue Circle Industries, where he was the Group Strategy Director and then the Regional Director for Asia. Prior to joining Hays, Alistair was Chief Executive of Xansa plc. Alistair has previously served as a non-executive director of 3i Group plc and Just Eat plc.

Paul Venables (58) ●
Group Finance Director

Appointed:
2 May 2006

Skills and experience:
A Chartered Accountant and also USA qualified, Paul started his career at Deloitte & Touche where he was a Senior Manager in its USA practice. This was followed by a 13-year career at Exel plc where he held a number of senior finance and operational roles including Deputy Group Finance Director and was a member of the Executive Board of Exel plc and Chairman of their Acquisitions and Project Review Board. Following the acquisition of Exel plc by Deutsche Post, Paul worked in its DHL Logistics division before joining Hays. Paul has previously held the position of senior independent non-executive director of Wincanton plc.

Torsten Kreindl (57) ●
Independent Non-Executive Director

Appointed:
1 June 2013

Committees:
Audit, Nomination and Remuneration

Skills and experience:
A graduate from Johannes Kepler University in Linz, Austria with a PhD in industrial engineering and technical chemistry. Torsten has held senior executive positions for Booz Allen Hamilton and Deutsche Telekom AG.

Principal external appointments:
Torsten is Managing Partner of Deutsche Invest Venture Capital based in Munich. Torsten is also a Board member, and Chairs the Compensation Committee, of NASDAQ-listed SiTime, Inc.

Cheryl Millington (54) ●
Independent Non-Executive Director

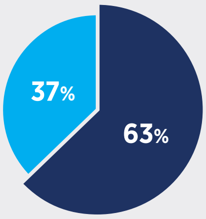
Appointed:
17 June 2019

Committees:
Audit, Nomination and Remuneration

Skills and experience:
Cheryl was Chief Digital Officer of Travis Perkins plc from 2016 to 2018, Executive Director, IT, for Waitrose from 2012 to 2016 and Chief Information and Data Officer for Asda Stores Ltd from 2009 to 2012. Prior to those positions Cheryl held senior management roles at HBOS plc, Innogy plc and National Power plc, and began her career as a management consultant with Price Waterhouse. From 2013 to 2016 Cheryl served as non-executive director of National Savings and Investments and was, until June 2020, a non-executive director of Intu Properties plc.

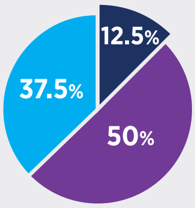
Principal external appointments:
Cheryl is a currently a Non-Executive Director of Equiniti Group plc and Atom Bank plc.

Board diversity



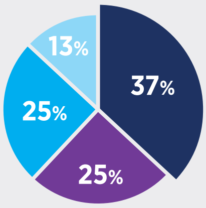
- Male
- Female

Board tenure



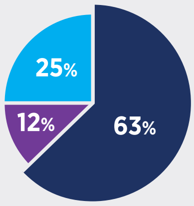
- 0-3 years
- 3-6 years
- 6+ years

Board experience



- Finance
- Engineering/technology
- Media/marketing
- Operations

Board composition



- Non-Executive
- Chairman
- Executive

Susan Murray (63) ●
Independent
Non-Executive Director

Appointed:
12 July 2017

Committees:
Audit, Nomination and Remuneration (Chair)

Skills and experience:
Susan's executive career was spent in consumer goods and retail, with organisations such as Colgate Palmolive, Kraft, Duracell and Diageo and, most recently, as CEO of Littlewoods Stores. Susan has served as a non-executive director of Compass Group plc, Imperial Tobacco Group (now Imperial Brands plc) and Enterprise Inns (now EI Group plc).

Principal external appointments:
Susan is a Non-Executive Director of Grafton Group plc, where she also chairs their Remuneration Committee and Senior Independent Director of Mitchells & Butlers plc.

MT Rainey (65) ●
Independent
Non-Executive Director

Appointed:
14 December 2015

Committees:
Audit, Nomination and Remuneration. Designated NED for workforce engagement

Skills and experience:
An experienced media and advertising professional, MT Rainey has worked extensively in the UK and US. MT founded the advertising agency Rainey Kelly Campbell Roalfe, which she grew to a top 20 agency before it was sold to Y&R, a subsidiary of WPP plc, and where MT was CEO then Chair until 2005. In addition she was Chair of the leading digital strategy agency Th_nk Ltd from 2008-2015. Previous non-executive directorships held by MT include WH Smith plc, STV Group plc and Pinewood Group plc.

Principal external appointments:
MT is a Non-Executive Director of Clear Channel Outdoor Holdings Inc., the NYSE-listed outdoor advertising company, and a Non-Executive Director of Charlotte Street Partners, the UK-based strategic communications agency.

Peter Williams (67) ●
Senior Independent
Director

Appointed:
24 February 2015

Committees:
Audit (Chair), Nomination and Remuneration

Skills and experience:
Peter has a Law degree from Cambridge University and is a Chartered Accountant. He was, until 2011, Group Finance Director of Daily Mail & General Trust plc, a role he performed for 19 years, making him one of the longest serving CFOs in the FTSE. From 2011 to 2018 Peter was a non-executive director of Perform Group, a leading digital sports media company.

Principal external appointments:
Peter is a Trustee of the Royal Academy and a member of the Industrial Advisory Board of GVQ Asset Management, a UK equity management company.

Doug Evans (57)
Company Secretary
& General Counsel

Appointed:
4 February 2013

Skills and experience:
A law graduate from Rhodes University who began his career with Webber Wentzel in South Africa, specialising in corporate and commercial law before moving in-house. Doug has previously held the posts of Company Secretary & Corporate Legal Director at Exel plc and Group General Counsel at Royal Mail Limited. Prior to joining Hays, Doug was an Executive Director, Company Secretary & General Counsel at Mitchells & Butlers plc.

BOARD LEADERSHIP AND PURPOSE

The Hays plc Board is collectively responsible to the Company's shareholders for the long-term success of the Company.

The Hays Board

Composition of the Board

The Board is currently made up of two executive directors and six non-executive directors, including the Chairman. Their biographies, including prior experience, are set out on pages 60 and 61. There have been no changes to the Board during the year.

Re-election of directors at the 2020 AGM

In accordance with the Company's Articles of Association and the principles of the Code, all Directors of the Company will offer themselves for re-election at the 2020 AGM. Having received advice from the Nomination Committee, the Board is satisfied that each Director standing for re-election is qualified for re-election by virtue of their skills, experience and commitment to the Board.

The role of the Hays plc Board

The Hays plc Board is collectively responsible to the Company's shareholders for the long-term success of the Company. It sets the Group's strategic objectives and determines the risk appetite and control framework within which those objectives are achieved. The Board provides effective oversight of the Company and its businesses within a robust governance structure that helps achieve the long-term success of the Company and deliver sustainable shareholder value.

The Board also provides leadership of the Group and direction for management, ensuring that the necessary resources are in place for the Company to meet its objectives and it keeps under review management's performance in regard to achieving those objectives.

Our aim is to be the world's pre-eminent specialist recruitment business. In pursuit of this aim, our employees across the globe work towards achieving our Strategic Priorities, set out on page 28. The Board closely monitors management and its delivery of a sustainable and profitable business, ensuring it continues to operate within the appropriate risk-reward culture. The Board has established a core set of values, which it promotes throughout the Group.

Our purpose, values and culture

Our purpose is to benefit society by helping people succeed and enabling organisations to thrive – creating opportunities and improving lives. Our values aim to reflect this promise, and underpin our skills, behaviours and way of doing business. Hays is a people business and people are at the core of what we do. Our values serve to engender an entrepreneurial culture within Hays, which is critical to our continued success without promoting excessive risk-taking. Under our values, we are:

- Passionate about people:
- Ambitious;
- Expert, at what we do;
- Insightful, about the world of work; and
- Innovative.

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. To support this culture we maintain an open style of communication, which is designed to both identify issues early, and also to recognise potential opportunities, so that in both cases appropriate action can be taken in terms of reducing any negative impact on the business whilst ensuring opportunities are exploited.

These characteristics and values are core to our Group culture and are supported via the following mediums and underpinned by the Hays Group Policies and Procedures:

- Corporate communications;
- Global intranet; and
- Hiring, induction, training and promotion criteria.

We have focused on our culture in recent years, revisiting what it means to us, to our Values, and to various interested stakeholder groups. During the year, we have undertaken a deep-dive review of culture, and a list of agreed actions are in place to ensure it is what we want it to be, that all of our policies properly align with it and that it continues to be something of which we can be proud. We will report more around this in future reports.

Matters reserved for the Board

A schedule of formal matters reserved for the Board's decision and approval is available on our website, haysplc.com. These largely relate to matters of governance and business where independence from executive management is important, and include the following:

- Approving financial results and other financial, corporate and governance matters;
- Approving Group strategy;
- Approving appointments to the Board;
- Approving and recommending dividends as appropriate and deciding dividend policy;
- Reviewing material litigation;
- Approving major capital projects, acquisitions and disposals;
- Approving material contracts;
- Reviewing annually the effectiveness of internal control and the nature and extent of significant risks identified by management and associated mitigation strategies; and
- Approving the annual budget.

No changes to the schedule of matters were made during the year. Board decisions are usually by consensus at Board meetings. On occasion, decisions may be taken by a majority of Board members. In the case of an equality of votes, Hays' Articles of Association provide the Chairman with a second or casting vote.

Board commitment

The Board has established a policy permitting its executive directors to hold only one external non-executive directorship, subject to any possible conflict of interest.

This ensures that executive directors retain sufficient time for and focus on the Company's business, whilst allowing them to gain external Board exposure as part of their leadership development. Executive directors are permitted to retain any fees paid for such services. Details of the fees payable (including Committee attendance fees) during the year are shown below:

Director	Fee	External appointment
Alistair Cox	£45,260	Just Eat plc*

* Alistair stepped down from the board of Just Eat in March 2020.

While the Company does not have a similar policy for non-executive directors, their key external commitments are reviewed each year to ensure that they too have sufficient time commitment for the fulfilment of their Board responsibilities. Any changes to the directors' key external commitments during the year are also reviewed by the Board.

Key external commitments of the Board are included within their biographies on pages 60 and 61.

Conflicts of interest

Procedures are in place for the disclosure by directors of any interest that conflicts, or possibly may conflict, with the Company's interests and for the appropriate authorisation to be sought if a conflict arises, in accordance with the Company's Articles of Association.

In deciding whether to authorise a conflict or potential conflict of interest only those directors that have no interest in the matter under consideration will be able to take the relevant decision; in taking such a decision the directors must act in a way they consider, in good faith, will be most likely to promote the success of the Company and may impose such limits or conditions as they think fit.

The Board has reviewed the procedures in place and considers that they continue to operate effectively. There were no actual or potential conflicts of interest which were required to be authorised by the Board during the year under review or to the date of this report.

Risk management and internal control

The Board has overall responsibility for the Group's internal control systems and for reviewing their effectiveness. This has been designed to assist the Board in making better, more risk-informed, strategic decisions with a view to creating and protecting shareholder value. In practice, the Board delegates the task of implementing its policy on risk and control to management. Further support and assistance is provided by an independent Internal Audit function, details of which are provided in the Audit Committee Report. The Management Board oversees an enterprise risk management system which allows for a holistic, top-down and bottom-up view of key risks facing the business.

These are recorded in a Group risk register, which is reviewed at least annually by the Management Board and submitted to the Board thereafter to enable it to carry out its risk oversight responsibility. This exercise involves a current and forward look at various risks affecting the business and prioritising them according to risk impact and likelihood. The risks are also mapped through our risk appetite process to identify the tolerance levels and target position per risk.

Risks covered include strategic, operational and compliance risks, together with reputational, financial and people-related risks. Each risk is assigned an owner with current and future risk mitigation procedures detailed, with the continuing monitoring of these undertaken on an ongoing basis. The principal risks currently facing the business are detailed in the Strategic Report.

Due to the new requirements of the 2018 Corporate Governance Code, the risk process this year included a formal exercise undertaken by the Board, using horizon scanning to identify and assess emerging risks, being plotted by impact and time horizon, which will be embedded into the risk programme going forward, to further ensure that emerging risks are being considered and monitored.

The Group Risk Committee assists the Management Board in providing strategic leadership, direction, reporting and oversight of the Group's risk framework. The Committee is chaired by the Chief Risk Officer and membership includes representation across the global network and comprises operational, IT and finance functions including the Group Finance Director and Company Secretary & General Counsel. Resulting activities and recommendations are reported to the Management Board, with the Hays plc Board also having oversight of the Committee and its activities.

The Board reviews Group strategy and approves a budget each year, to ensure that the performance of the business is in line with the plan and financial and operational reporting procedures are in place. Comprehensive annual budgets and quarterly forecasts are approved by the Management Board and business divisions. Monthly progress and variances are reported to the Management Board and subsequently to the Board at each meeting as part of the ongoing internal control process.

Complementing these financial controls is a set of Group-wide policies and procedures addressing non-quantifiable risks. These include security policies, the Group's Code of Conduct and Ethics, Anti-Bribery and Corruption Policy, and whistleblowing arrangements (see 'Raising concerns at work', below, for further details on the Company's whistleblowing arrangements). The Board regularly receives management and Committee reports which also form part of the internal control system.

The Group's internal control procedures are subject to regular review and provide an ongoing process for identifying, evaluating and managing significant risks. This is in accordance with the Guidance on Risk Management and Internal Control and Related Financial and Business Reporting (September 2014). The Board recognises that such a system has its limitations in that risk management requires independent judgment on the part of directors and executive management. Internal controls are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

In accordance with its regulatory obligations, the Board, with the assistance of the Audit Committee, carried out an annual assessment of the effectiveness of the Group's risk management and internal control system during the reporting period. During the course of its review, the Board did not identify or hear of any failings or weaknesses that it determined to be significant and it therefore concluded that they are operating effectively.

Raising concerns at work

The whistleblowing procedure in place across the Group ensures that employees are able to raise any concerns about any possible improprieties in business practices, or other matters, in confidence; this is managed and reported through an independent external third party. Reports made in good faith are done so without fear of recrimination, and calls cannot be traced and are not recorded. Reports can be made in over 100 languages.

The disclosures under this arrangement are investigated promptly by the Company Secretary, with the support of Internal Audit, and escalated to the Management Board and the Board as appropriate, with follow-up action being taken as soon as practicable thereafter.

The Board, as part of its overall review of the Group's system of internal control, reviewed the procedures in place during the reporting period and is satisfied that they are appropriate to the size and scale of the Group.

Our governance framework

Chairman and Chief Executive

The roles of the Chairman and Chief Executive are separate, with a clear division of responsibilities between them which is set out in writing; the responsibility for this separation of duties rests formally with the Board.

This separation of roles enhances the independent oversight of executive management by the Board and more closely aligns the Board with shareholders. It also means that no one individual within the Company has unfettered powers of decision-making.

Senior Independent Director

The Senior Independent Director provides shareholders with someone to whom they could turn if ever they had concerns which they could not address through the normal channels, for example, with the Chairman or executive directors. While there were no requests from directors or shareholders for access to the Senior Independent Director during the year, the role serves as an important check and balance in Hays' governance process. In the fulfilment of his role as Senior Independent Director, Peter Williams ensures he maintains a thorough understanding of the views of the Company's shareholders.

Independence of non-executive directors

The terms and conditions of appointment of non-executive directors, including the expected time commitment, are available for inspection at the Company's registered office, and a pro forma letter of appointment is also available on the Company's website.

During the year, the Board considered the independence of each of the non-executive directors, save for the Chairman who was deemed independent by the Board at the date of his appointment. In doing so, it concluded that each non-executive director remained independent of management and free from any relationship that could interfere with the exercise of their independent judgment. As required by the Code, a majority of the Board of Directors of Hays plc are independent, All of Hays' directors are expected to act in the best interests of the Company. Key roles and responsibilities of these positions, and that of the Company Secretary, are provided on the right hand page.

Role of the non-executive directors

- Provide strong, independent and external perspectives to Board discussions and robust and enhance constructive debate and optimal decision-making.
- Scrutinise the executive management in meeting agreed objectives and monitoring the reporting of performance.
- Ensure that financial controls and systems of risk management are both rigorous and appropriate for the needs of the business.

Board and Committee attendance

The Board met a total of 11 times during the year. Seven meetings were scheduled, and four additional ad hoc meetings took place to manage affairs relating to the Covid-19 pandemic. In addition, the Board attended a virtual (online) annual Strategy Review meeting with the Management Board being present. Five physical Board meetings were held in the UK, one in New York, USA, and the remaining five were held virtually, via online meeting software.

Board and Committee attendance for meetings during the year are shown below.

	Board	Audit Committee	Nomination Committee	Remuneration Committee
Alistair Cox	11 of 11	–	–	–
Paul Venables	11 of 11	–	–	–
Andrew Martin	11 of 11	4 of 4	1 of 1	4 of 4
Torsten Kreindl	11 of 11	4 of 4	1 of 1	4 of 4
Cheryl Millington(1)	10 of 11	4 of 4	1 of 1	4 of 4
Susan Murray(1)	10 of 11	4 of 4	1 of 1	4 of 4
MT Rainey(2)	10 of 11	3 of 4	1 of 1	4 of 4
Peter Williams	11 of 11	4 of 4	1 of 1	4 of 4

(1) Did not attend one Board meeting due to a prior commitment.
(2) Did not attend one Board meeting and one Audit Committee meeting due to being out of the country at a family funeral.

Our governance framework

Andrew Martin
Chairman
- Leadership and the effective operation of the Board
- Chairing the Board and Nomination Committee
- Setting the agenda, style and tone of Board discussions including promoting openness, debate and effective individual contribution
- Effective communications with shareholders
- Ensuring that all directors receive clear and accurate information on a timely basis
- Ensuring the effectiveness of the Board through induction, ongoing training and regular evaluations

Alistair Cox
Chief Executive
- Day-to-day management of the Group's business
- Formulating strategic business objectives for Board approval and implementing approved strategic objectives and policies
- Managing and optimising the operational and financial performance of the business in conjunction with the Group Finance Director
- Fostering a good working relationship with the Chairman
- Chairing the Management Board and developing senior talent within the business for succession planning

Peter Williams
Senior Independent Director
- Acting as a sounding board for the Chairman
- Serving as an alternative contact and intermediary for other directors and shareholders
- Leading the Chairman's annual performance appraisal and ultimate succession

Doug Evans
Company Secretary & General Counsel
- Acting as Secretary to the Board, its Committees and the Management Board
- Providing legal and governance support to the Board as a whole and directors individually
- Ensuring that the Group complies with all relevant legal, regulatory and governance requirements

Operational governance

Management Board
- Day-to-day management of our business and operations, responsibility for monitoring detailed performance of all aspects of our business.
- Meets monthly.
- Each member has a clearly defined remit, business objectives and financial budget within which they operate.

Operations Board
- Members of the Management Board and eight senior operators across the Group.
- Discuss strategic and operational issues.

Chief Executive (Chairman of Management Board)
Group Finance Director
Company Secretary & General Counsel
Chief Marketing Officer
Group Technology Director
Group Head of People & Culture

Managing Directors of Group's operating divisions: Australia & New Zealand, Germany, UK & Ireland and Rest of World

Operate their business through regional boards, which comprise key business and functional managers with specific responsibilities within those regions.

Each business is given operational autonomy, as far as possible, within a well-established internal control framework which consists of, among other things, a Group-wide set of policies and procedures, operational delegated authorities and policies on anti-bribery and corruption, competition compliance, conduct and ethics, equality, diversity & inclusion and whistleblowing.

KEY ACTIVITIES OF THE BOARD DURING THE YEAR

Key areas of activity	Matters considered	Stakeholder impact
1. Developing a successful strategy	– Attended a Group strategy session with members of the Management Board and other senior executives, to consider key strategic priorities and challenges faced across the business – Approved the Group strategy and reviewed associated performance – Visited operations in New York, receiving presentations from senior management on business performance, the state of the market, strategy, succession planning and opportunities – Reviewed strategy plans and received reports on the operational performance for the Group's regions – Received reports on technology and innovation and related industry developments	**Key focus areas** **Other considerations**
2. Ensuring appropriate financial management	– Received and considered regular reports on the Group's financial performance – Approved financial announcements for publication – Approved the annual budget – Approved dividend policy, payments and recommendations as appropriate, including consideration of a special dividend in respect of FY19 and cancellation of FY20 interim dividend – Reviewed the capital allocation strategy and equity raise in the face of the Covid-19 challenge – Reviewed and approved the Group's extension of its revolving credit facility – Met with the Company's financial adviser and corporate brokers – Reviewed the Germany Tax Restructuring plan	**Key focus areas** **Other considerations**
3. Implementing governance and ethics and monitoring risk	– Performed the annual review of the effectiveness of internal control, risk identification and mitigation – Reviewed regular reports on legal and compliance matters from the Company Secretary, including from the Company's whistleblowing arrangements – Received formal training updates on corporate reporting, legal and regulatory matters – Reviewed Board and Committee effectiveness – Reviewed the terms of reference of the Board Committees – Reviewed the Directors' Conflicts of Interest procedures – Reviewed the Company's compliance with the Code (2018) – Considered the Company's purpose, values and culture	**Key focus areas**
4. Stakeholder engagement	– Received feedback from designated workforce engagement NED on matters pertaining to workforce engagement – Considered and approved invitations under the Company's all-employee share plans – Received regular updates on views and feedback from investors – Considered the Company's investor relations strategy – Considered and reviewed the leadership and development strategy – Reviewed the Group's succession plans and assessed risks and options	**Key focus areas** **Other considerations**

Communities **Employees** **Shareholders** **Clients** **Environment** **Candidates**

BOARD AND STAKEHOLDER ENGAGEMENT

How the Board makes its decisions and considers stakeholder interests.

Board decision making

The Board meets regularly throughout the year and agrees a forward calendar of matters for discussion at each meeting. Standing items, including operational, functional and financial reviews and Committee updates are considered at each scheduled Board meeting, with unplanned items such as commercial or property-related decisions being considered as and when required. The Chairman, in conjunction with the Chief Executive and Company Secretary, plans the agenda for each Board meeting and ensures that supporting papers are clear, accurate, timely and of sufficient quality to enable the Board to discharge its duties.

All Board directors have access to the Company Secretary, who advises them on Board and governance matters. As well as the support of the Company Secretary, there is a procedure in place for any director to take independent professional advice at the Company's expense in the furtherance of their duties, where considered necessary.

You will find details of the stakeholders of the Company and how we continue to create value for them on page 14. The Board effectively uses its meetings as a mechanism for discharging its duties under Section 172 of the Companies Act 2006. A summary of the Board's key activities and the topics covered and debated during the year is set out on page 66.

You will find examples of how the Board considered our stakeholders when making key decisions during the year below. The Board recognises its fiduciary duty to promote the success of the Company for the benefit of our shareholders. In doing so, however, the Board considers the impact of its decisions on all its stakeholders. These stakeholder considerations are woven throughout all Board discussions and decisions ensuring those impacted are treated fairly.

Employees, clients and candidates

During the year, at its two-day meeting in the US, the Hays plc Board visited our New York office and had a first-hand experience about the work the local management teams do in developing and promoting local talent. The Board also used its time to have a 'deep-dive' into the Americas business which allowed them to understand the opportunities and think about the challenges we face as we seek to expand our operations in the region. In addition to meeting the local management teams and employees from the regions, the Board also heard how the regional teams were implementing the 'Our Hays Story', and the passion and innovation coming through in conversations and the presentations they received.

MT's overview of employee engagement

Hays has appointed MT Rainey as its designated workforce engagement director. During the year, MT worked further on the scope of the role, developing a programme of activity and worked on an audit of Group-wide employee engagement activities. However, the continuation of her workstream was held up during the Covid-19 pandemic and MT is hoping to progress this when conditions permit. Nevertheless, the Board receives regular updates from the Chief Executive on matters important to employees.

Shareholders

In July, Hays hosted a technology-focused Investor session in its Cheapside office, showcasing the business's approach to technology and some of the newer innovations in operation. This was attended by 50 investors and analysts, along with executive and non-executive members of the Hays plc Board.

Responsibility for shareholder relations rests with the Chairman, Chief Executive and Group Finance Director. They ensure there is effective communication with shareholders on matters such as governance, sustainability and strategy, and are responsible for ensuring that the Board understands the views of major shareholders on such matters.

The Company's investor relations programme is supported by a dedicated Investor Relations team, which acts as the primary point of contact with the investor community. It is responsible for managing ongoing relations with investors and shareholders.

The Board receives regular reports from the Investor Relations team. Feedback from meetings held between executive management, or the Investor Relations team, and institutional shareholders is also reported to the Board.

As a part of a comprehensive investor relations programme, formal meetings are scheduled with investors and analysts to discuss the Group's half- and full-year results.

In the intervening periods, Hays continues its dialogue with the investor community by meeting key investor representatives, holding investor roadshows and participating in conferences. Meetings with debt providers, principally the Company's banks, also take place on a regular basis. During the year, the executive directors and senior management met with approximately 106 institutions around the world, interacting with shareholders and potential shareholders.

Results presentations are posted on the Company's website at haysplc.com/investors and if you would like to know more about our relations with shareholders please contact ir@hays.com.

Annual General Meeting

Under normal circumstances, the Board uses the Company's AGM to communicate with investors and views it as a good opportunity to meet with its smaller, private shareholders. Due to the ongoing uncertainty around the Covid-19 pandemic, the details of the Company's 2020 AGM, which is to be held on 11 November 2020, are still being finalised, and details will be provided in the Notice of Meeting, which is sent to shareholders at least 20 working days before the meeting. Voting on all resolutions at the AGM is by means of a poll, which, reflecting the number of voting rights exercisable by each member, is considered by the Board to be a more democratic method of voting. As soon as practicable following the conclusion of the AGM, the proxy votes cast, including details of votes withheld, are announced to the London Stock Exchange via the Regulatory News Service and published on our website.

Board engagement on capital allocation: our non pre-emptive equity placing in April 2020 and decisions on FY20 dividends:

– **Background**

As the effects of the global pandemic hit in March and April 2020, we saw the sharpest fall in net fees in the Company's history. Furthermore, it was impossible to know when the decline in fees would stop, and the onset of lockdowns created a difficult environment to collect cash from our clients.

– **What information was provided to make this decision?**

We modelled many scenarios, including a stressed situation with fees down c.70% year-on-year in the initial lockdown phases. Having paid c.£120 million in core and special dividends in November 2019, under all modelled scenarios the Group would likely have moved into a net debt position.

The Company's strategy has been to consistently operate with a net cash balance sheet, which we believe gives valuable confidence both to our clients and investors. A strong balance sheet allows us to pursue organic growth opportunities with new and existing blue-chip clients, many of whom we believe will look to consolidate supply on financially robust partners.

– **What was the decision?**

The Board decided to cancel the 1.11p per share interim dividend which was due to be paid on 9 April 2020 to holders of ordinary shares on the register at the close of business on 5 March 2020. The interim dividend would have resulted in a payment of £16.3 million. The Board also decided that raising additional equity capital was prudent and in the best interests of all stakeholders, as it would insure against a wide range of economic outcomes. On 2 April 2020, we conducted a non pre-emptive equity placing, raising net proceeds of c.£196 million. Our Chairman, Chief Executive and Group Finance Director all participated, and our Chairman plus two further non-executive directors subsequently purchased stock in the market.

– **Other funding sources**

We had positive discussions with tax authorities globally in Q4, and benefited from significant short-term deferrals of tax payments. We were also admitted into the Bank of England's uncommitted Covid Corporate Financing Facility (CCFF). This provides access to a short-term form of debt financing up to £600 million, in addition to our £210 million revolving credit facility, which runs until 2024. While the CCFF scheme was very helpful in maintaining wider confidence in the UK economy and ensuring investment grade and equivalent companies retained access to liquidity, based on current market conditions and our strong financial position, it is highly unlikely we will utilise this facility.

– **What factors were considered by the Board in making the decision?**

To help manage the business, in March 2020 we formed an Executive subcommittee, which initially convened three times weekly to monitor global market activity levels and conditions. This ensured our global operations were highly coordinated during lockdowns, allowed us to share best practice and assisted with continuity planning.

We took appropriate action to manage our costs, while protecting our core business operations. Overall, our cost base was reduced by c.20%, or c.£15 million per period, between February and June 2020, as we actively reduced our variable and discretionary costs. In the year our cost base benefited by c.£8million from job support schemes globally. Many of our Temp workers also participated in furlough-type and short-time working arrangements across the world. Given the difficult environment, the Executive Directors agreed that no FY20 bonuses will be paid to them, or members of the Management Board. In addition, Senior Management within Hays, including all members of the Board, took a pay reduction for a period of time, in an effort to reduce cash outflow.

– **How did the Board consider various stakeholder groups during its deliberations?**

By significantly strengthening the Group's financial position, the Board protected the interests of a number of key stakeholder groups. These include but were not limited to: employees, shareholders, clients, candidates, tax authorities and our supply chain partners.

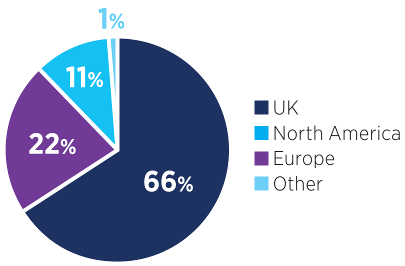
With hindsight, Group net fees fell by a similar level to their decline during the Global Financial Crisis (GFC), but in only six weeks versus eight months in the GFC. Trading also stabilised faster and at a higher level of fees than we expected at the time of our equity raise. Coupled with outstanding cash collection in Q4, and a c.£100 million unwind of our Temp debtor book, at 30 June 2020 we had the strongest balance sheet in our history. This has allowed us to protect our core operations and to initiate a strategic 'return to growth' programme.

Given macroeconomic uncertainty caused by the pandemic, and the fact we traded only at a broadly breakeven level of profitability in Q4, the Board is not proposing a final dividend for FY20. However, our business model remains highly cash-generative and we remain acutely aware of the importance of dividends to shareholders and will look to return to paying dividends as soon as is appropriate.

Investor meetings held in FY20

	United Kingdom	Continental Europe	North America	Other	**Total**
Executive Management	80	10	21	1	**112**
Investor Relations team	106	36	18	2	**162**
Other senior management	3	1	8	0	**12**

Geographical breakdown of investors met



NOMINATION COMMITTEE REPORT

> **We will always look to do better in how representative our Board and Management teams are; we are not as diverse as we should be.**
>
> **Andrew Martin**
> Chair of the Nomination Committee

Dear Shareholder

The focus of the Nomination Committee's activity this year has been around the critically important subject of succession, both at the Board and senior management levels.

As I mentioned in my opening letter, I am delighted to see the adoption of a Group-wide Equality, Diversity & Inclusion Policy at Hays, helping to pull together and further develop the existing initiatives that exist across the Group and this, along with factors such as 'cultural fit' are featuring heavily in the Committee's considerations. The Committee's terms of reference have been updated to better reflect these all-important issues to ensure its role in supporting the Board and the wider business is as effective as it can be.

We haven't needed to add to the Board's number during the year, having performed well for some time with a complement of eight (including the Chairman and five further non-executive directors) and none of our non-executive directors nearing the end of their term (not to exceed nine years, subject to exceptional circumstances justifying a limited extension). Over the coming months we will be looking again at the experience and skillset of the Board, comparing with our requirements going forward, and this will help to inform our views on the next stage of recruitment and succession at the Board level. The Committee continues to be very aware of the recommendations of the Hampton-Alexander Review on gender and the Parker Review on ethnic diversity, and this will also continue to help inform our approach to Board succession. Any future appointments would of course be announced through the usual channels.

During the year, the Committee has also continued its ongoing process of focus on long-term succession planning at senior executive level, and to the wider agenda of managing and developing talent right across Hays. Our people continue to be central to the ongoing health of our business, and knowing what talent we have, motivating and developing that talent, is central to our future. We believe we have the very best people in the industry, and they are our future.

Our annual board performance evaluation, this year conducted internally, took place during the lockdown brought about by the Covid-19 pandemic. I was encouraged by the results, which indicated a continuing strong performance. There were a number of areas where the Board considered that we could make further improvements, and we now have an action list of those improvements, agreed by the Board, to address over the coming year.

Andrew Martin
Chair of the Nomination Committee
26 August 2020

Role of the Nomination Committee

The role of the Committee is summarised below and detailed in full in its terms of reference, a copy of which is available on the Company's website (haysplc.com) under Governance.

The main responsibilities of the Committee are to:

- Review the structure, size and composition (including skills, knowledge, experience, diversity and balance of executive and non-executive directors) of the Board and its Committees and make recommendations to the Board with regard to any changes;
- Consider succession planning for directors and other senior executives;
- Identify and nominate for the approval of the Board, candidates to fill Board vacancies; and
- Keep under review the time commitment expected from the Chairman and the non-executive directors.

Membership and meetings

The Committee is appointed by the Board. It is chaired by the Chairman of the Board and comprises the non-executive directors, all of whom are independent, save for the Chairman who was independent on appointment. The names and qualifications of the Committee's current members are set out in the directors' biographies on pages 60 and 61.

The Committee meets as required and did so on one occasion during the year and attendance by members can be seen on page 64. Other regular attendees at Committee meetings include the Company Secretary and, on invitation, the Chief Executive and Group Finance Director.

Main Committee activities during the financial year

- Considered Board and senior management succession plans
- Reviewed the composition of the Board and its Committees
- Reviewed the Committee's terms of reference

Non-executive director appointment process

The Company adopts a formal, rigorous and transparent procedure for the appointment of new directors and senior executives with due regard to diversity. Prior to making an appointment, the Committee will evaluate the balance of skills, knowledge, experience and diversity on the Board and, in light of this evaluation, will prepare a description of the role and capabilities required, with a view to appointing the best-placed individual for the role. In identifying suitable candidates, the Committee uses open advertising or the services of external advisers to facilitate the search and considers candidates against objective criteria and ensuring that appointees have sufficient time to devote to the position, in light of other significant commitments, and no conflicts of interest.

A long-list of potential candidates would be drawn up, from which an appropriate number would be shortlisted for interview based upon their fulfilment of the appointment criteria. The Committee would then recommend to the Board the appointment of the preferred candidate (or candidates, if there is more than one considered suitable) for subsequent appointment.

No appointments occurred in the year under review.

In the year ahead, the Committee will continue to assess the Board's composition and how it may be enhanced and will consider diversity (including, but not limited to, gender, race and experience) and geographic representation and continue to use independent consultants as appropriate to ensure a broad search for suitable candidates. The Board will keep under review its current complement of eight members.

Board composition is routinely reviewed to ensure that the balance of skills, knowledge and experience of the Hays Board remains appropriate to its business.

The Board has not set any specific aspirations in respect of gender diversity at Board level and supports fully the Code principles in respect of diversity. However, the Board is of the view that diversity is not about quotas, and recognises the benefits of diversity, of which gender is one aspect, and it will continue to ensure that this is taken into account when considering any particular appointment, whilst ensuring appointments are made to enhance the performance of the business.

We believe that a culture built on trust, respect, equality and inclusivity will enable us to live our Values, achieve our ambitions and deliver our Purpose. We believe that diversity must be evident at all levels of our business and reflect the markets and communities we serve and this is central to the Nomination Committee's sucession planning considerations.

Succession planning

A key task of the Committee is to keep under review the Company's succession plans for members of the Board and Management Board over the short, medium and longer term, to ensure the Board in particular remains appropriately balanced between new and innovative thinking and longer-term stability.

Board appointment criteria are considered automatically as part of the Committee's approach on succession planning. The Committee believes that limited tenure and the subsequent enforced retirement of directors is not always appropriate for sound business leadership. Accordingly, matters of director tenure are viewed on a case-by-case basis.

The Nomination Committee and the Board believe that refreshment of the Board should take into account the need to consider diversity in all forms. The Committee will monitor the balance of skills, knowledge, experience and diversity of the Hays plc Board, and lead succession planning for appointments to the Board and the Management Board; it will promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, as part of succession planning, recruitment and promotion.

Tenure of non-executive directors

Appointments to the Board are made for initial terms not exceeding three years and are ordinarily limited to three such terms in office. Each director stands for re-election annually.

Director performance

Having reviewed the independence and contribution of directors, the Committee confirms that the performance of each of the directors standing for re-election at the 2020 AGM continues to be effective and demonstrates commitment to their roles, including independence of judgment, commitment of time for Board and Committee meetings and any other duties.

Accordingly, the Committee has recommended to the Board that all current directors of the Company be proposed for re-election at the forthcoming AGM.

Board induction and development

On appointment, each director takes part in a tailored and comprehensive induction programme which is designed to give him or her a deep understanding of the Group's business, governance and stakeholders.

Elements of the programme include:

- Senior management briefings to provide a business overview, current trading conditions and strategic commercial issues;
- Meetings with the Group's key advisers and major shareholders, where necessary;
- Business site visits across regions;
- A legal and regulatory briefing on the duties of directors of listed companies;
- Details of the Group corporate structure, Board and Committee structures and arrangements, and key policies and procedures; and
- The latest statutory financial reports and management accounts.

The Chairman, in conjunction with the Company Secretary, ensures that directors are provided with updates on changes in the legal and regulatory environment in which the Group operates. These are incorporated into the annual agenda of the Board's activities along with wider business and industry updates; the Chairman also keeps under review the individual training needs of Board members. The Group's principal external advisers provide updates to the Board, at least annually, on the latest developments in their respective fields, and relevant update sessions are included in the Board's strategy meetings. The Company Secretary presents corporate governance reports to the Board as appropriate, together with any relevant technical directives issued by the Group's auditors. In this way, each director keeps their skills and knowledge current so they remain competent in fulfilling their role both on the Board and on any Committee of which they are a member.

Board evaluation

During the 2020 financial year in accordance with Code Provision 21, the effectiveness of the Board was assessed through a Board evaluation process, conducted internally.

The evaluation was facilitated by the Chairman. Directors completed an evaluation questionnaire. Individual meetings were then held between the Chairman and the directors.

The questionnaire covered a broad base of subject matter in order to assess effectiveness, such as the conduct of Board meetings and their administration; risk; strategy; culture; stakeholder interests and corporate purpose; Board composition and member performance; and the broader challenges faced by the Board and how those are managed. Committee effectiveness was also assessed separately.

Results were presented to the Board and minor areas for improved operation identified and agreed; these included succession planning, greater focus on diversity and greater time together by the non-executives without executive management present.

The outcome of the evaluation indicated that the Board was performing well and had improved over the course of the previous 12 months.

In addition to the evaluation of the Board and Committees, the Chairman evaluated the individual performance and effectiveness of each director. The Senior Independent Director led a separate appraisal of the Chairman's performance with his fellow non-executive directors, which took into consideration both the executive and non-executive directors' views.

In addition to the formal evaluation, the non-executive members of the Board met during the year without the executive directors present. This process was highly regarded according to the evaluation results, as a consequence of which this is being further embedded into the annual calendar.

AUDIT COMMITTEE REPORT

“

Liquidity and viability are focus areas for the Committee, more now than ever.

”

Peter Williams
Chair of the
Audit Committee

Dear Shareholder

I am pleased to present the Audit Committee Report for the year ended 30 June 2020 on behalf of the Board, prepared in accordance with the 2018 Code.

The Report provides an oversight of the Committee’s deliberations and activities over the year, which included the assessment of the effectiveness of both internal and external Auditors and considered risk, including but not limited to data breaches that the Company may face and the processes and controls in place to tackle any security threats.

The Committee has continued to play a key role within the Company’s governance framework to support the Board in matters relating to financial reporting, internal control and risk management.

Our principal responsibilities remain unchanged this financial year. The Deputy Company Secretary acted as Committee Secretary.

In a year within which the world has seen so much turmoil and faced unprecedented challenges, certain aspects of the Committee’s focus remain constant, for example, cyber crime and data governance, which are of paramount importance for such a data business such as Hays. As a Committee, we receive regular updates on data security and ongoing assurance is provided by our IT functions globally and I don’t see that aspect of our work abating at all, even amidst the wider uncertainty we are currently facing, brought about by the Covid-19 pandemic.

This continued uncertainty is weighing heavily on economies globally, and the ripple effect on our clients (and of course candidates, employees and other stakeholders) is far-reaching. The Committee’s monitoring of the Company’s financial performance and the scrutiny of the stress testing undertaken by management have been as rigorous as ever. The business has adequate funding in place to continue as a going concern and the Committee was able to support the directors in their assessment of the long-term viability of the Company for the purposes of the Code which is set out in the Strategic Report on pages 50 and 51.

I take comfort from the rigorous framework of internal controls, risk assessments and processes the Company has in place, and which management further adapted, to ensure the continuation and stability required. There is further detail on the Committee’s deliberations and activities during the year under review on the following pages.

I hope this will provide you with the necessary information to assess the Company’s performance, business model and strategy.

Peter Williams
Chair of the Audit Committee
26 August 2020

Role of the Audit Committee

The Committee’s terms of reference are available on the Company’s website (haysplc.com) under Corporate Governance.

The key responsibilities of the Committee are to:

- Monitor the integrity of the financial statements of the Company, including annual and half-year reports, interim management statements, and other formal announcements relating to its financial performance, and reviewing and reporting to the Board on significant financial reporting issues and judgments;
- Where requested by the Board, review the content of the Annual Report and advise the Board whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s performance, business model and strategy;
- Recommend to the Board for approval by shareholders, the appointment, reappointment or removal of the external Auditor;
- Monitor the relationship with the Company’s external Auditor, including consideration of fees, audit scope and terms of engagement;
- Review the effectiveness and objectivity of the external audit and the Auditor’s independence;
- On engagement of the external Auditor, review the policy for the provision of non-audit services and monitor compliance;
- Monitor and review the Company’s internal control and risk management systems;
- Monitor and review the effectiveness of the Company’s Internal Audit function; and
- Ensure compliance with laws, regulations, ethical and other issues.

Membership and meetings

The Committee is appointed by the Board from its independent non-executive directors. Biographies of the Committee's current members are set out on pages 60 and 61.

The Chair of the Committee, Peter Williams, is a Chartered Accountant and its financial expert. All Committee members are financially literate.

The Committee discharges its responsibilities through a series of scheduled meetings during the year, the agenda of which is linked to events in the financial calendar of the Company. The Committee met four times during the financial year and attendance by members at Committee meetings can be seen on page 64.

The Committee commissions reports, either from external advisers, the Head of Internal Audit or Group management, as required, to enable it to discharge its duties. The Group Finance Director attends its meetings, as do the external Auditor and the Head of Internal Audit, both of whom have the opportunity to meet privately with the Committee Chair, in the absence of Group management. The Chairman of the Board and the Chief Executive are also invited to, and regularly attend, Committee meetings.

Main Committee activities during the financial year

- Approved the annual Committee programme
- Reviewed financial results for publication
- Considered the external audit plan and reviewed the results of the audit
- Approved the internal audit plan and reviewed its findings
- Reviewed the non-audit services provided by the external Auditor
- Reviewed the risk management and controls framework and its effectiveness, together with the Group's principal risks
- Considered all aspects of IT operations and risks
- Considered the continuing threat of cyber-related attacks and associated responses across the business
- Reviewed the performance and effectiveness of the external Auditor
- Reviewed the performance and effectiveness of the Internal Audit function
- Reviewed the material litigation report, including the claim relating to temporary workers in the Australian coal mining sector
- Carried out a review of the Committee's effectiveness and reviewed progress on matters arising from previous assessments
- Considered the Code requirements concerning fair, balanced and understandable reporting
- Considered the Company's long-term viability
- Recommended the Audit Committee Report for approval by the Board
- Held discussions with the external Auditor and the Head of Internal Audit without management being present

Fair, balanced and understandable

In addition to its work described here, the Committee has reviewed the financial and narrative disclosures in this year's Annual Report. It has advised the Board that, in its view, taken as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

In making its recommendation to the Board, the Committee's robust governance approach included:

- Comprehensive Group and subsidiary accounts process, with written confirmations provided by the regional senior management teams on the health of the financial control environment;
- Reviews of the Annual Report undertaken at different levels of the Group and by the senior management team that aim to ensure consistency and overall balance;
- External audit review;
- Clear guidance and instruction of the requirement provided to contributors;
- Written confirmation that information provided has been done so on a fair and balanced basis;
- Additional scrutiny by senior management; and
- Additional reviews by the Committee Chair of the draft Annual Report in advance of the final sign-off in the context of the Code provision.

Final sign-off is provided by the Board, on the recommendation of the Committee.

Significant issues considered during the year

In reviewing both the half- and full-year financial statements, the following issues of significance were considered by the Committee and addressed as described. These matters are described in more detail in notes 1 to 3 to the Consolidated Financial Statements.

Debtor recoverability

The recoverability of trade debtors and the level of provisions for bad debts are considered to be areas of significant judgment due to the pervasive nature of these balances to the financial statements and the importance of cash collection in the working capital management of the business. The Committee considered the level and ageing of debtors, together with the appropriateness of the provisioning matrix and the consistency of judgments used to measure the expected credit losses, which is based on historical credit loss experience adjusted for forward-looking factors specific to the debtors and economic environment, as evidence of a likely reduction in the recoverability of the cash flows. The carrying amount was considered appropriate.

Goodwill

The Committee assessed the carrying value of goodwill by reviewing a report by management which set out the values attributable across the cash-generating units (CGU), compiled using projected cash flows based on assumptions related to discount rates and future growth rates. The Committee also considered the work undertaken by PwC and management's sensitivity analysis on key assumptions. In particular the Committee considered the US business, that had been performing in line with expectations up until the Covid-19 pandemic but as disclosed in previous years, the business had limited headroom on the carrying value of goodwill. The Group continues to make investment in the US business to accelerate growth in line with the Group's long-term strategy to build a strong presence in the US and maximise the long-term growth opportunities available in the market. As a result of this ongoing investment, against a difficult market backdrop, Management have revised the cash flow forecast for the US CGU and as a result has reduced its recoverable amount through the recognition of an exceptional impairment loss against goodwill of £20.3 million.

Management were challenged by the Committee around assumptions made in respect of future growth rates and the discount rate to be applied to the future cash flows. Following further discussion, the Committee was satisfied that the assumptions used were appropriate.

Pension accounting

Pension accounting is complex and contains areas of significant judgment, most notably those in respect of the discount and inflation rates used in the valuation of the net surplus disclosed in note 23. The Committee reviewed the pension items by discussing a report prepared by management based on work performed by the Company's actuary which set the key assumptions used in the calculation of the surplus and related income statement items. The Committee also considered the work performed by PwC in testing the assumptions and was satisfied that the assumptions used and the disclosures in the financial statements are appropriate.

New accounting standards

During the year the Committee considered IFRS 16 Leases and IFRIC 23 Uncertainty over Income Tax Treatments which were both adopted from 1 July 2019.

Under IFRS 16 Leases, the Group has recognised a right-of-use asset and a lease liability for all applicable leases. Within the Consolidated Income Statement, operating lease rentals charges have been replaced with depreciation and interest expense.

IFRIC 23 Uncertainty over Income Tax Treatments, clarifies how to measure current and deferred tax assets and liabilities where there is uncertainty that affects the application of IAS 12 Income Taxes. Following a review of the current tax position, it was concluded the adoption of IFRIC 23 does not have a material impact on the Group's results.

Litigation

During the year the Committee further considered the matter of legal proceedings which had commenced against a number of recruitment agencies in Australia, including Hays, in relation to the employment status of certain workers engaged on a casual (temporary) basis in the coal mining sector. Hays will vigorously defend this action. There is no further information to provide at this stage.

External Auditor

Both the Committee and the Board keep the external Auditors' independence and objectivity under close scrutiny, particularly with regard to its reporting to shareholders. PwC were appointed external Auditor of the Group at the 2016 AGM. Professional rules require that the Company's audit partner at PwC be rotated every five years.

As previously reported, following a detailed tender process, PricewaterhouseCoopers LLP were first appointed as the Company's external auditors in 2016. While the Company has no current retendering plans, in accordance with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (CMA Order), the Company will be required to put the external audit contract out to tender by 2026. Accordingly, the Company confirms that it has complied with the provisions of the CMA Order for the 2020 financial year.

Auditor independence and non-audit services policy

The Committee believes that the issue of non-audit services to Hays is closely related to external Auditor independence and objectivity. The Committee recognises that the independence of the external Auditor may reasonably be expected to be compromised if they also act as the Company's consultants and advisers. Having said that, the Committee accepts that certain work of a non-audit nature is best undertaken by the external Auditor. To keep a check on this, the Committee has adopted a policy to ensure that the provision of any non-audit services by its external Auditor does not impair its independence or objectivity.

The key features of the non-audit services policy are as follows:

- The provision of non-audit services provided by the Company's external Auditor be limited to a value of 70% of the average audit fees over a three-year period;
- Any non-audit project work which could impair the objectivity or independence of the external Auditor may not be awarded to the external Auditor;
- Delegated authority by the Committee for the approval of non-audit services by the external Auditor is as follows:

Authoriser	Value of services per non-audit project
Group Financial Controller	Up to £25,000
Group Finance Director	Up to £100,000
Audit Committee	Above £100,000

The three-year average audit fee was £1.2 million. Accordingly, the maximum value of non-audit services that PwC could have been engaged by Hays to provide during the financial year 2020 was £0.9 million. The total fee for non-audit services provided by PwC during the 2020 financial year was £nil (2019: £nil), excluding the FY20 half-year review fee of £0.1 million (2019: £0.1 million).

The Company did not pay any non-audit fees to PwC on a contingent basis. A summary of the fees paid to the external Auditor is set out in note 7 to the Consolidated Financial Statements.

Having reviewed Hays' non-audit services policy this year, including the Authority level of the Group Finance Director, the Committee is satisfied that adequate procedures are in place to safeguard the external Auditor's objectivity and independence.

Effectiveness of the external Auditor

The annual effectiveness review in respect of financial year 2019 was conducted during the year under the guidance of the Committee Chair, on behalf of the Committee, and covered amongst other things a review of the audit partners, audit resource, planning and execution, Committee support and communications, and PwC's independence and objectivity. Overall feedback was positive and an improvement versus prior year, with minor improvements suggested, which centred around continuity of personnel and resource constraints in some locations, which were discussed and actioned. Based on these reviews, the Committee was satisfied with the performance of PwC in the fulfilment of its obligations as external Auditor and of the effectiveness of the audit process in FY19. Consequently, the Committee recommended to the Board that PwC be reappointed as external Auditor at the AGM. The Committee is grateful to PwC for completing their work on the Company's FY20 audit in the difficult circumstances created by the Covid-19 pandemic.

Risk management and internal control

The Board is responsible for the adequacy and effectiveness of the Group's internal control system and risk management framework, which in order to fulfil its responsibilities the Board has delegated authority to the Committee.

In order to establish an assessment from both a financial and operational control perspective, the Committee looks to the work of the Internal Audit function, specifically to consider whether significant process and control weaknesses are identified, improved and monitored and that risks have been identified, evaluated and managed.

The Committee considered the Group's risk assessment process, which included coverage across the regions, businesses and functions within the Group, reviewing the effectiveness of the risk methodology employed, the risk mitigation measures implemented and future risk management and monitoring.

Internal Audit

The Committee oversees and monitors the work of the Internal Audit function, which reviews key controls and processes throughout the Group on a rolling basis, including resources, scope and effectiveness of the function.

The Group Head of Internal Audit has direct access to the Committee and meets regularly with both the Committee and its Chair, without the presence of management, to consider the work of Internal Audit. The Committee approved the programme of work for the Internal Audit function in respect of the 2020 financial year, which was focused on addressing both financial and overall risk management objectives across the Group.

During the year, 25 Internal Audit reviews were undertaken, with the findings reported to both the Management Board and the Committee, with recommendations tracked and progress subsequently reported back to the Committee.

No material weaknesses were identified as a result of risk management and internal control reviews undertaken by Internal Audit during the reporting period.

The Committee believes that the Group's enterprise risk management framework needs to continue to evolve in accordance with the growth of the Hays business around the world. Throughout the financial year the Internal Audit team has continued to enhance the enterprise risk management framework and work with the Group Finance Director and the operating divisions across the globe to further embed the framework methodology at a local level. The Group Risk Committee, chaired by the Chief Risk Officer and comprising senior operators from each region, together with representation from IT and finance, assists in the management of risk in the Group.

Anti-bribery and corruption

Hays has a zero-tolerance approach to bribery and corruption. The Group Anti-Bribery and Corruption Policy (with specific reference to the UK Bribery Act 2010) is issued to all employees. Overall responsibility for, and oversight of, the Policy lies with the plc Board. Training is provided to all employees annually in local languages and ongoing support is provided when and where necessary. In addition, risk assessments are carried out on an ad hoc basis, for example when new countries are under consideration (whether they are considered to be low or high risk) or prior to entry into new public sector markets. The Committee reviewed the effectiveness of the Policy during the year and concluded that it was sufficient for managing the anti-bribery and corruption risks faced by the Group.

Audit Committee effectiveness

The Committee considered its effectiveness in discharging its duties during the year. The Committee looked at the work it had carried out during the year and considered that its performance during the year was effective when measured against its terms of reference and general audit committee best practice.

Details of the main activities of the Committee and its role and responsibilities have been detailed earlier in this Report.

REMUNERATION REPORT
CHAIR'S ANNUAL STATEMENT AND SUMMARY

"The Covid-19 global pandemic has made FY20 an exceptionally difficult year for most businesses. The Remuneration Committee has been acutely aware of the associated financial impact on our business as well as on all stakeholders, both external and internal. It has sought to make appropriate remuneration decisions that both reflect this impact and incentivise future performance."

Susan Murray
Chair of the Remuneration Committee

Dear Shareholder

FY20 has been the last year of our Remuneration Policy as approved by shareholders at the 2017 AGM, with a favourable vote of 94%. The implementation of our Policy in FY19 received a favourable advisory vote of 96%.

Backdrop to FY20 business

After doubling the profitability of the business over the last six years to c.£250 million and converting most of this profit into cash helping to generate significant shareholder returns including paying c.£374 million of dividends to shareholders on the profits generated over the last three years, FY20 has been a very tough year and in the second half of the year all aspects of our business were heavily impacted by the Covid-19 global pandemic.

The fall in our fees since the pandemic was similar in magnitude to that incurred after the Global Financial Crisis (GFC); however, it occurred in only six weeks versus the eight months during the GFC. Despite significant action taken by management, both to safeguard our colleagues, clients and candidates and our business infrastructure, the switch to effective remote working and acting appropriately and swiftly to reduce our global cost base, the material and immediate reduction in levels of activity and fees led to a significant reduction in operating profit. Overall Operating Profit at £135 million[1] was well below our expectations going into the year and in Q4 we operated at a broadly breakeven position.

Our underlying cash performance with Cash Conversion[2] at 183% (excluding any benefits from deferral of taxes or the equity raise, etc.) was excellent and the Group exits the year in a very strong financial position. However, considering the still very tough trading conditions and enhanced economic uncertainties, the Board has decided not to pay a dividend in FY20.

While the low level of profitability in FY20 impacted the FY20 Annual Bonus and the three-year long-term PSP ending in FY20. cash performance in the year and over the three years was very strong.

However, the Committee has agreed with the executive directors that any bonus payment for FY20 would be inappropriate and hence no bonuses will be paid to executive directors or members of the Management Board in relation to FY20.

More details is given below and in the main report.

Our approach to executive award for FY20 reflects the business results and the associated impact on our stakeholders, both external and internal

The Committee has been cognisant of the financial impact that business results have had on our stakeholders, in particular on our shareholders through the dividend cancellation and on our employees as we have had to restructure the organisation to align with future needs.

As a result, our executive directors, the Chairman and all members of the Board took a 10% salary/fee reduction for the last quarter of the financial year, 1 April to 30 June 2020.

Members of our Management Board and our top senior managers around the world also agreed to a voluntary salary reduction for a period of three and two months respectively.

Annual Bonus FY20

Although the formulaic outcome of the Annual Bonus would have delivered a payment against the Cash Conversion metric and on Personal Objectives amounting to c.55% of maximum, the executive directors, together with the Committee, determined it would be inappropriate to award any bonus for FY20. Thus, the Committee exercised its discretion and no bonus will be paid for FY20 to either the executive directors or the Management Board members.

The 2017 Performance Share Plan (PSP)

The 2017 PSP is the first award to vest under the Policy approved in 2017. It vested at 50% reflecting the three-year performance period that ended on 30 June 2020.

The Committee takes seriously its duty to exercise judgment and ensure outcomes are reflective of the Company's underlying performance. The Committee is satisfied that the PSP outcome fairly reflects, and is aligned with, the performance achieved.

Shares that vest under the 2017 PSP will now be held for a further two years before release in 2022. During this Holding Period they will be subject to clawback conditions.

1. Operating profit is stated before exceptional charges, as detailed in note 5 to the Consolidated Financial Statements on page 142.
2. Operating cash conversion represents the conversion of pre-exceptional operating profit[1] to cash generated from operations. FY20 cash generated by operations has been adjusted for the cash impact of lease payments of £46.4 million and £118.3 million of deferrals of taxes.

Full details of the executive directors' remuneration for FY20 can be found in the Single Figure on page 98 and the full Annual Report on Remuneration on pages 98 to 119.

Executive Remuneration Policy Review

During FY20, the Committee conducted an in-depth review of the overall executive Remuneration Policy and structure to ensure it is still fit for purpose in light of our strategy over the coming years and the continuing cyclical nature of our business. In addition, the Committee carefully considered the requirements of the UK Corporate Governance Code and the guidance issued by shareholders and investor advisory bodies.

What we are proposing

The Committee determined that the overall structure of the Policy should remain the same but has proposed the following changes:

Pension will be reduced for incumbent executive directors from 30% of salary to 20% of salary from 1 July 2020 and will then decrease to the level of the majority of the UK workforce by the end of December 2022.

New executive directors will have their pension set at the level of the majority of the UK workforce on appointment.

A new **Post-employment Shareholding requirement** has been introduced. Shares to the equivalent of 200% of salary will be held for the first year and 100% of salary in the second year.

There is an **increase to the PSP grant level** from 150% to 200% of salary. This helps to incentivise executive directors to focus on the long term and places additional emphasis on the generation of cash. It should be noted that this level will not be granted in 2020, with the first consideration of a grant at this level to be made in 2021. The future two-year Holding Periods post-vesting will extend into post-employment.

Annual Bonus potential remains at 150% of salary and **On-target performance** will deliver no more than 50% of the award.

Additional triggers of severe reputational damage and corporate failure have been introduced into **Malus and Clawback provisions** for both the Annual Bonus and PSP.

In formulating the changes to the Policy, the Committee has recognised the latest corporate governance, shareholder views and market sentiment and the proposed changes are felt to be fair, competitive and appropriate.

Shareholder consultation

The Committee is committed to open and honest dialogue with its shareholders and engaged with, and sought feedback from, 23 of its shareholders and from investor advisory bodies with respect to the proposed changes to the Policy. As a result of the feedback, further changes were made to the pension proposals resulting in alignment to the level of the majority of the UK workforce by the end of 2022. The Committee is very appreciative of the time, constructive dialogue and engagement received.

Overall, feedback from shareholders has indicated positive support for the proposed Policy changes and, subject to the outcome of the binding vote, it is the Committee's expectation that it will operate the Policy for the next three years.

Remuneration for FY21

Reflecting the current economic environment, the executive directors received no salary increase for FY21 and therefore salaries will remain the same as for FY20.

As noted above, pension contributions for the executive directors will reduce from 30% of salary to 20% of salary from 1 July 2020.

Annual Bonus potential will remain at 150% of salary and it is proposed that executive directors receive a 2020 PSP grant of 150% of base salary which would vest in 2023, dependent upon the performance criteria being met. Any shares that vest would be subject to a further two-year Holding Period.

FY21 Annual Bonus and 2020 PSP target setting

Given the complex challenges of Covid-19, we have delayed the target setting for the 2020 PSP awards until later in the year to ensure that they are sufficiently robust and stretching. Full details of the awards to the executive directors, together with their associated targets, will in due course be disclosed on our website. In line with guidance published by the Investment Association, the Committee intends for any targets to be disclosed within six months of the publication of the Annual Report and Financial Statements.

Along with the executive directors, the Committee is currently considering the Cash Conversion metric in the Annual Bonus. It is recognised that in the current challenging environment, with a likely low level of profitability, cash conversion may no longer be an appropriate measure in FY21. Cash generation continues to be a key strategic goal and therefore an appropriate alternative or potential underpin is being reviewed.

As in past years, Annual Bonus targets will be retrospectively disclosed in the FY21 Annual Report.

Other Committee activities in FY20

In addition to the Policy review and the consideration of salary, bonus and PSP for the executive directors, the Committee also reviewed the annual fee for the Chairman. It was determined that there would be no fee increase for FY21. For information, the non-executive directors also have had their fees frozen for FY21.

While the UK Government suspended reporting of the 2019 Gender Pay Gap, the Committee has continued to monitor actions being taken within the Company to close the gap.

The Committee has also closely monitored the financial impact of Covid-19 on employees and has sought to ensure that the relationship of employee reward with that of executive directors is recognised and is appropriate.

The Committee is always mindful to ensure the strength of the link of performance to reward and that it does not reward for failure.

Clear reporting and transparency

We aim to make the Directors' Remuneration Report clear, concise and easy to follow. We have included a Remuneration At A Glance page. Our 2017 Remuneration Policy can be found on our website haysplc.com. However, to help with understanding we have summarised the Policy above each remuneration outcome.

Our new Remuneration Policy is shown on pages 85 to 97 and a summary of how it relates to our strategy is set out on pages 80 and 81.

We hope that readers will find this helpful.

We trust that this report demonstrates how we balance performance, reward and underlying associated behaviours and that we place great importance on our duty not only to shareholders but to our wider workforce, other stakeholders and are aware of the greater societal issues and market sentiment emphasised by the Covid-19 pandemic.

Susan Murray
Chair of the Remuneration Committee
26 August 2020

See the Committee's Terms of Reference online at haysplc.com

Membership and meetings

Four formal meetings were held during FY20 in July 2019, August 2019, January 2020 and May 2020.

Attendance is shown on page 64. In addition, members participated in other discussions as required.

This report is structured as follows:

Section	What it includes
Letter from the Remuneration Committee Chair Page 76	
Remuneration At A Glance Page 79	
Summary of our Remuneration Policy and how it links to strategy Page 80	
Remuneration Policy Page 85	
Annual Report on Remuneration Page 98	This report is divided into sections: 1. Single Figure of Remuneration – page 98 2. Long-term value creation – page 106 3. Remuneration in the broader context – page 111 4. Statement of Implementation of the Remuneration Policy in the following financial year – page 115 5. Governance – page 118
Our full current Remuneration Policy	Our full current Remuneration 2017 Policy as applicable to FY20 can be found on our website at haysplc.com

REMUNERATION AT A GLANCE

Summary of our current Remuneration Policy and structure for FY20

Key reward component	Key features
Base salary and core benefits	– Competitive salary and benefits to attract right calibre of executive
Annual Bonus – 60% EPS – 20% Cash Conversion – 20% Personal	– Maximum potential 150% of salary – Key financial KPIs and personal objectives
Performance Share Plan – 30% EPS – 50% Cash Conversion – 20% TSR	– Max potential 150% of salary – KPIs focused on long-term sustainability and shareholder returns – Five-year lifespan: 3 year Performance Period plus 2 year Holding Period
Shareholding requirements	– CEO: 200% of salary – CFO: 200% of salary – Ensure material personal stake in the business

- Strong link of performance with reward.
- Takes into account risk management and Annual Bonus and PSP incorporate Malus and Clawback.

Reward linked to performance – what did we do?

More details pages 98 to 119

Reward component	What we have done
Base salary	– Increased salaries for CEO and CFO by 2.0% from 1 July 2019: – CEO : £767,763 p.a. – CFO: £553,556 p.a. – Increase in line with budget set for relevant UK employees of 2.0% – Salary reduction of 10% for period 1 April to 30 June 2020
Bonus	– No bonus was paid in relation to FY20 – Although the formulaic outcome would have resulted in a payment, the executive directors together with the Committee determined that any payment would be inappropriate.
PSP	– 150% of salary awarded
Shareholdings at 30 June 2020 (Beneficial Ownership)	– CEO: 606% of base salary (requirement 200%) – CFO: 299% of base salary (requirement 200%)

The Single Figure can be found on page 98

How have we performed?

More details pages 100 to 104

Bonus

Metrics measure success of the day-to-day management of a volatile and cyclical business. Although the formulaic outcome of the bonus delivered a payment, it was deemed appropriate that no bonus was paid for FY20. Results are shown below.

Metric	Target range	**Actual**	% of max paid
EPS*	10.09p to 12.33p	**5.46p**	0%
Cash Conversion	71% to 101%	**182.52%**	0%
Personal CEO/CFO		**partially achieved**	0%

* Both the target and actual performance were based on budget exchange rates. Therefore actual performance differs to the reported performance due to movements in exchange rates during the year.

November 2017 PSP award – grant 150% of base salary

Metrics measure success in delivering strong results through the three-year cycle.

Metric	Threshold	Maximum	**Actual**	% of max achieved
EPS	32.21p	37.73p	**28.64p**	0%
Cash Conversion	71%	101%	**120.09%**	100%
Relative TSR	Median of comparator group	Upper quartile of comparator group	**Below median**	0%

Total % of award vesting: 50%

Key general business highlights

- **Covid-19 pandemic heavily impacted all aspects of trading in the second half of FY20;**
- **As a result, like-for-like net fees declined by (11)% and operating profit by (45)%;**
- **Moved to 100% remote working, business infrastructure protected while taking appropriate action to reduce costs;**
- **Strong cash performance both in FY20 and across FY18-FY20;**
- **Balance sheet further protected by equity raise.**

More details can be found on page 1.

What changes were made to the Remuneration Policy in FY20?

There were **no changes** to the 2017 Remuneration Policy in FY20.

- We received a binding vote of 94% in favour of the Policy at the November 2017 AGM indicating strong support for our approach.
- Our full Remuneration Policy can be found on pages 64 to 71 of the FY17 Annual Report and on our website, haysplc.com.
- A summary of the Policy can be found in the explanation of the Single Figure of Remuneration on pages 98 to 119.
- Our new Policy proposals which will apply to FY21 can be found on pages 85 to 97.

REMUNERATION POLICY AND HOW IT LINKS TO STRATEGIC OBJECTIVES

Competitive salary and benefits to attract, motivate and retain executives plus variable pay that aligns to strategy and focuses on performance

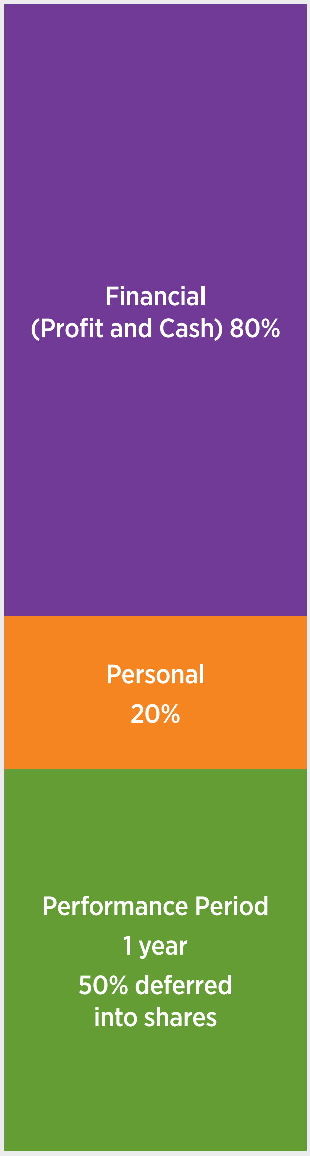
The incentive plans support our four key strategic priorities:

- **Materially increase and diversify Group profits;**
- **Generate, reinvest and distribute meaningful cash returns;**
- **Invest in people and technology, responding to change and building relationships; and**
- **Build critical mass and diversity across our global platforms.**

- Financial metrics (80%) place emphasis on profit and maintain focus on cash returns and business efficiency.
- Personal objectives (20%) provide building blocks to longer-term strategic goals.
- 50% of any award is deferred into shares for three years to ensure a long-term focus.
- Malus and Clawback apply.

SHORT-TERM AGILITY

Annual Bonus



150% of base salary

Focus on

Shareholding 200%

PSP

EPS
30%

Cash Conversion
50%

TSR
20%

Performance Period
3 years + 2 year
Holding Period

Up to 200% of
base salary

long-term

of base salary

Hays is a highly cyclical business. It 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 20 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. The Committee feels this is best addressed by having a short-term focus on profit and a long-term focus on cash generation.

- The following factors are taken into account when setting EPS targets:
  - Budget (the setting of which is a robust and transparent process);
  - Strategic direction of the business over the period covered by the PSP;
  - Market conditions and visibility of future trading; and
  - Analysts' forecasts.
- The cash element focuses on the long-term business efficiency and return to shareholders through dividend payments.
- The TSR element directly measures shareholder returns relative to industry peers.
- The five-year term of the plan together with shareholding requirements ensure that the CEO and CFO have a material, personal stake in the business and align to shareholders.
- Malus and Clawback apply.

LONG-TERM SUSTAINABILITY AND FOCUS

BACKGROUND TO OUR PROPOSED REMUNERATION POLICY (THE POLICY) CHANGES

The Committee has conducted an in-depth review of the Policy for senior executives with a view to ensuring it continues to support both our strategy and the continuing cyclical nature of our business. It has also taken into consideration the requirements of the revised UK Corporate Governance Code (the 'Code') issued in July 2018, as well as evolving market sentiment and best practice. The Committee actively consulted with shareholders and has taken their feedback, in particular about level of acceptable pension contributions, into account in the final Policy proposals.

The Committee has determined that the current Policy structure remains broadly fit for purpose and, therefore, is not proposing any substantial changes to our current approach. The key proposals which are described in more detail below are:

- Pensions for new hires – to be aligned with the wider workforce;
- Pensions for incumbent directors – a reduction to the current contractual allowance with alignment to the wider UK workforce to be in place by the end of 2022;
- New post-employment shareholding guidelines to be introduced;
- Proposals for LTIP awards – award levels to be set at 200% of salary but the earliest date for a grant at this level would be in September 2021;
- Malus and Clawback triggers – the addition of severe reputational damage and corporate failure; and
- Annual Bonus On-Target vesting – level to be 50% of award.

Business context

Our current strategy is built around four strategic priorities and, while the pandemic has materially impacted the business in FY20 and continues to heavily impact its immediate trading environment, we see these priorities remaining very relevant for the medium to long term. These are to:

- Materially increase and diversify Group profits;
- Generate, reinvest and distribute meaningful cash returns;
- Invest in people and technology, responding to change and building relationships; and
- Build critical mass and diversity across our global platforms.

Hays is a highly cyclical business and 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 20 professional sectors; and
- Having a global geographic footprint in 33 countries.

Nevertheless, the Company is subject to the volatility and vagaries of the economic markets which can create sudden changes within the recruitment market and industry. Over the last year this has manifested itself in several ways through the general uncertainty over 'Brexit' in the UK, significant environmental impacts such as the bush fires in Australia, national strike action across France and, most significantly, the global pandemic Covid-19.

Proposed changes

The proposed changes to our Policy are set out below.

Remuneration Component	Current Policy	Proposed Policy
Pension – new recruits	New executive directors would have a pension contribution of 'up to 15% of salary'.	Our Hays Pension plan in the UK offers a Company contribution of between 4% and 15% depending on an employee's grade. The majority of our UK employees currently have the opportunity to receive a Company contribution of 4% of pensionable salary. Any new executive director would have their pension contribution set at the level of the majority of UK employees at that time.
Pension – existing executive directors	The current executive directors each receive 30% of their salary as a cash contribution in lieu of pension. This is subject to normal payroll deductions.	For FY21, the current executive directors will have their pension allowance reduced to 20% of salary, i.e. a reduction of 10%. By 31 December 2022, the intention is to reduce the benefit further to the majority of the UK workforce. This is currently 4% of pensionable salary.
Post-Employment Shareholding Requirements	Shares held under the Deferred Annual Bonus ('DAB') plan continue to be held post-employment until the time of their normal release. In addition, to the extent that performance conditions are met, shares under any 'trailing' Performance Share Plan ('PSP') would also vest at their normal time, but be pro-rated to reflect service during the performance period. Subject to Good Leaver status therefore, a level of shareholding is likely to be maintained for up to two years post-employment. PSP shares that are in their Holding Period are released immediately upon employment ceasing.	Post-employment, executive directors to hold shares to the equivalent of 200% of salary for the first year and 100% of salary for the second year, or, if lower, the number of shares built up through Company share plans at the point of departure. Applicable shares will be those in relation to grants of PSP or DAB made following the approval of the new Policy at the November 2020 AGM. In addition, for any future PSP grants, the two-year Holding Period will normally continue post-employment (in order to meet any post-employment holding requirements).
Performance Share Plan ('PSP')	Current grant levels are 150% of salary. Metrics are: 30% EPS 50% Cash Metric 20% TSR	Proposal to increase to 200% of salary. However, the earliest date for a grant at this level would be in September 2021. Although the targets for the 2020 awards are yet to be determined, the current intention is that the metrics and weightings will remain consistent with prior years.
Malus and Clawback	Current triggers for both Annual Bonus and PSP are: – 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; and – Fraud and Gross misconduct.	There are two additional triggers in the new Policy: – Severe reputational damage; and – Corporate failure. These will apply to both Annual Bonus and PSP awards under the new Policy.
Level of Annual Bonus vesting at on-target	Currently straightline vesting between Threshold and Maximum.	Will be 50% of the awards from FY21.

Under the current simple 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').

Under the new Policy, an uplift to PSP grant levels from 150% to a maximum of 200% of salary is proposed. This is in order to place added focus on long-term cash generation which is the principal metric measured by the PSP. Over the coming years, and against the background of the experiences of the last few months, cash generation will take on an even greater importance to fund accelerated organic expansion to ensure the business outperforms the market in a fast-moving industry, builds a more resilient balance sheet, and returns the business to an attractive and appropriate returns policy. The amendment will help further ensure strong alignment between management and all stakeholders as the Group moves into the post Covid-19 environment. As noted above, given the current market volatility, the revised maxima will not be utilised for 2020 grants, and will only be considered for awards from 2021 onwards. The Committee would clearly the explain the basis for PSP grants made in future years.

There are no other changes proposed to the Policy. A summary of our Policy is given below and the full Policy subject to vote commences on page 85.

Summary of proposed Policy

Remuneration element	Explanation	Indication of change
Base salary	Salaries as at 30 June 2020: CEO – £767,763 p.a. CFO – £553,556 p.a. Salary increases are normally in line with the pay review budget for other relevant employees in the UK. There is no increase to salaries for FY21.	No change.
Annual Bonus	150% of salary. 80% of any performance metrics to be financial. Performance metrics and weightings: Profit metric: normally 60% Cash Metric: normally 20% Personal Objectives: 20% Straight-line vesting between Threshold and Maximum. 50% of any bonus award is deferred into shares for three years. Clawback applies to the cash element for three years and Malus to the deferred element for three years.	50% of the award will vest at on-target performance. Additional triggers of severe reputational damage and corporate failure added to Malus and Clawback provisions.
PSP	200% of salary. Performance metrics and weightings: EPS: 30% Cash Conversion: 50% TSR: 20% 3-year performance period 2-year Holding Period Malus applies during the three-year performance period and Clawback during the two-year Holding Period.	Award to move from 150% of salary to 200% of salary with the earliest date for any grant at this new level to be September 2021. Currently shares in their Holding Period are released upon cessation of employment. Under the new Policy, the Holding Period will normally continue post-employment until the two years are completed. Additional triggers of severe reputational damage and corporate failure added to Malus and Clawback provisions.
Pension – existing executive directors	20% of salary moving to the level of the majority of the UK workforce by end of December 2022.	Reduced from 30% of salary.
Shareholding Requirements in employment	200% of salary for both the CEO and CFO.	No change.
Post-employment shareholding requirements	To apply to grants of shares under the PSP and DAB made following the approval of the new Policy at the November 2020 AGM. Shares to the equivalent of 200% of base salary for the first year and 100% of base salary for the second year. In the event that this level of shareholding has not been achieved based on shares granted post November 2020, then the level of shareholding achieved at the point of departure will apply. Any shares still in their performance period will not count towards the requirement.	New.
Pension – new executive directors	Pension contribution to be in line with the majority of UK employees in the Hays pension plan at the time. This is currently 4%.	Reduced from the 2017 Policy of 'up to 15% of salary'.

The Remuneration Policy

Introduction

In accordance with the regulations, the Directors' Remuneration Policy (the Policy) as set out below will become formally effective at the Annual General Meeting on 11 November 2020 and is expected to apply for the period of three years from the date of approval.

The main changes made to the Remuneration Policy are summarised on pages 83 and 84. Minor changes have also been made to the detailed text to reflect market practice and to aid implementation. In developing the Policy, the Committee followed a robust process. The detailed proposals were discussed over a series of meetings in 2019 and 2020. Factors considered included the evolving business environment, the Group's strategic priorities, 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. The Committee also consulted with the Company's major investors, and proposals were refined in response to feedback provided. 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 97.

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, reached out to 23 of our largest investors together with some smaller shareholders who, in total, represented 80% of our stock. In addition, we engaged with four of the main shareholder advisory bodies. We were very pleased that 22 shareholders and all the advisory bodies responded to us and we very much appreciate the interaction we had, either through direct dialogue or email conversations, and the helpful and constructive feedback received.

As with many consultation processes, there was a range of feedback and opinions. The Committee discussed these in detail and carefully considered the amendments it felt appropriate to make as a result. Ultimately the Committee wished to ensure that the Policy remained aligned to our strategic goals, was felt to be competitive and able to incentivise long-term returns and took into account the impact on our key stakeholders and shareholder experience. In particular, the Committee was cognisant of external wider societal sentiment on executive pay and took this into consideration in the final proposals on pension level.

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; and
- Operate a consistent reward and performance 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.

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.

Remuneration structure (policy table)
Elements of executive director remuneration package

Element	Objective and Link to the Strategy	Operation	Maximum Potential Value	Performance Conditions and Assessment
Base salary	Base salary recognises individual contribution, changes in responsibilities and competitive market rates. 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. Key element of core fixed remuneration.	Base salary is normally set annually on 1 July. When determining the base salary of the executive directors the Committee takes into consideration: – 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 intends to review the comparator groups each year 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.	Whilst there is no prescribed maximum level of salary, increases will normally be in line with the market and the average base pay increase for other employees in the UK. 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. The Company will normally set out in the section headed 'Implementation of Remuneration Policy in the following Financial Year' the salaries for that year for each of the executive directors.	N/A

Element	Objective and Link to the Strategy	Operation	Maximum Potential Value	Performance Conditions and Assessment
Annual Bonus	To align reward to key annual objectives relating to the Group's financial performance and operational strength. The three-year deferral into shares aligns the interests of executive directors with those of shareholders and also assists with their retention.	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). Malus and Clawback provisions may be applied in case of: – 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. Malus provisions allow the Committee to reduce or eliminate share awards granted under DAB. 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. 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.	Maximum 150% of base salary. 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. Zero payment for below threshold performance.	Performance is assessed over the year based on a combination of financial (usually profit and cash) and personal/strategic objectives. 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, to reflect this provided that at least 80% are normally based on financial performance. The Remuneration Committee is of the opinion that given the commercial sensitivity arising in relation to the detailed financial targets used for the Annual Bonus, disclosing precise targets for the bonus plan in advance would not be in shareholder interests. This avoids the risk of the Company inadvertently providing a profit forecast, because profit targets are linked to budgets, and giving competitors an unfair advantage because they are not required to report to the same disclosure standard as a UK-listed company. Actual targets, performance achieved and awards made will be published at the end of the performance periods so shareholders can fully assess the basis for any pay-outs under the Annual Bonus.

Elements of executive director remuneration package continued

Element	Objective and Link to the Strategy	Operation	Maximum Potential Value	Performance Conditions and Assessment
Annual Bonus		Dividends or equivalents may be provided on deferred shares.		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 100 and 101. The Committee retains discretion in exceptional circumstances 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.

Element	Objective and Link to the Strategy	Operation	Maximum Potential Value	Performance Conditions and Assessment
Performance Share Plan (PSP) award	To incentivise the delivery of sustained long-term performance and align with share price and dividend growth over the long term.	In accordance with plan rules, PSP awards are granted annually and vesting is dependent on the achievement of performance conditions. Awards are subject to a two-year Holding Period. Malus provisions may be applied during the Performance Period and Clawback provisions may be applied during the Holding Period in case of: – 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; and – Fraud; – Gross misconduct; – Severe reputational damage; and – Corporate failure. 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. Dividends or equivalents may be provided on released shares. Discretion 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.	Normal awards will be 200% of base salary for executive directors. Maximum and threshold vesting levels for performance conditions are 100% and 25% respectively. Awards made in 2020 will be capped at 150% of salary.	Performance period of three financial years. For 2020 awards the performance conditions will be based on: – cumulative earnings per share; – cash conversion; and – total shareholder return relative to a comparator group. 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. The Committee will seek to suitably engage with shareholders regarding any material changes to the performance conditions. Details of the performance conditions for grants made in the year will normally be set out in the Annual Report on Remuneration.

Elements of executive director remuneration package continued

Element	Objective and Link to the Strategy	Operation	Maximum Potential Value	Performance Conditions and Assessment
Pension allowance	To provide a competitive retirement benefit.	Company pension contribution or salary supplement in lieu of pension contributions. Salary supplements will not be included in calculating any benefit based on salary including the levels under the Company's incentive arrangements. Salary supplements in lieu of pension contributions are subject to normal payroll deductions (such as income tax and national insurance).	Maximum 20% of base salary for current directors. This will reduce to the level of the majority of the UK workforce by the end of December 2022. As outlined in the recruitment section, new directors will receive the same percentage of salary as the majority of relevant employees at that time. This is currently 4% in the UK but may change in the future.	N/A
Other benefits	To provide competitive employment benefits.	Benefits will generally include: – Car benefit or equivalent; – Private medical insurance; – Permanent health insurance; and – Life assurance. The level of benefits provided is reviewed every year to ensure it remains market competitive. Other benefits may be provided if considered reasonable and appropriate (e.g. in case of relocation).	The maximum will be set at the cost of providing the listed benefits. For example, current car allowance is £18-20,000 p.a.	N/A
Shareholding policy	To ensure that executive directors' interests are aligned with those of shareholders over a longer time horizon.	The Committee requires the Chief Executive and Group Finance Director to build and maintain a material shareholding in the Company of at least two-times base salary over a reasonable time frame, which would normally be five years. Only shares which are beneficially owned by the executives or subject to a holding period count towards this requirement. The Committee has discretion to increase the shareholding requirement.	N/A	N/A

Element	Objective and Link to the Strategy	Operation	Maximum Potential Value	Performance Conditions and Assessment
Post-employment Shareholding Guideline	To ensure executive directors' actions and interests continue to be aligned with shareholders over a long time horizon.	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. This guidance will apply to shares granted under the PSP and DAB after the approval of the Policy at the 2020 AGM.	N/A	N/A
Sharesave Schemes	To encourage wide employee share ownership and thereby align employees' interests with shareholders.	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.	UK scheme in line with HMRC limits as amended from time to time. Overseas schemes broadly in line with UK values.	There are no performance conditions, in line with HMRC requirements, other than the inherent share price growth required to receive a benefit.

Non-executive director remuneration

Element	Objective and Link to the Strategy	Operation	Maximum Potential Value	Performance Conditions and Assessment
Non-executive director fees	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.	The remuneration of the non-executive directors is determined by the Board 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 chairmanship 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.	The fees will be within the Articles of Association limits. Additional fees are paid for additional responsibilities such as chairing a committee and Senior Independent Director role. The non-executive directors' fees are non-pensionable and non-executive directors are not eligible to participate in any incentive plans. Role appropriate benefits may be provided in certain circumstances. The Chairman 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.	None

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.

As noted in the Chair's statement, the targets for FY21 are yet to be finalised.

(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.
(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.

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.

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).

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 the Chief Executive 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	Indefinite	One year	Six months

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. Letters of appointment are available for review from the Company Secretary and a pro forma letter of appointment can be viewed on the Company's website haysplc.com.

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
Torsten Kreindl	1 June 2013	30 May 2013	None
Cheryl Millington	17 June 2019	17 June 2019	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 twelve months.	None
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.	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 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.

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	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. 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.
Pension	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.
Annual Bonus (and Deferred Bonus)	An executive director will be eligible to participate in the Annual Bonus arrangements as set out in the Remuneration Policy table. 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. Awards may be granted up to the maximum opportunity allowable in the Remuneration Policy table at the Committee's discretion.
Performance Share Plan (PSP)	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.
Share buy-outs/ replacement awards	The Committee's policy is not to provide buy-outs as a matter of course. 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: – 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 condition having a material effect on their value (lapsed value). 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.
Relocation policies	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. 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.

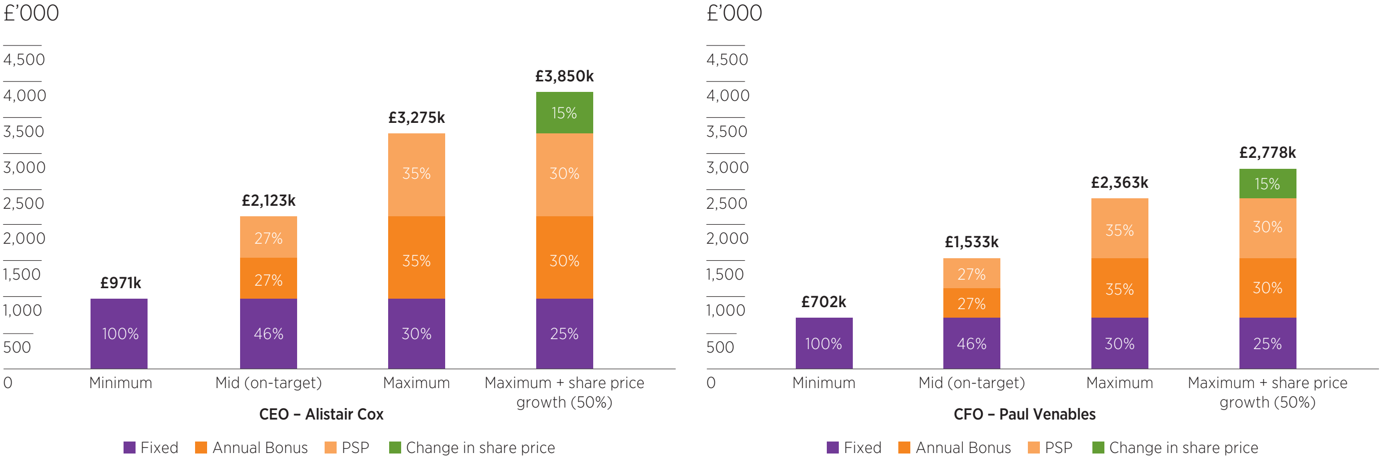
Where an existing employee is promoted to the Board, the policy set out above would apply from the date of promotion but there would be no retrospective application of the policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration 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 2021 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



Each element of remuneration is defined in the table below:

Description
Total amount of salary and pension in respect of the FY21 financial year and benefits as disclosed under the FY20 single figure.
Bonus of up to 150% of salary.
PSP of up to 150% of salary for FY21.
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 £575k for Alistair Cox and £415k for Paul Venables. 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 bonus and PSP at 50% of the maximum;
- Maximum performance scenario assumes outstanding level of performance, resulting in 150% 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 Management 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 Management 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.

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

Clarity

In formulating the Policy, we actively engaged with all our shareholders who held 1% of our shares or above. This represented approximately 80% of total shareholdings. In addition, we sought views and shared proposals with the voting agencies – IVIS, ISS, Glass Lewis and PIRC.

Their views, especially regarding level of pension contributions, were taken into consideration in the final Policy proposals.

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.

Simplicity

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.

Our incentive plans are based on our key performance metrics which in turn fully align to our strategy.

Alignment to culture

Our Global Principles of Remuneration demonstrate how our remuneration links to our Purpose and Values and are available to all employees.

We operate a high-performance model, with a high proportion of remuneration based on variable pay.

The key metrics used within the Annual Bonus and Performance Share Plan align to our strategy.

Predictability

The scenario graphs demonstrate the range of potential outcomes under the Policy.

They show how differing performance impacts the level of reward, including the effect of a change in the Company's share price.

Proportionality

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.

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. Both executive directors currently hold above the required level of shares.

Risk

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.

Malus and Clawback apply to both the Annual Bonus and PSP.

ANNUAL REPORT ON REMUNERATION

Section 1 – Total reward for FY20

In this section:

Section 1 – Total Reward for FY20

Remuneration for FY20 reflects the Policy approved by shareholders at the 2017 AGM. It also takes into account the mutual decisions taken by the Remuneration Committee in conjunction with executive directors to reduce base salary over the last quarter of FY20 and not to pay any Annual Bonus in relation to FY20 in recognition of the impact that Covid-19 had on the business. Further details are given in the notes to the Single Figure table.

1.1 FY20 Single Figure for executive directors

Single Figure of remuneration (audited)

The following table shows the total Single Figure of remuneration for each executive director in respect of qualifying services for FY20. Comparative figures for FY19 have also been provided. Details of non-executive directors' (NEDs) fees are set out in 1.2 on page 105.

£000s Executive director	Salary Note 1	Benefits Note 2	Pension Note 3	Other Note 4	Total Fixed Remuneration	Annual Bonus Note 5	Total Remuneration excluding PSP (a)	PSP Note 6 and (b)	Total Variable Pay (c)	Total Remuneration (b)
FY20										
Alistair Cox **Chief Executive**	749	50	230	0	1,029	0	1,029	368	368	1,397
Paul Venables **Group Finance Director**	540	38	166	0	744	0	744	265	265	1,009
FY19										
Alistair Cox	753	50	226	0	1,029	557	1,586	1,080	1,637	2,666
Paul Venables	543	41	163	2	749	402	1,151	779	1,181	1,930

(a) This column includes Salary, Benefits, Pension, Other and Annual Bonus.
(b) FY19 PSP figures now reflect the actual vesting price on 12 September 2019 of £1.4864. More detail is shown on pages 104 and 105.
(c) Sum of Annual Bonus and PSP.

Components of the Single Figure and how the calculations are worked out

The following tables and commentary explain how the Single Figure has been derived.

1.1.1 Salary – note 1 (audited)

Policy summary

- Set annually from 1 July.
- Broadly aligned with salary increases for relevant UK employees.

What has happened

As disclosed in last year's Report, salaries were increased by 2.0% with effect from 1 July 2019. This increase was the same as the wider budget set for relevant UK employees. Due to the impact of Covid-19 on the business, the executive directors took a salary reduction of 10% for the three-month period 1 April to 30 June 2020, representing the last quarter of FY20.

Name	Salary for FY20 including salary reduction of 10% for last quarter	Salary for FY20	Increase over FY19	Salary for FY19
Alistair Cox	£748,569	£767,763	2.0%	£752,709
Paul Venables	£539,717	£553,556	2.0%	£542,702

1.1.2 Benefits – note 2 (audited)

Policy summary

– Core benefits align with those for other UK employees.

What has happened

There were no changes in FY20.

£000s Executive director	Private Medical Insurance (PMI)	Life assurance	Income protection	Travel and mileage	Car allowance	Total
FY20						
Alistair Cox	2	11	13	4	20	50
Paul Venables	2	5	13	–	18	38
FY19						
Alistair Cox	2	11	13	4	20	50
Paul Venables	2	8	13	–	18	41

PMI, life assurance and income protection figures represent the annual premiums.

1.1.3 Pension – note 3 (audited)

Policy summary

– Other than a cash payment in lieu of pension at the rate of 30% of base salary, there are no other pension arrangements for the directors.

– For the sake of clarity, neither executive director has any defined benefit pension provision.

What has happened

There were no changes in FY20.

The Remuneration Committee reviewed the approach on retirement benefits as part of the Policy renewal being put to shareholders at the November 2020 AGM. As a result, pension will reduce from 30% to 20% of base salary for FY21 and to the level of the majority of Hays' UK employees by 31 December 2022.

£000s Executive director	Pension
FY20	
Alistair Cox	230
Paul Venables	166
FY19	
Alistair Cox	226
Paul Venables	163

1.1.4 Other benefits – note 4 (audited)

Policy summary

– The executive directors are able to participate in the Hays UK Sharesave Scheme in the same way as other eligible employees.

What has happened

Alistair Cox participated in the March 2017 Hays Sharesave Scheme and Paul Venables participated in the March 2016, 2017 and 2019 Hays Sharesave Schemes. Details are shown on page 106.

£000s Executive director	Other
FY20	
Alistair Cox(1)	0
Paul Venables(2)	0
FY19	
Alistair Cox	0
Paul Venables(3)	2

(1) Alistair Cox's savings under the 2017 Sharesave Scheme were repaid but the options remain available until 1 November 2020.
(2) Paul Venables did not exercise his options under the 2017 Sharesave Scheme in FY20. The share price at 1 May 2020, which was the first available date for exercise, was £1.059. The options were therefore underwater at this time and the theoretical gain is shown as zero.
(3) Figure shows theoretical gain on the 2016 Sharesave using the share price of £1.518 on 1 May 2019 which was the first opportunity for exercise. In fact, Paul Venables did not exercise the options during FY19. Paul exercised these options on 11 July 2020 at a share price of £1.478 resulting in a gain of c.£1k (option price was £1.07).

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1.1.5 Annual Bonus – note 5 (audited)

Policy summary

- Maximum bonus potential for FY20 under the 2017 Policy is 150% of base salary, of which 50% of any award is paid in cash and 50% is deferred into shares.
- Bonus is based on financial KPIs and personal objectives.

What has happened

Although the formulaic outcome of the FY20 Annual Bonus would have resulted in a payment, the Committee agreed with the executive directors that such a payment would be inappropriate due to the impact of Covid-19 on the business. Hence no bonuses will be paid to the executive directors in relation to FY20.

However, for more information on what elements of bonus would have been achieved, please see pages 101 and 102 for information on actual performance against targets.

The table below shows actual bonus was zero but achievement would have been c.55% of maximum based on a formulaic assessment of performance.

Summary

£000s Executive director	Annual Bonus actually awarded	Of which cash	Of which deferred
FY20 – 50% deferred into shares			
Alistair Cox	0	0	0
Paul Venables	0	0	0
FY19 – 50% deferred into shares			
Alistair Cox	557	278	279
Paul Venables	402	201	201

Details of the FY20 Annual Bonus

The performance metrics and objectives	Assessment	Achievement and what happens now
60% on earnings per share (EPS): Focuses on shareholder returns; 20% on cash conversion: ensure ongoing business efficiency; and 20% on personal objectives: safeguard plan for Company's future. Overall, both executives partially achieved these objectives.	The Committee reviews both the Group's results and executive directors' performance against their personal objectives. The basic EPS targets and actual performance were measured at budget exchange rates. Cash conversion is the operating cash flow of the Company before deducting net capital expenditure items for the financial year, stated as a percentage of operating profit before exceptional items. In addition to the assessment of the individual executives' overall performance against key objectives, the Committee also takes into account its views of the directors' regulatory compliance and approach to risk (including environmental, social or governance (ESG) risks). **Use of discretion** For FY20, the Committee took into account the effects that the pandemic Covid-19 has had on businesses in general and on Hays' key stakeholders: investors, employees, suppliers and clients. Although the formulaic outcome of the FY20 Annual Bonus would deliver a payment, the Committee agreed with the executive directors that such a payment would be inappropriate. The Committee therefore exercised its discretion and no bonus was awarded to the executive directors for FY20.	Under the formulaic outturn of the FY20 Annual Bonus, the executive directors would have received a bonus of c.55% of maximum (assuming the same outturn for the personal element as FY19). This would have delivered a bonus of c.£426k for the CEO, Alistair Cox and c.£307k for the CFO, Paul Venables. However, as previously stated, no bonus was awarded to the executive directors for FY20. Zero has therefore been entered into the Single Figure table.

Calculation of actual results (audited)

Annual Bonus FY20 outcome						Alistair Cox		Paul Venables	
Performance condition	Weighting	Threshold performance required	Maximum performance required	Actual performance	Annual Bonus value for meeting threshold and maximum performance (% salary)	Achievement % salary	Bonus value £000s	Achievement % salary	Bonus value £000s
EPS*	60%	10.09p	12.33p	5.46p	18 – 90	0%	0	0%	0
Cash Conversion	20%	71%	101%	182.52%	6 – 30	0%	0	0%	0
Personal	20%	–	100%	Partially achieved	0 – 30	0%	0	0%	0
Total FY20	**100%**				**These totals are in the FY20 Single Figure**	**0%**	**0**	**0%**	**0**
						Of which cash – 50%	0	Of which cash – 50%	0
						Of which deferred – 50%	0	Of which deferred – 50%	0

* Both the target and actual performance were based on budget exchange rates. Therefore actual performance is slightly lower than the reported performance due to movements in exchange rates during the year.

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Personal objectives

Personal objectives are weighted at 20% of the executive directors' Annual Bonus potential (a maximum of 30% of base salary). They are comprised of specific issues that should be achieved during the financial year to safeguard the business and contribute to, or form, the essential building blocks of our future long-term strategic priorities. As a result, some details of the executives' objectives cannot be fully disclosed due to their commercial sensitivity. Despite progress being made in a number of areas, no bonus was paid in respect of this element for FY20. However, the key major themes of the objectives and the executives' broad achievements are summarised below.

CEO – Alistair Cox

Broad themes	Summary of progress
The development of growth plans and investment in key markets and countries.	Very good progress was made on the personal objectives. Growth plans were developed for all of the markets identified, and this work will be implemented during the coming year, and there was continued strong progress in the US business, with further strong foundations put in place to exploit the opportunity there. The agenda around innovation continued expanding, with encouraging development of existing and new ideas. The key senior personnel moves were successfully concluded, and there was good progress in building on the succession planning process.
Building succession plans and associated development of the individuals identified as key role holders.	
Innovation and development of IT solutions including productivity tools and further development of Salesforce and the introduction of Hays Hub.	

CFO – Paul Venables

Broad themes	Summary of progress
Implement new finance systems and continue to review and embed the risk and control systems in key areas.	Very good progress was made on the introduction of new systems in the US, Canada and Germany and embedding control systems in Hong Kong, The Netherlands and the USA. Strong development plans were developed for key individuals in succession plans. Very strong cost control measures were put in place and the business infrastructure protected during the impact of Covid-19.
Continue to develop key individuals to ensure the strength of succession plans within the finance area.	
Ensure tight cost control and review impact of Brexit.	

1.1.6 PSP – note 6

Policy summary

- The 2017 PSP was granted under the Policy approved at the November 2017 AGM.
- Maximum potential for executive directors was 150% of base salary at grant.
- KPIs were focused on long-term sustainability and shareholder returns.
- Performance period was three years which is followed by a two-year Holding Period.
- Threshold performance equates to 25% of the award.
- Award is subject to Malus provisions prior to vesting and Clawback provisions for up to two years post vesting during the Holding Period.

What has happened

50% of the 2017 award vested in 2020. No Malus was exercised.

PSP 2017 (granted in FY18) vesting in 2020

The value of the 2017 PSP (vesting in November 2020) is based on a share price of £1.1135 which was calculated using an average for the final quarter of the financial year in accordance with the Regulations as the vesting will occur after the date of this Report. The share price on award was £1.872 being the closing price on the day preceding the grant date. The award vested at 50% of the maximum.

See pages 103 and 104 for detailed information on performance against targets.

Executive director	Value £000s in Single Figure based on share price of £1.1135	Restatement
2020		Value will be restated in FY21 report when vesting share price is known.
Alistair Cox	**368**	
Paul Venables	**265**	

Details of PSP 2017 (granted in FY18) vesting in 2020

This PSP was granted under the Policy approved by shareholders in 2017.

The performance metrics and objectives	Assessment	Achievement and what happens now
Three-year plan Performance period: 1 July 2017 to 30 June 2020. Granted: 21 November 2017 and will vest on 21 November 2020. Vesting will be followed by a two-year Holding period. **Performance Metrics** 30% on cumulative earnings per share (**EPS**): focuses on longer-term shareholder returns. 50% on **Cumulative Cash Conversion** focuses on ongoing business cash efficiency, whatever the trading circumstances of the Company. 20% on relative total shareholder return (**TSR**): Ranks the performance of Hays against a sector group of comparator companies: Adecco SA Kelly Services Inc Manpower Group Inc Page Group plc (previously Michael Page International plc) Randstad Holdings nv Robert Half International Inc Robert Walters plc SThree plc	**Cumulative Earnings Per Share** is the consolidated basic earnings per share of the Group for each financial year cumulative over the performance period, as calculated based on the accounting standards in place when issued. Goodwill impairments arising from acquisitions prior to 30 June 2006 are excluded from the earnings per share calculation. The Committee may make adjustments to the calculations of cumulative earnings per share, including taking into account unusual or non-recurring items that do not reflect underlying performance. **Cumulative Cash Conversion** three-year Cash Conversion is the cumulative operating cash flow of the Group prior to deducting net capital expenditure items stated as a percentage of cumulative operating profit before exceptional items. **TSR** for each company measures the change in value (in Sterling terms) of a notional shareholding (including dividends) in that company based on dealing days in the three-month period prior to the start and end of the performance period. The TSR for Hays' shares is ranked against the respective TSR performance of the comparator group. Vesting will be subject to satisfactory financial performance over the performance period as determined by the Committee.	**Alistair Cox** Awarded 591,306 shares in 2017. 50% of the award has vested. 330,449 shares are due to vest in November 2020 which includes accrued dividend equivalent shares. This equates to a value of £367,955 using a preliminary share price of £1.1135 – see page 104. **Paul Venables** Awarded 426,331 shares in 2017. 50% of the award has vested. 238,253 shares are due to vest in November 2020 which includes accrued dividend equivalent shares. This equates to a value of £265,295 using a preliminary share price of £1.1135 – see page 104. **Notes** The Committee is satisfied that out-turns suitably reflect performance over the period. While the vesting reflects performance at the end of FY20, it is noted that forecasted vesting for this award was tracking at a higher level prior to the impact of the Covid-19 pandemic, reflecting the underlying progress made over the period. These values will be restated in FY21's Report once the final share price is known. There was no dividend for FY20. Vested shares for both Alistair and Paul will now be subject to a two-year Holding Period.

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Actual results

PSP 2017 (granted in FY18) vesting in 2020 (audited)

The share price used to calculate the award was £1.872, being the closing price on the day preceding the grant date.

Performance period	1 July 2017 to 30 June 2020
Grant date	21 November 2017
Vest date	21 November 2020 followed by two-year Holding Period

Performance condition	Weighting	Threshold performance required	Maximum performance required	PSP value as % of salary for: Below threshold	Threshold	Maximum	Actual performance	PSP Value achieved as % of base salary
Relative TSR(1)	20%	Median of the comparator group	Upper quartile of the comparator group	0	7.5%	30%	Below median	0%
EPS(2)	30%	32.21p	37.73p	0	11.25%	45%	28.64p	0%
Cash Conversion	50%	71%	101%	0	18.75%	75%	120.09%	75%
Total	100%			0	37.50%	150%		75%
					25% of award	100% of award		50% of award

(1) TSR is measured against a bespoke comparator group, with vesting subject to satisfactory financial performance as determined by the Committee. The comparator group is Adecco SA, Kelly Services Inc, Manpower Inc, Page Group, Randstad Holdings nv, Robert Half International Inc, Robert Walters plc and SThree plc.

(2) The Committee took into account the following factors when setting the EPS targets:
- Budget (the setting of which is a robust and transparent process):
  - Company budget for FY18 and the expectations for performance;
  - Strategic direction of the business over the period covered by the PSP award; and
  - Market conditions and visibility of future trading;
- Analysts' forecasts; and
- Threshold and maximum ongoing growth expectations for years two and three are set around a fixed range.

Note: The award is subject to Malus for the three-year performance period and Clawback during the two-year holding period.

Name	% of FY18 salary awarded	Face value at award £000s	Share price at award £	Maximum number of shares excluding dividends	Maximum number of shares including dividend equivalent shares	Number of shares that vested including dividend equivalent shares	Vest date	Release date	Value (figure shown in Single Figure of Remuneration) £000s(1)	2016 award that vested in 2019 as stated in the FY19 Single Figure £000s	2016 award value restated using share price at release date £000s(2)
Alistair Cox	150	1,107	1.872	591,306	660,898	330,449	21 November 2020	21 November 2022	368	1,112	1,080
Paul Venables	150	798	1.872	426,331	476,506	238,253	21 November 2020	21 November 2022	265	802	779

(1) The value of the 2017 PSP is based on a share price of £1.1135 which was calculated using an average for the final quarter of the 2020 financial year in accordance with the Regulations as the vesting will occur after the date of this report.

(2) The value of the 2016 PSP disclosed in the 2019 Single Figure was based on a share price of £1.53 which was calculated using an average for the final quarter of the 2019 financial year in accordance with the Regulations as the vesting occurred after the date of the Report. The share price on award was £1.373. The actual share price on the date of vesting on 12 September 2019 was £1.4864. This price has been used to restate the value of the 2016 PSP awards in the Single Figure for 2019 in the table above and the Single Figure table on page 98.

Performance conditions

The Committee believes that the performance conditions for all incentives are:
- Suitably demanding;
- Have regard to business strategy;
- Incorporate an understanding of business risk;
- Consider shareholder expectations; and
- Take into account, to the extent possible, the cyclicality of the recruitment markets in which the Group operates.

To the extent that any performance condition is not met, the relevant part of the award will lapse. There is no re-testing of performance.

PSP 2016 (granted in FY17) vesting in 2019

The value of the 2016 PSP (which vested in 2019 and was disclosed in the 2019 Single Figure) was based on a share price of £1.53 which was calculated using an average for the final quarter of the 2019 financial year in accordance with the Regulations as the vesting occurred after the date of the Report. The share price on award was £1.373. The actual share price on the date of vesting on 12 September 2019 was £1.4864. This price has been used to restate the value of the 2016 PSP awards in the Single Figure for 2019 in the table above and the Single Figure table on page 98.

£000s Executive director	Value in 2019 Single Figure based on share price of £1.53	Value restated based on actual share price at vesting of £1.4864
2019		
Alistair Cox	1,112	1,080
Paul Venables	802	779

1.2 Non-executive directors FY20 fees (audited)

The table below shows the current fee structure and actual fees paid in FY20. There were no taxable benefits paid in FY20 or FY19.

All non-executive directors took a fee reduction of 10% for the three-month period 1 April to 30 June 2020, i.e. the last quarter of FY20. This was in recognition of the impact that Covid-19 had on the business and its wider stakeholders.

£000s Non-executive director	Andrew Martin	Peter Williams	Susan Murray	MT Rainey	Torsten Kreindl	Cheryl Millington
	Chairman					
		SID				
		R	**R**	R	R	R
	N	N	N	N	N	N
		A	A	A	A	A
				WE		
Total fee FY20	219	80	69	69	57	57
Total fee FY19	205	68	70	61	57	4

Key – positions held during FY20
R Remuneration Committee member
A Audit Committee member
N Nomination Committee member
SID Senior Independent Director
R N A Chair of relevant Committee
WE Chair of workforce engagement

The annual Base Fee for FY20 was £57,963.
The annual fee for being Chair of a Committee and for Chair of workforce engagement was £13,000.
The annual fee for SID was £11,000.
There is no additional Committee Chair fee for the Nomination Committee.

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Section 2 – Long-term value creation

2.1 Outstanding deferred Annual Bonus awards (DAB) (audited)

The table below shows the shares held under the DAB and those that were awarded or vested during FY20. The shares that vested related to deferred Annual Bonus from previous years. The shares awarded in the financial year 2020 relate to deferred Annual Bonus in relation to performance in the financial year 2019. Dividend equivalent shares which accrue under the DAB have been included in the table below.

There are no further performance conditions.

Name	Awards outstanding at 1 July 2019[1]	Dividend equivalents accrued to date	Awards granted in FY20[2]	Grant price (market price at date of award)	Face value of award granted in FY20 (at grant price)	Dividend equivalent shares accrued to date	Awards vesting in FY20	Awards outstanding as at 30 June 2020
Alistair Cox	609,823	78,223	189,582	£1.47	£278,686	9,713	189,574	697,767
Paul Venables	439,680	56,395	136,689	£1.47	£200,933	7,003	136,682	503,085

(1) The opening balance shows number of shares at award and not any accrued cumulative dividend equivalents.
(2) The awards were granted on 6 September 2019.

2.2 Share options

Both executive directors participate in the UK Sharesave Scheme (approved by HMRC) on the same terms as other eligible employees. The following table shows outstanding options over Ordinary shares held by the executive directors during the year ended 30 June 2020.

Name	Scheme date of grant	Balance 1 July 2019	Granted during 2020	Exercised	Balance 30 June 2020	Option price £	Exercise date	Market price on date of exercise £	Gain £000s	Date from which exercisable	Expiry date
Alistair Cox	31 March 2017	6,293	–	–	6,293	1.43	–	–	–	1 May 2020	31 October 2020
Paul Venables	31 March 2016	3,364	–	3,364	–	1.07	11 July 2019	1.478	1	1 May 2019	31 October 2019
Paul Venables	31 March 2017	3,776	–	–	3,776	1.43	–	–	–	1 May 2020	31 October 2020
Paul Venables	28 March 2019	2,666	–	–	2,666	1.35	–	–	–	1 May 2022	31 October 2022

Notes:
Alistair Cox received a refund of his savings but the option remains open until 31 October 2020.

Paul Venables did not exercise his 2017 share options in FY20. A figure based on the theoretical gain had he exercised them at the first available opportunity on 1 May 2020 is shown in the Single Figure. A theoretical figure for the 2016 award was shown in the 2019 Report.

2.3 Outstanding PSP awards

The tables below show the outstanding PSP awards where vesting will be determined according to the achievement of performance conditions that will be tested in future reporting periods.

2018 PSP (granted in FY19) vesting 2021 (made under the Policy approved at the November 2017 AGM)

The share price used to calculate the award is £2.058, being the closing price on the day preceding the grant date.

Performance period	1 July 2018 to 30 June 2021
Grant date	12 September 2018
Vest date	12 September 2021 followed by a two-year Holding Period

Performance condition	Weighting	Threshold performance required (25% of the elements vest)	Maximum performance required (100% of elements vest)	PSP value as % of salary for: Below threshold	Threshold	Maximum
Relative TSR[(1)]	20%	Median of the comparator group	Upper quartile of the comparator group	0	7.5%	30%
EPS[(2)]	30%	37.31p	43.69p	0	11.25%	45%
Cash Conversion	50%	71%	101%	0	18.75%	75%
Total	100%			0	37.50%	150%
					25% of award	100% of award

Name	% of FY19 salary awarded	Face value at award £000s	Share price at award £	Maximum number of shares	Threshold number of shares
Alistair Cox	150	1,129	2.058	548,621	137,155
Paul Venables	150	814	2.058	395,555	98,888

(1) TSR is measured against a bespoke comparator group, with vesting subject to satisfactory financial performance as determined by the Committee. The comparator group for FY19 is: Adecco SA, Kelly Services Inc, Manpower Inc, Page Group (previously Michael Page International plc), Randstad Holdings nv, Robert Half International Inc, Robert Walters plc and SThree plc.

(2) The Committee took into account the following factors when setting the EPS targets for the award:
- Budget (the setting of which is a robust and transparent process):
  - Company budget for FY19 and the expectations for performance;
  - Strategic direction of the business over the period covered by the PSP award; and
  - Market conditions and visibility of future trading;
- Analysts' forecasts; and
- Threshold and maximum ongoing growth expectations for years two and three are set around a fixed range.

Notes:
There is a two-year Holding Period post vesting for any shares that vest as a result of performance conditions being met.
The award is subject to Malus for the three-year performance period and Clawback during the two-year Holding Period.

The Malus and Clawback provisions are:

- 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; and
- Fraud and Gross misconduct.

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2019 PSP (granted in FY20) vesting in 2022 (made under the Policy approved at the November 2017 AGM)

Performance period	1 July 2019 to 30 June 2022
Grant date	12 September 2019
Vest date	12 September 2022 followed by a two-year Holding Period

Performance condition	Weighting	Threshold performance required (25% of the elements vest)	Maximum performance required (100% of the elements vest)	PSP value as % of salary for: Below threshold	Threshold	Maximum
Relative TSR[1]	20%	Median of the comparator group	Upper quartile of the comparator group	0	7.5%	30%
EPS[2]	30%	33.59p	39.34p	0	11.25%	45%
Cash Conversion	50%	71%	101%	0	18.75%	75%
Total	100%			0	37.50%	150%
					25% of award	100% of award

(1) TSR is measured against a bespoke comparator group, with vesting subject to satisfactory financial performance as determined by the Committee. The comparator group for FY20 is: Adecco SA, Kelly Services Inc, Manpower Inc, Page Group (previously Michael Page International plc), Randstad Holdings nv, Robert Half International Inc, Robert Walters plc and SThree plc.

(2) The Committee took into account the following factors when setting the EPS targets for the award:
- Budget (the setting of which is a robust and transparent process):
  - Company budget for FY20 and the expectations for performance;
  - Strategic direction of the business over the period covered by the PSP award; and
  - Market conditions and visibility of future trading;
- Analysts' forecasts; and
- Threshold and maximum ongoing growth expectations for years two and three are set around a fixed range.

In setting the EPS target (which represents 30% of the PSP award) for the FY20 PSP award, noting that the mechanics for this are consistent with prior years, it is recognised that the target range is lower in absolute terms than the target applied to the awards made in FY19. However, the Committee is comfortable that these targets are no less challenging in relative terms than the targets applied to the FY19 PSP awards and are broadly consistent with external forecasts at that time when adjusted for IFRS 16/IAS 19 pension charge.

Notes:
There is a two-year Holding Period post vesting for any shares that vest as a result of performance conditions being met.
The award is subject to Malus for the three-year performance period and Clawback during the two-year Holding Period.

Name	% of FY20 salary awarded	Face value at award £000s	Share price at award £	Maximum number of shares	Threshold number of shares
Alistair Cox	150	1,152	1.518	758,659	189,664
Paul Venables	150	830	1.518	546,992	136,748

2.4 Statement of directors' shareholdings and share interests (audited)

Policy summary

– Shareholding requirements in operation at Hays are currently 200% of base salary for both the Chief Executive and the Group Finance Director. Both are required to build up their shareholdings over a reasonable amount of time which would normally be five years.

What has happened

The number of shares of the Company in which current directors had a beneficial interest and details of long-term incentive interests as at 30 June 2020 are set out in the table below.

Name	Shareholding requirement % of salary	Number of shares owned outright/ vested shares	Share price as at 30 June 2020	Base salary as at 1 July 2019	Actual share ownership as % of base salary	Guidelines met
Alistair Cox	200%	3,910,543	£1.19	£767,763	606%	Yes
Paul Venables	200%	1,391,228	£1.19	£553,556	299%	Yes

Shares used for the above calculation exclude those with performance conditions, i.e. those awarded under the PSP which are still within their performance period, any unexercised options, those shares subject to a period of deferral and any shares held in a private Trust where the executive director is not a Trustee. They include vested shares where the executive directors have beneficial ownership, shares independently acquired in the market and those held by a spouse or civil partner or dependent child under the age of 18 years. The executive directors' total shareholdings, including shares subject to deferral and including accrued dividend equivalents to 30 June 2020, but excluding Sharesave options, are shown below. For reference, their Sharesave options are shown in the table under 2.2 on page 106.

Name	Number of owned outright/ vested shares	Value of owned outright/ vested shares(2) £	Number of shares subject to deferral/ holding period(1)	Value of shares subject to deferral/ holding period(2) £	Number of total vested and unvested shares (excludes any shares with performance conditions)	Value of total vested and unvested shares (excludes any shares with performance conditions)(2) £	Share ownership as % of base salary using vested and unvested shares	PSP share Interests including dividends subject to performance conditions
Alistair Cox	3,910,543	£4,653,546	697,767	£830,343	4,608,310	£5,483,889	714%	2,068,052
Paul Venables	1,391,228	£1,655,561	503,085	£598,671	1,894,313	£2,254,232	407%	1,491,061

(1) Unvested shares will be subject to payroll deductions for tax and social security on vesting. Number includes dividend equivalent shares to date.
(2) Share price as at 30 June 2020 and used in the above table was £1.19.

There have been no changes to the above holdings as at the date of this Report.

The table below shows the NEDs' shareholdings as at 30 June 2020 – this table has been audited.

Non-executive director	Shares held at 30 June 2020	Shares held at 30 June 2019
Andrew Martin	190,088	35,000
Peter Williams	31,806	15,806
Susan Murray	4,000	4,000
MT Rainey	48,845	–
Torsten Kreindl	–	–
Cheryl Millington	–	–

There have been no changes to the above holdings for current NEDs as at the date of this Report.

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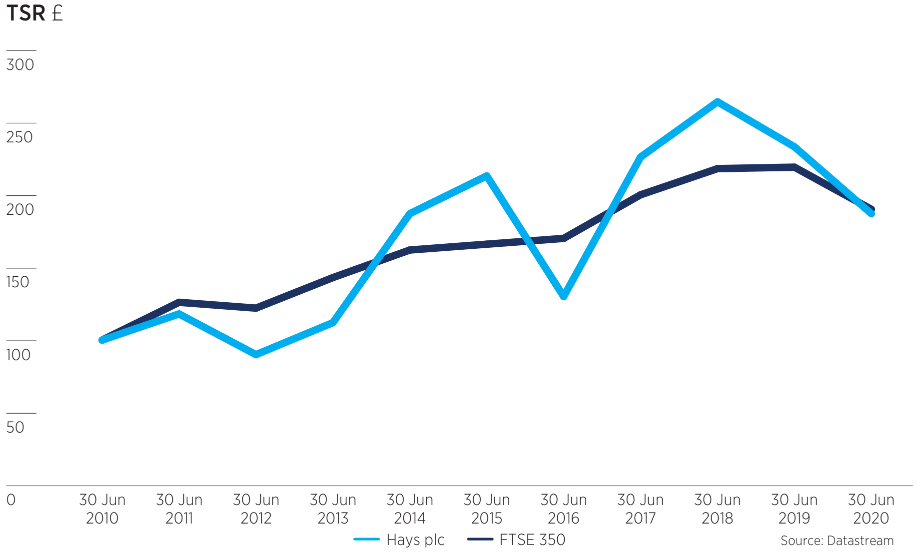
2.5 Total Shareholder Return (TSR)

The graph shows the value of £100 invested in the Company's shares compared to the FTSE 350 Index. The graph shows the total shareholder return generated by both the movement in share value and the reinvestment over the same period of dividend income. The Committee considers that the FTSE 350 is the appropriate index because the Company has been a member of this index throughout the period.

This graph has been calculated in accordance with the Regulations.



Chief Executive historical remuneration

The table below sets out the total remuneration delivered to the Chief Executive over the last ten years, valued using the methodology applied to the total single figure of remuneration.

The 2019 figure has been restated to take into consideration the actual share price on date of PSP vesting.

Chief Executive	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Single Figure (£000s)	1,634	2,157	1,328	2,012	2,826	3,996	2,796	2,993	3,009	2,666	1,397
Annual Bonus payment level achieved (% of maximum opportunity)	89%	80%	37%	95%	98%	98%	66%	93%	97%	49%	0%
PSP vesting level achieved (% of maximum opportunity)	0%	50%	0%	22%	50%	100%	86%	60%	55%	70%	50%
DAB match vesting level achieved (% of maximum opportunity)	N/A	59%	60%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

2.6 Payments to past directors/payment for loss of office during FY20

There were no payments made in relation to either of the above in the financial year 2020.

Section 3 – Remuneration in the broader context

In this section:

3.1 Remuneration for employees below Board

Our remuneration philosophy is cascaded throughout the organisation. Our Management Board has an Annual Bonus scheme that is measured against Group and Regional financial targets and personal and strategic objectives. Of any award, 50% is deferred into shares for three years and subject to Malus provisions. The cash element is subject to Clawback provisions for three years. Members of the Management Board also participate in the Performance Share Plan (PSP) with the same performance conditions as the executive directors.

Members of the Management Board are deemed ‘specified individuals’ under the Remuneration Committee’s Terms of Reference and therefore have their remuneration set by the Committee. Along with the executive directors, the Committee determined that no Annual Bonus in relation to FY20 would be paid to the Management Board. Members of the Management Board also took a salary reduction for the last quarter of FY20 and no pay increases were given for FY21.

Employees below the Management Board receive salary and benefits which are benchmarked to the local markets and countries in which they work. These are reviewed annually. There is a strong tie of reward to performance which is recognised through annual bonuses, commission or other non-financial recognition. Employees who hold key strategic positions or are deemed critical to the business through their performance are also offered the opportunity to participate in the Performance Share Plan with performance conditions normally based on Group EPS results measured over one year. Any shares that crystallise at the end of the performance period have a further two-year holding period prior to vesting. During this time there is also a personal performance underpin. In addition, nine countries offer a Sharesave plan to employees. A Resolution was passed at the 2016 AGM to enable the introduction of a US Stock Purchase Plan for employees in the USA and this was launched in FY19.

As stated in our Remuneration Policy, each year, prior to reviewing the remuneration of the executive directors and the members of the Management 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 Management Board are based.

While the Company does not currently directly consult with employees as part of the process of reviewing executive pay and formulating the Remuneration Policy, the Company takes account of feedback from the broader employee population on an annual basis using the engagement survey which includes a number of questions relating to remuneration.

As a result of the impact of Covid-19 on the business, c.170 senior managers below the Management Board took a voluntary pay reduction for the last two months of FY20.

On 19 February 2019, MT Rainey was appointed as NED for workforce engagement.

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The table below summarises the above.

Principles	Components		
Operate a consistent reward and performance philosophy throughout the business. Provide a balanced package with a strong link between reward and individual and Group performance. Encourage a material, personal stake in the business to give a long-term focus on sustained growth.	**Base salary** Based on skill and experience and benchmarked to local market.	**Annual Bonus** Employees who hold positions that influence the business strategy and direction, or hold key roles that have a direct effect on business results, have annual bonuses based on a combination of Group, Regional and/or local business targets and personal or strategic objectives. For members of the Management Board, 50% of any bonus earned is deferred into shares for three years and is subject to Malus.	**Performance Share Plan (PSP) and Sharesave** Members of the Management Board participate in the same PSP Plan as executive directors subject to Remuneration Committee approval. The PSP is subject to Malus and Clawback provisions. Management Board members are encouraged to retain shares. Below the Management Board, broadly 350 key employees each year participate in a PSP which has a one-year performance period and two-year holding period. Financial targets are normally based on Group EPS results. Nominations are reviewed and approved by the Remuneration Committee. Employees in nine countries can participate in a Sharesave scheme with the option to purchase shares after three years. A US Stock Purchase Plan for employees in the USA was launched in FY19.
	Benefits Benchmarked to local market and can include pension, life assurance, health cover and discounted voluntary benefits. In the UK the executive directors participate in the same plans as other UK employees.	**Commission** Client-facing employees have annual bonuses based on personal objectives and/or commission directly related to personal business performance.	**Your Voice Survey** An annual global employee engagement survey is conducted across all Hays' employees in all countries to ascertain overall engagement, This includes a number of questions relating to remuneration.
Timeline Fixed Variable Long-term/Ongoing			

3.2 Change in Board's remuneration compared to other employees

The following table sets out the change in the remuneration paid to Board Directors from FY19 to FY20 compared with the average percentage change for Hays plc employees. Hays plc only employs the CEO and CFO and has contracts for services for the Chairman and non-executive directors.

The executive directors' remuneration disclosed in the table below has been calculated to take into account base salary, taxable benefits (excluding allowance in lieu of pension), and Annual Bonus (including any amount deferred).

	% change in salary/fee[1] FY20 vs FY19	% change in taxable benefits[2] FY20 vs FY19	% change in Annual Bonus FY20 vs FY19
Chief Executive – Alistair Cox	-1.0%	0%	-100.0%
Group Finance Director – Paul Venables	-1.0%	-7.0%	-100.0%
Chairman – Andrew Martin	7.0%	n/a	n/a
SID and Chair of Audit Committee – Peter Williams	18.0%	n/a	n/a
Chair of Remuneration Committee – Susan Murray	-1.0%	n/a	n/a
Chair of Workforce Engagement – MT Rainey	13.0%	n/a	n/a
NED – Cheryl Millington	0%	n/a	n/a
NED – Torsten Kreindl	0%	n/a	n/a
Employees of Hays plc[3]	n/a	n/a	n/a

(1) NEDs do not receive benefits or Annual Bonus. As noted on pages 98 and 105, salaries/fees were reduced by 10% for the final quarter of FY20. Where increases over FY19 are shown this is due the fact that some NEDs took on additional responsibilities part way through FY19 but FY20 represents a full year of the associated fee.
Cheryl Millington joined the Board on 17 June 2019.

(2) The change to Paul Venables' benefits is due to a reduction in the premium for life assurance. The actual cover level did not change.

(3) Hays plc only employs the CEO and CFO and has contracts for services for the Chairman and non-executive directors.

3.3 CEO vs Employee Pay Ratio

This is the first year that we have been required to disclose the ratio of CEO remuneration to that of our employees at the median, 25th and 75th percentiles. The table below shows the overall positions:

			£000s
FY20 CEO Single Figure of Remuneration as shown on page 98			1,397
	25th percentile	Median	75th percentile
CEO vs Employee Pay Ratio – Methodology A	53:1	36:1	22:1
Employee total remuneration for FY20	£26,570	£38,397	£62,847
Employee base salary for FY20	£24,500	£27,500	£35,800

We are committed to providing a total reward package for our employees that is competitive. The structure of remuneration for employees is shown on page 112. We anticipate that the ratio may vary significantly year to year as it will be influenced by the level of variable pay earned such as commission and Annual Bonus and, in the case of PSP awards, by the level of vesting and share price fluctuation. This variation in remuneration will apply to both employees and the CEO. A greater proportion of the package is variable at senior levels. The median pay ratio therefore reflects the pay, reward and progression policies.

In calculating the ratio, we have used methodology A, that is the same method as used for the CEO Single Figure of Remuneration, as this is felt to be the most accurate calculation and allows for a like-for-like comparison.

The UK employees included in the calculation are those who have been employed for the full FY20 financial year and part-time employees have been pro-rated to full-time equivalents to enable a realistic comparison as required under the legislation. We have excluded leavers and joiners during the year as it is felt these would not allow an accurate reflection of the figures.

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CONTINUED

3.4 External appointments

The Company considers that certain external appointments can help to broaden the experience and contribution to the Board of the executive directors. Any such appointments are subject to prior agreement by the Company and must not be with competing companies. Subject to the Company's agreement, any fees may be retained by the individual.

For the 12 months ended 30 June 2020, the fees earned and retained by the executive directors were as follows:

- Alistair Cox: Alistair was appointed as a non-executive director at Just Eat plc on 2 May 2017. He stood down from this position on 2 March 2020. His payment for the period 1 July 2019 to 2 March 2020 was £45,260.
- Paul Venables: Paul holds no external appointments.

3.5 Relative importance of spend on pay

The table below sets out the relative importance of the spend on pay in the 2020 financial year and the 2019 financial year compared with other disbursements. All figures are taken from the relevant Hays Annual Report.

	Disbursements from profit in 2020 financial year £m	Disbursements from profit in 2019 financial year £m	% change
Profit distributed by way of dividend	0.0	137.9	-100.0%
Overall spend on pay including directors	668.5	692.3	-3.4%(1)

(1) The decrease is primarily due to exceptionally low levels of incentive and commission payments across the Group, and headcount reductions in the second half of the year and voluntary pay reductions in Q4.

Section 4 – Statement of implementation of Remuneration Policy in the following financial year

In this section:

Below are the Remuneration Policy decisions for the financial year 2021. These are subject to approval of the Policy by shareholders at the November 2020 AGM.

4.1 Executive directors

Summary

Position	Name	Base salary from 1 July 2020	Maximum bonus potential as % of salary	Maximum PSP award as % of salary	Benefits and pension
CEO	Alistair Cox	£767,763	150%	150%	Reduction from 30% of salary to 20% of salary for pension
CFO	Paul Venables	£553,556	150%	150%	Reduction from 30% of salary to 20% of salary for pension
		There were no salary increases for FY21 and therefore the salaries remain the same as for FY20	See below for performance conditions	The new Policy allows for a grant of up to 200% but the first grant at this level will be considered for September 2021 See grant summary below	

Bonus performance conditions

The weighting of the performance conditions remain as follows for FY21:

Performance condition	Weighting	
Financial (profit and cash)	80%	The operation of the Bonus Plan is as set out in the Remuneration Policy on pages 87 and 88. It should be noted that the Committee views the disclosure of the actual performance targets as commercially sensitive. The Committee will aim to provide retrospective disclosure of the performance targets to allow shareholders to judge the bonus earned in the context of the performance delivered. In some instances, the detail of certain personal objectives may continue to be commercially sensitive for an extended period.
Personal	20%	
Total	100%	

Of any award, 50% will be deferred into shares and held for three years from the date of award and will be subject to Malus conditions for the three-year holding period.

Any cash award is subject to Clawback conditions for three years from the date of award. The Malus and Clawback provisions are:

- 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 and Gross misconduct;
- Severe reputational damage; and
- Corporate failure.

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2020 PSP (to be granted in FY21) vesting in 2023, followed by a two-year Holding Period (to be made under the Policy to be put to shareholders at the November 2020 AGM)

Given the complex challenges of Covid-19 we have delayed the target setting for 2020 PSP awards until later in the year to ensure that they are sufficiently robust and stretching. Full details of the awards to the executive directors, together with their associated targets, will in due course be disclosed on our website. (In line with guidance published by the Investment Association the Committee intends for any targets to be disclosed within six months of the publication of the Annual Report and Financial Statements).

Performance period	1 July 2020 to 30 June 2023
Grant date	20 November 2020
Vest date	20 November 2023 followed by a two-year Holding Period

Performance condition	Weighting	Threshold performance required	Maximum performance required	PSP value as % of salary for: Below threshold	Threshold	Maximum
Relative TSR[1]	20%	Median of the comparator group	Upper quartile of the comparator group	0	7.5%	30%
EPS[2]	30%	*	*	0	11.25%	45%
Cash Conversion	50%	*	*	0	18.75%	75%
Total	100%			0	37.50%	150%
					25% of award	100% of award

* To be set and disclosed during the financial year

(1) TSR is measured against a bespoke comparator group, with vesting subject to satisfactory financial performance as determined by the Committee. The comparator group for the 2020 award is: Adecco SA, Kelly Services Inc, Manpower Inc, Page Group (previously Michael Page International plc), Randstad Holdings nv, Robert Half International Inc, Robert Walters plc and SThree plc.

(2) In setting EPS targets, the Committee will take into account the following factors:
- Budget (the setting of which is a robust and transparent process):
  - Company budget for FY21 and the expectations for performance;
  - Strategic direction of the business over the period covered by the PSP award; and
  - Market conditions and visibility of future trading;
- Analysts' forecasts; and
- Threshold and maximum ongoing growth expectations for years two and three will be set around a fixed range.

Notes:
There will be a two-year Holding Period post vesting for any shares that vest as a result of performance conditions being met.
The award is subject to Malus for the three-year performance period and Clawback during the two-year Holding Period.

The Malus and Clawback provisions are:

- 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 and Gross misconduct;
- Severe reputational damage; and
- Corporate failure.

Shareholding requirements

For FY21 the shareholding requirement for both the CEO and the CFO is 200% of base salary. Both the CEO and CFO already hold above this shareholding – see page 109.

4.2 Non-executive directors

The Committee reviewed the Group Chairman's fee for FY21 and determined that there should be no fee increase for FY21 given the ongoing impact on the business of the Covid-19 pandemic. This was in line with the decision not to increase the salaries of the executive directors and a broader decision across the Company not to award any pay review budget. The Board reviewed the fees for the other non-executive directors (NEDs) during FY20 and similarly determined that there would be no increase to fees for FY21. There were also no changes made to the SID fee or Committee Chair fees. There is no fee for being the Chair of the Nomination Committee. Fees for FY21 will therefore remain at the same level as FY20.

Position	Fee for FY21 £000s	Fee for FY20 £000s
Chairman	224	224
Base fee	58	58
Committee Chair (Including fee for NED responsible for workforce engagement)	13	13
SID	11	11

4.3 Voting outcome for the 2017 Remuneration Policy at the 2017 AGM and Annual Report on Remuneration FY19 at the 2019 AGM

Votes	Votes 2017 Policy	%	Votes FY19 Remuneration Report	%
Votes for	1,015,990,462	94.02	1,204,736,129	96.32
Votes against	64,624,371	5.98	46,015,367	3.68
Votes withheld	6,955,822	–	21,085,791	–

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Section 5 – Governance

5.1 Remuneration Committee members and attendees

The table below shows the members and attendees of the Remuneration Committee during FY20.

Remuneration Committee members	Position	Comments
Susan Murray	Member from 12 July 2017	Independent
Torsten Kreindl	Member from 1 June 2013	Independent
Peter Williams	Member from 24 February 2015	Independent
MT Rainey	Member from 14 December 2015	Independent
Cheryl Millington	Member from 17 June 2019	Independent

Remuneration Committee attendees	Position	Comments
Andrew Martin	Group Chairman and attended by invitation	Independent upon appointment on 23 July 2018 (member from appointment to Board on 12 July 2017 to date became Chairman).
Alistair Cox	Chief Executive	Attends by invitation but does not participate in any discussion about his own reward.
Other executives	The Group Head of Reward	Attends by invitation as the executive responsible for advising on the Remuneration Policy.
	The Company Secretary	Acts as Secretary to the Committee.
Deloitte	Committee's independent advisers during FY20	Attended by invitation.

No person is present during any discussion relating to his or her own remuneration.

5.2 Terms of reference

The Board has delegated to the Committee, under agreed Terms of Reference, responsibility for the Remuneration Policy and for determining specific packages for the executive directors, the Chairman and other senior executives. The Company consults with key shareholders in respect of the Remuneration Policy and the introduction of new incentive arrangements. The Terms of Reference for the Committee are available on the Company's website, haysplc.com, and from the Company Secretary at the registered office.

5.3 Meetings in FY20

The Committee normally meets at least four times per year. During FY20, it formally met four times as well as having ongoing dialogue via email or telephone discussion. A number of workshops were also held to review the Remuneration Policy. The meetings principally discussed the following key issues and activities:

- Review of the Remuneration Policy;
- A review of the basic pay, bonus and PSP awards of the executive directors and other senior executives, in particular in relation to Covid-19;
- Consideration of the relationship between executive reward and the reward structures in place for other Group employees;
- The requirements of the revised UK Corporate Governance Code (July 2018);
- A review of the Committee's Terms of Reference; and
- The review of the Gender Pay Gap reporting.

5.4 Advisers to the Remuneration Committee

Deloitte was appointed by the Committee as the independent adviser to the Committee with effect from November 2016 following a competitive tender process. During FY20 Deloitte has advised the Committee on all aspects of the current and future Remuneration Policy for executive directors and members of the Management Board.

Deloitte also provided advice to the Company in relation to taxation compliance work and tax advice including transfer pricing work. This work is carried out by entirely different areas and employees within Deloitte and is not felt to be in conflict with the independence and objectivity of the work carried out for the Committee.

The Committee is satisfied that the advice received was objective and independent. Deloitte is a member of the Remuneration Consultants' group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to Remuneration Committees.

Deloitte's total fee for FY20 in relation to Committee work was £72k excluding VAT. While fee estimates are generally required for each piece of work and set fees have been agreed for certain regular work, fees are generally calculated based on time, with hourly rates in line with the level of expertise and seniority of the adviser concerned.

5.5 Engagement with shareholders

The Committee seeks to maintain an active and productive dialogue with investors on developments in the remuneration aspects of corporate governance generally and any changes to the Company's executive pay arrangements in particular. Following consultation, the Committee was pleased to have received strong shareholder support for its 2017 Remuneration Policy proposals, the Resolution for which received a 94.02% vote in favour at the November 2017 AGM.

During FY20 the Committee proactively liaised with shareholders when considering the Policy renewal contained in this report and which will be voted on at the November 2020 AGM. The Committee valued the very constructive and open discussions and the feedback it received. The Committee took shareholder comments into consideration and made adjustments to the Policy now contained in this report in relation to pension proposals. The Committee is appreciative of shareholder support.

5.6 Considering risk

Each year, the Committee considers the executive remuneration structure in the light of its key areas of risk. The Committee takes into consideration whether the achievement of objectives and any payment from plans have taken into account the overall risk profile of the Company when it evaluates the executives' performance.

5.7 General governance

The Directors' Report on Remuneration has been prepared in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the revised provisions of the Code and the Listing Rules.

By order of the Board

Susan Murray
Chair of the Remuneration Committee
26 August 2020

DIRECTORS' REPORT

Hays is incorporated in the UK and registered as a public limited company in England and Wales. Its headquarters are in London and it is listed on the main market of the London Stock Exchange.

Strategic Report

A description of the Company's business model and strategy is set out in the Strategic Report along with the factors likely to affect the Group's future development, performance and position. An overview of the principal risks and uncertainties faced by the Group are also provided in the Strategic Report along with the Company's Section 172 statement.

The Statement of Compliance with the Code for the reporting period is contained in the Governance Report.

Information relating to matters addressed by the Audit, Remuneration and Nomination Committees, which operate within clearly defined terms of reference, are set out within the Audit, Remuneration and Nomination Committee Reports.

In accordance with Section 414CB of the Companies Act 2006, all of the matters above are incorporated by reference into this Directors' Report.

The purpose of this Report is to provide information to the members of the Company, as a body. The Company, its directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. This Report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Report. Nothing in this Report should be construed as a profit forecast.

Related party transactions

Details of the related party transactions undertaken during the reporting period are contained in note 28 to the Consolidated Financial Statements.

Post balance sheet events

There have been no significant events to report since the date of the balance sheet.

Dividends

No dividends for the financial year ended 30 June 2020 have been paid or are proposed.

Financial instruments

Details of the financial instruments used by the Group are set out in notes 19 to 21 to the Consolidated Financial Statements. A general outline of Hays' use of financial instruments is set out in the treasury management section on page 41 of the Finance Director's Review.

Directors

Biographies of the serving directors of Hays are provided on pages 60 and 61 of this Report. They all served on the Board throughout the 2020 financial year. Peter Williams is the Senior Independent Director and MT Rainey is the Designated NED for workforce engagement.

General powers of the directors

The powers of the directors are contained in the Company's Articles of Association (Articles). These powers may be exercised by any meeting of the Board at which a quorum of three directors is present. The power of the Board to manage the business is subject to any limitations imposed by the Companies Act 2006, the Articles or any directions given by special resolution of the shareholders applicable at a relevant time.

The Articles contain an express authority for the appointment of executive directors and provide the directors with the authority to delegate or confer upon such directors any of the powers exercisable by them upon such terms and conditions and with such restrictions as they see fit. The Articles contain additional authorities to delegate powers and discretions to committees and subcommittees.

Directors' powers to allot and buy back shares

The directors have the power to authorise the issue and buy-back of the Company's shares by the Company, subject to authority being given to the directors by the shareholders in general meeting, applicable legislation and the Articles.

Appointment and replacement of directors

Shareholders may appoint any person who is willing to act as a director by ordinary resolution and may remove any director by ordinary resolution. The Board may appoint any person to fill any vacancy or as an additional director, provided that they are submitted for election by the shareholders at the AGM following their appointment. Specific conditions apply to the vacation of office, including cases where a director becomes prohibited by law or regulation from holding office, or is persistently absent from directors' meetings, or if three-quarters of appointed directors request his or her resignation or in the case of mental incapacity or bankruptcy.

Directors' indemnities

The Company continues to maintain third-party directors' and officers' liability insurance for the benefit of its directors. This provides insurance cover for any claim brought against directors or officers for wrongful acts in connection with their positions. The directors have also been granted qualifying third-party indemnities, as permitted under the Companies Act 2006, which remain in force. Neither the insurance nor the indemnities extend to claims arising from fraud or dishonesty and do not provide cover for civil or criminal fines or penalties provided by law.

Directors' interests

Details of the interests of Hays' directors and their connected persons in the Ordinary shares of the Company are outlined in the Remuneration Report.

Share capital

Hays has one class of Ordinary shares which carry no right to fixed income or control over the Company. These shares may be held in certificated or uncertificated form. On 30 June 2020, the Company had 1,682,116,775 fully paid Ordinary shares in issue, of which 4,386,954 Ordinary shares were held in treasury by the Company.

The rights and obligations attaching to the Company's Ordinary shares are contained in the Articles. In brief, the Ordinary shares allow holders to receive dividends and to exercise one vote on a poll per Ordinary share for every holder present in person or by proxy at general meetings of the Company. They also have the right to a return of capital on the winding-up of the Company.

There are no restrictions on the size of holding or the transfer of shares, which are both governed by the general provisions of the Company's Articles and legislation. Under the Articles, the directors have the power to suspend voting rights and the right to receive dividends in respect of Ordinary shares and to refuse to register a transfer of Ordinary shares in circumstances where the holder of those shares fails to comply with a notice issued under Section 793 of the Companies Act 2006. The directors also have the power to refuse to register any transfer of certificated shares that does not satisfy the conditions set out in the Articles.

The Company is not aware of any agreements between shareholders that might result in the restriction of transfer of voting rights in relation to the shares held by such shareholders.

For information, on 2 April 2020, the Company announced the successful completion of the non-pre-emptive placing of 210,421,053 new Ordinary shares (Placing) and the subscription by certain directors of the Company for a total of 105,264 new Ordinary shares (Subscription) at a price of 95.0 pence per Ordinary share (Placing Price). The aggregate new Ordinary shares issued under the Placing and the Subscription represented approximately 14.3% of the existing issued Ordinary share capital of the Company prior to the Placing. The Placing Price represented a discount of 13.2% to the closing share price of 109.4 pence on 1 April 2020 and a discount of 3.6% to the middle market price at the time at which the Company agreed the Placing Price. The Placing and the Subscription raised net proceeds of approximately £195.9 million which have been used to strengthen the Company's balance sheet, working capital and liquidity position during this period of unprecedented disruption resulting from the Covid-19 pandemic, and to put the Company in a strong position to pursue organic growth opportunities with new and existing blue-chip clients. The Placing was conducted on a soft pre-emptive basis, with consultation between the Company and its major institutional shareholders ahead of the announcement of the Placing. The Board concluded that the Placing was in the best interests of shareholders and wider stakeholders and would promote the success of the Company, a conclusion which was endorsed by the consultation with major institutional shareholders. Over the three-year period preceding the Placing, the Company has only issued shares for the purpose of fulfilling its obligations under employee share schemes.

Treasury shares

As Hays has only one class of share in issue, it may hold a maximum of 10% of its issued share capital in treasury. As at 30 June 2020, 0.26% of the Company's shares were held in treasury. Legislation restricts the exercise of rights on Ordinary shares held in treasury. The Company is not allowed to exercise voting rights conferred by the shares while they are held in treasury. It is prohibited from paying any dividend or making any distribution of assets on treasury shares. Once in treasury, shares can only be sold for cash, transferred to an employee share scheme or cancelled. During the 2020 financial year, Hays transferred 1,046,323 shares out of treasury to satisfy the award of shares under the Company's employee share schemes.

Shares held by the Employee Benefit Trust

The Hays plc Employee Share Trust (the Trust) is an employee benefit trust which is permitted to hold Ordinary shares in the Company for employee share schemes purposes. No shares were held by the Trust as at the year end. Shares held in the Trust may be transferred to participants of the various Group share schemes. No voting rights are exercisable in relation to shares unallocated to individual beneficiaries.

Dilution limits in respect of share schemes

The current Investment Association (IA) guidance on dilution limits (formerly the responsibility of the Association of British Insurers) provide that the overall dilution under all share plans operated by a company should not exceed 10% over a 10-year period in relation to the Company's share capital, with a further limitation of 5% in any 10-year period on executive plans. The Company's share plans operate within IA recommended guidelines on dilution limits.

Major shareholders

As at 30 June 2020, the following shareholders held an interest of 3% or more of the Company's issued share capital:

	% of total voting rights
Columbia Threadneedle Investments	10.43%
Silchester International	8.81%
Cedar Rock Capital Limited	7.58%
Majedie Asset Management	7.43%
Baillie Gifford & Co*	5.50%
Marathon Asset Management	4.22%
Heronbridge Investment Management	3.56%
Evenlode Investment	3.40%
M&G Investment Management	3.38%

* On 4 August 2020 Baillie Gifford notified the Company that their notifiable interest had fallen below 5%.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows and liquidity position are described in the Finance Director's Review, with details of the Group's treasury activities, long-term funding arrangements and exposure to financial risk included in notes 19 and 20 to the Consolidated Financial Statements.

The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments. The Group is therefore well placed to manage its business risks.

After making enquiries, the directors have formed the judgment at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

Articles of association

The Company's Articles may only be amended by special resolution of the shareholders.

Disclosure of information to the Auditor

So far as the directors who held office at the date of approval of this Report are aware, there is no relevant audit information of which the external Auditor is unaware and each director has taken all steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the external Auditor is aware of that information.

This confirmation should be interpreted in accordance with Section 418 of the Companies Act 2006.

2020 Annual Report & Financial Statements

On the recommendation of the Audit Committee and having considered all matters brought to the attention of the Board during the financial year, the Board is satisfied that the Annual Report & Financial Statements, taken as a whole, is fair, balanced and understandable. The Board believes that the disclosures set out in the Annual Report provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Annual General Meeting

The Company's AGM will be held on 11 November 2020; further details are provided in the Notice of Meeting (the Notice).

The Notice sets out the resolutions to be proposed at the AGM and gives details of the voting record date and proxy appointment deadline for that Meeting. The Notice is contained in a separate circular to shareholders which is being mailed or otherwise provided to shareholders at the same time as this Report.

By order of the Board

Doug Evans
Company Secretary
26 August 2020

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report & Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors consider that the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

Each of the directors, whose names and functions are listed in the Governance report confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

By order of the Board

Alistair Cox
Chief Executive

Paul Venables
Group Finance Director
26 August 2020