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

CHAIRMAN'S STATEMENT

"We have **developed an increasingly inclusive culture**, especially following our recent rebrand."

Andrew Martin
Chairman, Hays plc

Dear Shareholder

On behalf of the Board, I am pleased to introduce to you the Company's Corporate Governance Report. The past year continued to present us all with challenges both as a business and as a Board. However, we have remained vigilant and agile in our decision-making. I have been impressed with the Group's performance in continuing to deliver a strong financial performance, despite the setbacks of the Covid-19 pandemic and more recently the knock-on effect of the war in Ukraine and economic volatility.

Hays reports against the Financial Reporting Council's (FRC) UK Corporate Governance Code 2018 (the Code). The Board has applied all Principles, and complied with all Provisions, in the Code for the year ended 30 June 2022 with the exception of Provision 38.

In keeping with the demands made on the Board, circumstances have made it vital to maintain engagement with our stakeholders and workforce. The global pandemic presented challenges for travel and physical meetings that the Board would have expected to conduct during the year. However, I am delighted that physical meetings have now resumed following the lifting of travel restrictions.

We have developed an increasingly inclusive culture, especially following our recent rebrand. Our numerous channels and forums have enabled us to engage more than ever before with a broader cross-section of employees and provided the opportunity to listen directly to their challenges, opinions and ideas. Employee wellbeing has remained important to us, as well as continuing to provide appropriate support and a sense of connection. The Board believes firmly that when employees see, hear and feel the alignment between organisational purpose, strategy, values, culture and leadership behaviours, it has a positive effect on their engagement, performance and consequently our success and the interests of our stakeholders.

Following the Russian invasion of Ukraine, the Board quickly met, and after careful consideration, including of colleagues and clients within the region, agreed that business in Russia should cease immediately. The Board also agreed to donate and fundraise for charitable causes in support of Ukraine. A case study of the range of matters that the Board discussed in relation to this decision can be found on page 87.

We announced our commitment to a path to Net Zero last year and put in place permanent policies to ensure our Science-Based Targets (SBTs) of halving Group GHG emissions by 2025 and reducing air travel by 40% by 2026 are met.

Our registered SBTs were approved by the Science-Based Targets initiative (SBTi). These targets are a key part of the Group's ambition to be the first global specialist recruitment firm to reach Net Zero, an ambition of which I am very proud.

This year we commissioned an external Board and Committee evaluation. The results of the assessment established that the Board continues to operate effectively and seeks to both challenge and support management. The findings also show there are some changes we can make to further enhance our performance and I look forward to implementing various changes and seeing further progress. You can read more about this in my Nomination Committee Report.

In May we announced that Torsten Kreindl retired from the Board. During his nine years' service Torsten provided an invaluable contribution to the Company and I would like to thank him for his wise counsel and support. We welcomed Joe Hurd as a Non-Executive Director on 1 December 2021 and Joe brings valuable new and relevant skills and perspectives to our Board. I am pleased to report that we are well advanced in the appointment of an additional Non-Executive Director, details of which will be provided at the appropriate time. Details of the formal process can be found within the Nomination Committee Report. We will also be saying goodbye to Paul Venables and welcoming a new Finance Director later in the year and you can read more about that too in my Nomination Committee Report.

Appointments are always based on merit and relevant experience, while taking into account the broadest definition of diversity. Hays supports the principles of the Hampton-Alexander and Parker reviews on gender and ethnic diversity and maintains a diverse Board. Our Board currently includes 37% female directors and one director from an ethnic minority background.

As I sign off, I hope the following pages provide you with further understanding of our work on your behalf. We are always interested to hear your thoughts on all our activities and look forward to seeing you at our AGM this year. I would like to extend my thanks to all of our shareholders for your continued support. Finally, on behalf of the Board, I would again like to thank all of our amazing people and teams across the business for all of their commitment and hard work during the year.

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 subcommittee 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. Hays plc has complied with all of the provisions of the Code throughout the year ended 30 June 2022 and to the date of this document, with the exception of Provision 38. The executive directors' pension provision was reduced by a third in the prior financial year and Hays has committed to alignment with workforce rates, as required by Provision 38, by December 2022.

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 80**

Audit Committee

- Reviews and monitors Financial Statements
- Oversees external audit
- Reviews internal audit plans

More details **page 93**

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 97**

Nomination Committee

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

More details **page 89**

Chief Executive

Executive Board

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

More details **page 83**

Group Risk Committee

- Provides strategic leadership, direction and oversight of risk

More details **page 81**

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

Executive Director   Non-Executive Director

Andrew Martin (62)
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. Andrew was, until August 2020, a Non-Executive Director of easyJet plc.

Principal external appointments:
Andrew has been a Non-Executive Director at Intertek Group plc since 2016 and was appointed Chairman in January 2021, 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 (61)
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 (60)
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.

Principal external appointments:
Paul is a Non-Executive Director and Audit Committee Chair of Manchester Airports Group.

Joe Hurd (52)
Independent Non-Executive Director

Appointed:
1 December 2021

Committees:
Audit, Nomination and Remuneration

Skills and experience:
A US Lawyer, who has spent most of his career in consumer-facing technology businesses and has a broad global business experience, Joe began his career in corporate and securities law in London with Linklaters. Joe is an Operating Partner with SOSV, LLC, an early-stage venture capital firm, where he advises deep-tech CEOs on growth, sales and operational strategy. In addition, Joe is Chief Executive Officer and Managing Partner of Katama Group LLC, which he founded in 2004, where he advises start-ups on strategy and market positioning.

Principal external appointments:
Joe has been a non-executive director of Trustpilot Group plc since June 2021, and was, until its acquisition by Future plc in March 2021, a non-executive director of GoCo Group plc (GoCompare).

Cheryl Millington (56)
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. Cheryl has previously served as a non-executive director of National Savings and Investments, Intu Properties plc and Equiniti Group plc.

Principal external appointments:
Cheryl is currently a non-executive director of Atom Bank plc and AXA Insurance UK plc.

Board diversity

- Male **63%**
- Female **37%**

Board tenure

- 0-3 years **25.0%**
- 3-6 years **37.5%**
- 6+ years **37.5%**

Board experience

- Finance **37%**
- Engineering/technology **25%**
- Media/marketing **25%**
- Operations **13%**

Board composition

- Non-Executive **63%**
- Chairman **12%**
- Executive **25%**

Susan Murray (65)
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) and was, until January 2022, Senior Independent Director of Mitchells & Butlers plc.

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

MT Rainey (67)
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. MT has a Masters degree from Glasgow University.

Principal external appointments:
MT is a non-executive director of Clear Channel Outdoor Holdings Inc., the NYSE-listed outdoor advertising company.

Peter Williams (69)
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 member of the Industrial Advisory Board of GVQ Investment Management, a UK equity management company.

Doug Evans (59)
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.

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 78 and 79. Torsten Kreindl stepped down from the Board on 16 May 2022. On 1 December 2021 Joe Hurd was appointed as a Non-Executive Director.

Election and re-election of directors at the 2022 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 election or re-election at the 2022 AGM. Having received advice from the Nomination Committee, the Board is satisfied that each Director standing for election or re-election is qualified for election/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 6. 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 become a customer-centric business that benefits society by investing in lifelong partnerships that empower people and organisations to succeed. Our values aim to reflect this purpose and promote our strengths and capabilities as a global business as well as broaden our scope of opportunity in the present and future. Our values serve to act as a Leadership Partner to our clients and customers through knowledge, scale, deep understanding and our ability to meaningfully innovate our services for workforce solutions and opportunities.

Under our values, we:

- Build partnerships;
- Think beyond; and
- Do the right thing.

Our values enable us to protect our reputation and build trust with all our candidates, clients and other stakeholders. People are the heart of the business and we strive to recruit, train and develop the best talent in our industry and encourage our employees to reach their full potential. 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.

The Board remains focused on our culture, further information on which can be found elsewhere in this report.

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;
- Responsibility for ensuring arrangements exist for employees to raise concerns;
- 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. 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 78 and 79.

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 Executive 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 Executive Board and submitted to the Board thereafter for ratification to enable it to carry out its risk oversight responsibility. This exercise involves a current and forward-looking view at various risks affecting the business and prioritising them according to risk impact and likelihood. These risks are then also mapped through a risk appetite process to identify the tolerance level and target risk position for each 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 (if applicable) 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.

Following the requirements detailed in the 2018 Corporate Governance Code, the Board continues to undertake a formal horizon scanning exercise to identify emerging risks, being plotted by impact and time horizon on a risk radar, to ensure that emerging risks are being appropriately considered and monitored.

The Group Risk Committee assists the Executive Board in providing strategic leadership, direction, reporting and oversight of the Group's risk framework together with identifying any emerging risks that may become apparent during the course of the year. 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 Executive Board, with the 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 Executive Board and business divisions. As part of the ongoing internal control process, monthly progress and variances are reported at each meeting to the Executive Board and subsequently to the Board.

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 identify and manage risks rather than eliminate the risk of failure to achieve business objectives and can only provide 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 are made in good faith and are done so without fear of recrimination, and calls cannot be traced and are not recorded. Reports to the independent external third party 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 Executive 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 robust and 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 eight times during the year. In addition, the Board attended an annual Strategy Review meeting with the Executive Board. Board and Committee attendance for meetings during the year is shown below.

	Board	Audit Committee	Nomination Committee	Remuneration Committee
Alistair Cox	8 of 8	–	–	–
Paul Venables	8 of 8	–	–	–
Andrew Martin	8 of 8	–	8 of 8	–
Joe Hurd(1)	4 of 4	2 of 2	4 of 4	2 of 2
Torsten Kreindl(2)	7 of 8	3 of 4	6 of 7	6 of 6
Cheryl Millington	8 of 8	4 of 4	8 of 8	6 of 6
Susan Murray(3)	7 of 8	3 of 4	7 of 8	6 of 6
MT Rainey	8 of 8	4 of 4	8 of 8	6 of 6
Peter Williams(4)	8 of 8	4 of 4	8 of 8	5 of 6

(1) Joined the Board on 1 December 2021. Attendance shown is of those meetings which took place during tenure.
(2) Did not attend one Board meeting, one Audit Committee meeting and one Nomination Committee meeting due to a prior commitment. Stepped down from the Board on 16 May 2022. Attendance shown is of those meetings which took place during tenure.
(3) Did not attend one Board meeting, one Audit Committee meeting and one Nomination Committee meeting due to a prior commitment.
(4) Did not attend one Remuneration Committee meeting due to a prior commitment.

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 Executive 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 Executive 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

Executive 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

Chief Executive (Chairman of Executive Board)
Group Finance Director
Company Secretary & General Counsel
Chief Customer Officer
Group Director of People & Culture
Global Managing Director of Hays Enterprise

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, amongst 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, Equity, 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 Executive Board and other senior executives, to consider key strategic priorities and challenges faced across the business – Approved the Group strategy and reviewed associated performance – Approved new brand positioning for Hays – Deep-dive sessions on regional businesses, receiving presentations from senior management on business performance, the state of the market, strategy, succession planning and opportunities – Received updates on Strategic Growth Initiatives – Reviewed strategy plans and received reports on the operational performance for the Group's regions – Received regular updates on Environmental and Green Economy progress – Received reports on technology and innovation and related industry developments	**Key focus areas** Candidates, Clients, Shareholders, Employees **Other considerations** Natural environment
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 – Considered dividend policy in respect of FY22 – Considered and approved share buyback programme – Met with the Company's financial adviser and corporate brokers	**Key focus areas** Clients, Shareholders, Employees **Other considerations** Natural environment, Candidates, Communities, Suppliers
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 – Received updates on Cybercrime – 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)	**Key focus areas** Communities, Clients, Shareholders, Employees, Natural environment, Candidates, Host countries & governments
4. Stakeholder engagement	– Received feedback from designated workforce engagement NED on matters pertaining to workforce engagement – Received updates on our Net Zero journey – Received updates on Helping for your tomorrow – Considered and approved invitations under the Company's all-employee share plans – Received updates on Customer Experience – 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** Clients, Shareholders, Employees, Candidates **Other considerations** Natural environment, Communities, Suppliers

Communities | Employees | Shareholders | Clients
Host countries & governments | Suppliers | Natural environment | Candidates

BOARD AND STAKEHOLDER ENGAGEMENT

How the Board makes its decisions and considers stakeholder interests.

Board decision-making

The Board effectively uses its meetings as a mechanism for discharging its duties under Section 172 of the Companies Act 2006.

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

With the continuation of Covid-19 and global travel and safety restrictions, the Hays plc Board was unable to visit office locations around the world during FY22 and the planned visits have been rescheduled. During the year, the Board used its time to have a 'deep-dive' into the Asia, Americas, Australia and New Zealand businesses, which allowed them to understand the opportunities and think about the challenges we face in these core regions. In addition to virtual meetings with the local management teams, the Board also heard how the regional teams were implementing the next chapter of 'Our Hays Story', and showcasing resilience and driving growth in conversations and the presentations they received.

The Board also had technology-focused and brand-positioning sessions which enabled them to have oversight of progress in enhancing the Customer Experience through the enhancement of brand value, and focusing on the customer and effective allocation and use of resources. This understanding is integral to how the Board allocates capital and invests to secure the long-term success of the Company.

MT's overview of employee engagement

Hays has appointed MT Rainey as its designated workforce engagement director. You can read more about her work during the year on page 88.

Board information for decision-making

A forward calendar of matters for discussion at each meeting is pre-determined.

Consists of certain standing items for each meeting, including operational, functional and financial reviews, and Committee updates.

Unplanned items such as commercial or property-related decisions are considered as and when required.

Agenda for each meeting planned by the Chairman, in conjunction with the Chief Executive and Company Secretary.

Management shares information in advance of any decision-making and any S.172 factors are highlighted for Board discussion in the Board papers or by the Company Secretary.

Board discussion

Based on the information provided, the Board holds a robust discussion, challenging the matters at hand, as necessary.

The Board considers the impact of its decisions on all its stakeholders, ensuring those who are impacted are treated fairly.

See pages 20 to 23 for how the Company continues to create value for stakeholders. Also, a summary of the Board's key activities and the topics covered and debated during the year is set out on page 84.

All Board directors have access to the Company Secretary who advises them on Board and governance matters.

Any director can take independent professional advice at the Company's expense in the furtherance of their duties, where considered necessary.

Board decision

The Company Secretary records all decisions.

Board decisions are cascaded for implementation and the Board is kept updated on the progress at future meetings.

The Board or management engages with stakeholders who are impacted because of Board decisions.

Any material Board decisions are disclosed via the Annual Report. An example of the process in action is provided on page 87 regarding the Company's decision to withdraw from Russia.

Shareholders

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.

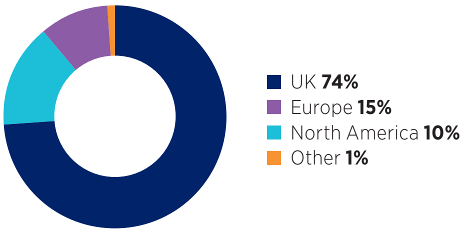
The Company's investor relations programme is supported by a dedicated Investor Relations team, which acts as the primary point of contact with the investor community. It is responsible for managing ongoing relations with investors and shareholders.

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 61 institutions around the world, interacting with shareholders and potential shareholders. The Chairman also held meetings with investors during the year.

Geographical breakdown of investors met



Major shareholders

As at 30 June 2022, the following shareholders held an interest of 3% or more of the Company's issued share capital:

	% of total voting rights attached to shares(1)
Silchester International	11.03%
Ameriprise Financial, Inc.	10.00%
BlackRock, Inc.	6.55%
Marathon Asset MGNT Limited	5.95%
Baillie Gifford & Co	5.00%
Majedie Asset Management	3.39%
M&G Investment Management	3.16%
Evenlode Investment	3.14%

(1) On 18 August 2022, Silchester International notified the Company that their notifiable interest was 12.03%.

The Chairman and the Executive Directors attended the Investor Day held in April 2022 in London, engaging with 35 investors across the day, setting out growth plans and what they will deliver for shareholders. You can read more about the Investor Day on page 7 in the Strategic Report.

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

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. The Company's 2021 AGM represented a welcome return to a physical, in-person meeting.

All shareholders are entitled to attend the AGM, at which the Board members are present. A summary presentation of results is given by the Chief Executive before the formal business of the meeting is conducted. All shareholders present can question the Chairman, the Committee Chairs and the rest of the Board both during the meeting and informally afterwards.

The Notice of AGM and related papers are 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.

Communities and environment

The Board continued its focus on Environmental, Social and Governance (ESG) matters during the year. Throughout the year, the CEO met with investors and discussed our ESG agenda. In taking into account various stakeholder views, the Board further reviewed a proposal for the Company's Net Zero strategy and sought to understand the infrastructure and activity required. You can read about our Net Zero journey on page 21.

Employee and community wellbeing has remained on the mind of the Board following the challenges of Covid-19 and its effects within the workplace. The Board has also shown continued support for the 'Helping for your tomorrow' programme which supports employees to take up volunteering opportunities. The Board fully endorses this scheme which allows employees across Hays to take one paid day each year to volunteer for a charitable cause.

The Board recognises the importance of diversity and encourages the Company's approaches in addressing this subject matter. As such, the Board has been supportive of the strategies suggested by the Equity, Diversity & Inclusion (ED&I) Council and continues to closely monitor the progress made in this area.

You can read more about our work on communities and the environment on pages 24-25 and 56-61.

BOARD CASE STUDY
S.172 IN ACTION

With the onset of the Russia-Ukraine crisis during the year, the Hays' Russian business was considered as a high geo-political risk. The Russian business had performed well during the years and Hays had many colleagues employed in the region, whose welfare was a primary consideration. The situation remained under constant review by the Executive Board, led by the Chief Executive.

In February 2022, the matter was discussed by the Hays plc Board. The Board considered all options for the Russian business, including ceasing trading in Russia at short notice in addition to ancillary matters such as cyber security risk, the increasing cost of insurance, where available, and challenges to normal treasury activity due to increasing sanctions. The Board was cognisant of the broad range of stakeholder groups that were impacted by the crisis, and that would be impacted by any decisions taken by the Company with regard to its future in the region. Steps were taken initially to mitigate cyber risk as the wider interests of clients and candidates and their data security and privacy is at the heart of everything we do at Hays.

The Board debated how the Russian business could be separated efficiently, including separation of the corporate structure while also considering the impact on corporate functions, including employees.

An initial plan to liquidate the business was developed, in case suitable and viable alternatives were not forthcoming and in view of the potential time scale for completion of such an exercise. Members of the Executive Board remained engaged with their Russian colleagues and kept the plc Board informed throughout this process, from which a management buyout (MBO) proposal was forthcoming. The financial stability of the business within Russia was such that, without any additional financial support from the Group, the business remained viable for some time, enabling a proper due diligence exercise to be undertaken for the MBO proposal. The Board ensured protection for the employees through provisions in the draft sale and purchase agreement, and undertook a full evaluation of the accounting impact. To facilitate the complicated, sensitive and time-critical nature of the process involved with maintaining the liquidation option while thoroughly considering and validating the MBO proposal, the plc Board delegated authority to complete the Group's exit from Russia to members of the Executive Board.

In June 2022, having considered the interests of stakeholders, both short- and long-term consequences and the impact of operations on the host countries, governments and communities in their decision-making processes, while acting in a way that promotes the success of the Company for the benefit of its shareholders, the Board concluded the cessation of our operations in Russia through a management buyout, the transfer of the business receiving final registration in Russia in July 2022.

STAKEHOLDER IMPACT

Key focus areas

Other considerations

OVERVIEW OF WORKFORCE ENGAGEMENT

As Board Director for Workforce Engagement, my role serves to ensure that a deeper and more applied understanding of the workforce is being brought to bear in our strategic discussions at the Board, beneath the research headlines and beyond the more managed interactions and as part of our commitment to the Code.

After all, people are Hays' principal asset as well as its stock in trade, and the Company's investment in people, their capabilities, their wellbeing and their progress, is a core strategic priority for our Board.

This role seems more important than ever as the war for talent intensifies and patterns in the world of work are shifting.

As a technology-enabled people business, Hays was well positioned for the swift transitions mandated by the pandemic. The Company has a well-established range of virtual tools, techniques, mechanisms and forums for engaging with its employees both within and across geographies, disciplines and themes. Partly this is driven by a strong sales culture in which motivational communication and town hall meetings are part of 'business as usual' but also because Hays employees are at the frontline in the world of work and their insight into market trends and transformations is a critical feedback channel for the leaders of the Company. This two-way interaction has always been critical to Hays and it has stood the Company in very good stead in the sudden transition to virtual working.

The Company was able to successfully establish and maintain new networks and channels as the pandemic progressed in different waves across our geographies, to ensure the transition to hybrid and remote working was safe, efficient and fast. At all times the safety and wellbeing of Hays employees in this transition was paramount to management and a preoccupation of the Board.

A number of special forums were set up Company-wide to encourage people to connect and support each other on a range of issues outside of their immediate job role. I was able to participate regularly in a number of these meetings. They included the LGBTQ+ forum, Hays Pride, a Parents@Hays group and a programme called Hays Boost, designed to build on the existing Hays Thrive programme with tools and training to help employees maintain their mental wellbeing and develop new skills for remote working. In the UK&I this has been established as an ongoing programme called Wellbeing@Hays.

With 13,000 staff over a global geography, my involvement with employees over the period of the pandemic has inevitably been largely virtual, but in the second half of the year we are able to return to in-person meetings with some of these groups and with key individuals, principally in the UK.

At the Annual Strategy Meeting of the Board in May this year I made a formal report to the Board on Employee Engagement from the work I had been doing over the year, principally drawing on three main inputs.

1. Your Voice

One of the principal tools Hays uses to gauge employee sentiment and engagement is the Your Voice survey, covering a wide range of areas including reward, leadership, culture and development. The extensive survey is fielded once a year to all employees, who complete it anonymously. The survey is conducted online and allows free text comments yielding both qualitative and quantitative data. Results of the Your Voice survey are shared with the Executive Board and accessible to regional and country leaders on an internal platform to view specific data for their region. Additionally, a tapered pulse survey was conducted within the year to analyse Company culture and connectedness in hybrid and lockdown conditions.

I was given free and open access to the platform which allowed me to look at the data and free text responses among sub-populations, cross-referencing different questions and issues. This additional and ongoing insight has been extremely valuable to me in my role, lending weight, colour and nuance to Board discussions around employee wellbeing, diversity and inclusion as well as to operational issues like pay, fairness and progression.

2. The Global ED&I Council

This was set up at Hays in 2019, led by one of our Regional Managing Directors, to aid in defining the purpose and objectives of Hays internal and external ED&I policies. The principle is that operators themselves own the ED&I agenda and not leave it to the domain of People & Culture. I have been able to participate as an observer in meetings that have been exclusively virtual and are held every six weeks. There are also several sub-groups, regional groups and groups that focus on specific issues. A focal point during the year has been centred around protocol setting, data gathering and commissioning and the setting of gender targets for the leadership cohort.

Research commissioned by an external specialist consultancy, Hatch, was conducted looking into the realities of ED&I at Hays, which provided insight around specific employee groups. Actions from the research were shared with the ED&I Council and developed by specific regions. Hatch was also commissioned to undergo an exercise regarding 'Women In Leadership' at Hays, as there is a task force addressing action plans supporting our gender targets. The ED&I Council also has a working group to deliver a best practice blueprint for inclusive hiring. I was able to provide a more nuanced narrative around theses issues having participated in the process.

3. Helping for your tomorrow

This was set up from a grassroots employee initiative to be a Company-wide branded programme, both inward and outward facing, that represents the Company's social purpose. It serves to align all global and volunteering activity towards the aim of ensuring we support the communities we serve around employability and specifically making the world of work more equitable.

This was a major internal marketing campaign to guide and inspire local and individual efforts around disabled workers, ethnic minorities, the LGBTQ+ community, neurodiversity, mature workers, excluded youth and women returners. A clever and easy-to-use app was developed with social and sharing features to encourage usage and take up. This programme really helped employees feel they were "giving something back" in a way that was relevant to their jobs and professional skills, and was a major boost to morale in difficult and disconnected times.

As travel restrictions ease and we are now returning to in-person meetings and Board travel, I will be reverting to the original plan of conducting one or two focus groups of employees alongside one other Board member in each region or office that we visit. The intention is for this to create an additional layer of immersive qualitative insight to these Board visits, on a range of issues and across different functions and geographies.

This will be supplemental to my ongoing involvement with and access to Your Voice, the ED&I Council and other employee groups that are in train.

In the third year of this role it seems more important than ever that the workforce stakeholder is heard and understood.

MT Rainey
Workforce Engagement Director

NOMINATION COMMITTEE REPORT

"The **Committee continues to support the Board** and the wider business with the ED&I agenda."

Andrew Martin
Chair of the Nomination Committee, Hays plc

Dear Shareholder

Much of the planning and what you might call business as usual for the Nomination Committee came to fruition in a busy year for the Committee, with the appointment of an excellent new NED, Joe Hurd, as well as the culmination of succession planning activity relating to our Finance Director, Paul Venables, who decided to serve notice in February of his intention to retire from full-time employment at the end of September 2022, after 16 years within the Group.

The Committee continues to plan for the addition of one or more non-executive directors, over the short and medium term, to ensure the key roles on the Board have continuity and coverage. We do not presently have a female holding one of the 'senior board positions', as prescribed by the new Listing Rule that will apply to Hays from next year. The Committee hopes to address this as the relevant roles become vacant.

Diversity was very much at the forefront of my mind and the Committee's thinking during the process undertaken to appoint James Hilton as Paul Venables' successor. James's breadth of experience and fit for the role were critical to that appointment. However, the Committee is wholeheartedly supportive of the aims of the changes to the Listing Rules. I hope shareholders take comfort from the rigour the Committee brings to its deliberations and its decision-making at the most senior levels.

There continues to be strong commitment within the business around ED&I and the Committee continues to support the Board and the wider business with this agenda. Targets have been set internally for levels of female representation in senior management, and I am most encouraged that this issue is getting the attention it deserves. It is important to note that these are targets not quotas, and the business will use these to drive behaviours to achieve the appropriate and reflective representation of females further up within the organisation. Although gender is a key aspect of ensuring diversity, we are also conscious of ensuring wider diversity across the organisation. The Committee also has the subject firmly in focus when it comes to the profile of the Board and senior management, and while we have strong female representation on our Board, we need to do more to advance diversity at the most senior executive level.

The Committee continually looks at the skills, experience and diversity required at the Board level to ensure it can discharge its duties and properly reflect stakeholder interests, which themselves cover a broad spectrum. Joe's appointment strengthened our knowledge and understanding with regard to the digital agenda, having spent much of his career in consumer-facing technology businesses; alongside that Joe also brings a broad global business experience. As previously mentioned, the Committee continues to plan for an increase to its number and Spencer Stuart continues to assist with this.

Our annual Board Evaluation, conducted externally this year, proved as always to be an exceptionally useful lens through which we can look at ourselves and our performance as a Board, and individually as directors, and I will ensure that the relevant action points described further in this Committee report are implemented with the objective of helping to improve the overall performance.

Andrew Martin
Chair of the Nomination Committee
24 August 2022

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 78 and 79.

The Committee meets as required and did so on eight occasions during the year, and attendance by members can be seen on page 82. Other regular attendees at Committee meetings include the Company Secretary and, on invitation, the Chief Executive and Group Finance Director.

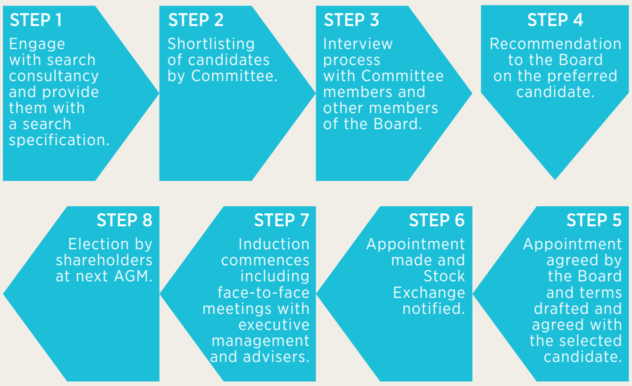
Main Committee activities during the financial year

- Considered Board and senior management succession plans
- Reviewed the composition of the Board and its Committees
- Considered and recommended to the Board the appointment of a Finance Director and a new non-executive director
- Reviewed the Committee's Terms of Reference
- Considered and approved the appointment of an independent leadership services and executive search consultancy

Non-executive director appointment process

When recruiting new members of the Board, the Committee adopts a formal and transparent procedure with due regard to the diversity, skills, knowledge and level of experience.

An overview of the steps leading to non-executive director election and the induction process can be found below:



Spencer Stuart was used in respect of Joe Hurd's appointment which occurred in the year under review. Spencer Stuart is an independent executive search consultancy and it has no other connection with the Company.

The Committee identified the need for a non-executive director with consumer-facing technology businesses experience. Joe, having the recent broad global experience across the public, private and not-for-profit sectors, as well as experience of investment in early-stage technology companies, was appointed following a rigorous interview process.

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. Spencer Stuart has been retained as the independent consultant to the Committee to ensure a broad search for suitable candidates, where required. The Board will keep under review the ongoing suitability of 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 diversity at Board level and supports fully the Code principles in respect of diversity. The Board recognises the benefits of diversity, but is of the view that diversity is not about quotas. It will continue to ensure that diversity 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, equity 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 succession planning considerations. The Committee welcomes the work being undertaken within the business regarding diversity targets, which will complement other Group initiatives to build a strong pipeline of talent across the Company.

Succession planning

A key task of the Committee is to keep under review the Company's succession plans for members of the Board and Executive 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 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 Executive Board; it will promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths as part of succession planning, recruitment and promotion.

When Paul Venables notified the Company of his intention to retire from full-time employment, the Committee began the process for the identification of a new Group Finance Director. A candidate profile was developed to ensure any potential candidate would have the required balance of skills and experience relevant to Hays plc.

As part of its ongoing succession planning, the Committee was aware of the strength of an internal candidate, James Hilton, Group Financial Controller, who had previously been European Finance Director, UK&I Financial Controller and Head of Investor Relations within Hays. As a consequence, Odgers Berndtson, which has no other connection with the Group, was engaged to put James through a thorough and rigorous assessment process. In addition, a review of external candidates was undertaken and a list provided to the Committee. In parallel with the external assessment process, James underwent interviews with the Chairman, Chief Executive and Audit Committee Chair. Following conclusion of the interviews and the assessment process, feedback was provided to and discussed by the Committee. A final meeting was held in February 2022 for the Committee to discuss their views and agree a recommendation to the Board.

Following approval by the Board, on 24 February 2022 it was announced that James Hilton would be appointed as the Company's new Group Finance Director from 1 October 2022. Paul and James are working closely on a thorough handover process ahead of James's formal succession to the role. More information about James, his experience and previous roles can be found at haysplc.com.

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 election or re-election at the 2022 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 election/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. You can read more about Joe Hurd's thoughts on his induction programme on page 92.

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 auditor. 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 FY22, in accordance with Code Provision 21, the effectiveness of the Board was assessed through a Board evaluation process, conducted externally.

The evaluation was conducted by EquityCulture Ltd, which has no other connection with the Company. One-to-one meetings were held between the evaluators (the Evaluator) and the Directors and the Company Secretary. During the meetings, six broad topic areas were considered, and the Evaluator ensured that pre-defined constituent elements of each topic were covered to ensure consistency in the evaluation. The topic areas covered included Board meetings, Board composition, diversity and culture, succession planning, strategy, and risk. Committee effectiveness was also assessed in accordance with Code requirements.

Results were reported to the Board by the Evaluator and areas for improved operation identified (Action Points). The outcome of the evaluation indicated that the Board appears to be a good one and is both well led and well supported, and members enjoy being part of it.

The report noted that the relationship between the executive and non-executive members was stronger now than perhaps it had been during the Covid lockdown period but could be further improved with greater contact between members outside of the Board meeting schedule. Unanimously there was a strong sense of wanting to achieve the best for the Company in how the Board functions.

The Board has a clear understanding of its role, relative to the business, and is alive to the growing responsibilities placed upon it and the landscape within which they are framed, in areas such as ESG and Equity, Diversity & Inclusion, and certain Action Points around this aspect were identified to further enhance the Board's performance.

While the profile of the Board was felt to contain a reasonable mix of gender, ethnicity, and diversity of experience, it was acknowledged that it could perhaps be further enhanced by greater non-UK experience; the merits of a female in a senior Board position were also acknowledged and are already feeding into conversations around succession plans.

Encouragingly, as part of the evaluation process, some good practice within certain parts of the business and the merits of replicating such models elsewhere were identified by respondents. The benefits of data-driven decision-making, around diversity in particular, are something the Board is keen to work with the business on to enhance what is in place already, for example around gender targets.

While not without some minor related Action Points, Risk and Strategy were considered to be well managed generally. Similarly, the operation of the Board Committees was felt to be effective, with an acceptance of the model of all non-executives sitting on all Committees (with the exception of the Company Chair), but also an acknowledgement that such a model can place an increased burden on the Committee Chairs.

Other Action Points not already noted were identified and agreed including the engagement of greater external input when succession planning, consideration of the establishment of an ESG Committee, some improvements to the conduct of Board meetings, principally around gaining the most value from the attendance by presenters who are external to the Board membership and other time management matters, and whether the Board would benefit from adding to its (non-executive) number.

In addition to the evaluation of the Board and Committees, the Company Chair evaluated the individual performance and effectiveness of each Director. During FY22, the Senior Independent Director led a separate appraisal of the Company Chair'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 at various times during the year without the Executive Directors present, from which huge value was derived and the merits of which were brought out in the evaluation. Further, during FY22 the Non-Executives met without the Company Chair present.

Q&A WITH JOE HURD

Q1.
How have you found your first few months as a Director of Hays plc?

A. I joined Hays at a time when the world was still coming out of the global pandemic, and whilst macroeconomic (e.g., recession risk) and geopolitical uncertainties (e.g., Russia's invasion of Ukraine) prevail, client and candidate confidence remains strong. As a Non-Executive Director, it is my role to provide constructive challenge and I am impressed with how the Board is attuned to today's fast-paced digital world and holds enhancing customer experience with the help of technology at the heart of its strategy. I have also been impressed by the willingness of Hays employees worldwide to share their knowledge with me as I onboard. All this, together with the investment in Strategic Growth Initiatives, have made it a promising start for me as a Director.

Q2.
Having recently attended the induction programme, what were your impressions of the programme?

A. The induction programme was tailored, highly valuable and provided a useful insight into the Company's operations. I am grateful to my colleagues on the Board, particularly the Chair, for their support and have already enjoyed meeting people from many areas of our business since my appointment. I've been fortunate to visit and meet with employees in the Tampa, Atlanta, London, Amsterdam and Hamburg offices already – so we are off to a fast start!

A part of my planned induction was rescheduled, and our London-based meetings were held online as a Covid-19 lockdown and travel ban loomed in December. I have met with members of the Executive Board and their teams to gain an understanding of the current opportunities and challenges facing their areas of responsibility. This has also included briefing sessions with key business regions.

I have also met with Company's auditors, brokers, and external legal and remuneration advisers. The Group General Counsel and Company Secretary and I have met often to understand the risk management framework and the lines of defence. These meetings are vital while performing my role as a member of the Audit, Nomination and Remuneration Committees.

Q3.
How would you describe the Hays culture?

A. Customer-centricity and doing the right thing are the values which I witnessed during my interactions with colleagues at Hays. Our consultants are a trusted adviser to their clients and candidates and true experts in their fields. I am impressed by their passion and integrity and applaud them for this and what they achieve, often in very challenging circumstances. I have also attended two company-wide ED&I events hosted by Hays US and have been very impressed by the level of attendance and participation by allies across the Company. That type of allyship and support is indicative of Hays' culture.

Q4.
What is your key focus for the year ahead?

A. Meeting Hays employees and customers locally is an important component of understanding the Company's operations and culture, and I look forward to additional in-person office visits as we continue to emerge, hopefully permanently, from the pandemic era.

Another key focus of mine is to assist in strengthening and challenging the technology, digital and data agendas and the investment in technology transformation. Being based in the United States, I plan to pay particular attention to the growth opportunities for Hays US, and I look forward to interacting with the US-based management team in this regard. Finally, our genuine desire to fulfil ED&I commitments across the business is heartfelt, and I look forward to working with the entire Board and Executive Board to drive this forward.

AUDIT COMMITTEE REPORT

"The **Committee is watching with interest the unfolding regulatory landscape** and the outcome of the BEIS consultation."

Peter Williams
Chair of the Audit Committee

Dear Shareholder

I am pleased to present the Audit Committee Report for the year ended 30 June 2022 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. Our principal responsibilities remain unchanged. We have reviewed the Committee's Terms of Reference and minor amendments were made to ensure they track the Code.

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, the assurance framework and risk management.

During the year, the Committee had an engaging discussion with management on compliance with the Task Force on Climate-related Financial Disclosures (TCFD) reporting requirements and had an overview of the steps taken to fulfil our reporting obligations.

Regular updates around cybercrime and data governance are now a feature for Audit Committees around the world. The Committee receives regular updates from the Chief Information Officer on the robustness of the Company's IT controls in addressing these additional technology challenges.

The Committee is watching with interest the unfolding regulatory landscape and the outcome of the Department for Business, Energy, and Industrial Strategy (BEIS) consultation on audit and corporate governance reform.

Lastly, I am pleased to welcome Joe Hurd who joined the Committee in December 2021 and I am grateful to Torsten Kreindl for his substantial contribution over the years.

I hope the following report will provide you with the necessary support in your assessment of the Company's performance, business model and strategy.

Peter Williams
Chair of the Audit Committee
24 August 2022

Role of the Audit Committee

The Committee's Terms of Reference are available on the Company's website (haysplc.com) under 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 78 and 79.

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 82.

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. The Deputy Company Secretary acted as Committee Secretary.

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 the related controls in place across the business
- Reviewed the performance and effectiveness of the external Auditor
- Considered all aspects of fraud and ethics matters
- Reviewed the performance and effectiveness of the Internal Audit function
- Reviewed the material litigation report
- Considered and reviewed the steps undertaken for compliance with TCFD
- 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. Having discussed the level of provisions both with management and with the external Auditor, the Committee satisfied itself that the provision levels 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 22. The Committee reviewed the pension items and questioned management around assumptions used in the calculation of the surplus and related pension accounting issues. 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.

External Auditor

Both the Committee and the Board keep the external Auditor's independence and objectivity under close scrutiny, particularly with regard to its reporting to shareholders. PwC was 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; accordingly, Andrew Paynter was succeeded by Jon Sturges, for whom the FY22 Audit was his first.

As previously reported, following a detailed tender process, PricewaterhouseCoopers LLP was first appointed as the Company's external Auditor 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 2022 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; and
- 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 £1.5 million. Accordingly, the maximum value of non-audit services that PwC could have been engaged by Hays to provide during the financial year 2022 was £1.0 million. The total fee for non-audit services provided by PwC during the 2022 financial year was £0.2 million (2021: £0.1 million), largely reflecting the FY22 half-year review fee of £0.1 million (2021: £0.1 million). A small number of other assurance services were provided as permitted under the 2019 FRC Ethical Standard for which total costs were £76k (2021: £35k). 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 6 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 2021 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 with the same overall rating versus prior year; minor improvement areas were suggested in relation to specific country feedback and primarily centred around improvements in requests and/or queries being dealt with more promptly and effectively, which PwC has taken into account for the FY22 audit. 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 FY21. Consequently, the Committee recommended to the Board that PwC be reappointed as external Auditor at the AGM.

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.

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, subsequently 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, countries and functions within the Group, reviewing the effectiveness of the risk methodology employed, the risk mitigation measures implemented and future risk management and monitoring. The assessment considers each risk on a gross basis (pre-mitigations), the effectiveness of the mitigations in place and the resulting net risk (post-mitigations) to the business. Each net risk is then reviewed against the Group's risk appetite position and, where necessary, if the net risk is greater than the risk appetite additional mitigation plans will be put in place.

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 Internal Audit function consists of the Head of Internal Audit and a team of Internal Auditors, supported by KPMG as the co-source provider, specifically supporting IT audits and language support across the Group.

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 2022 financial year, which continues to focus on addressing both financial and overall risk management objectives across the Group.

During the year, 28 Internal Audit reviews were undertaken, with the findings reported to both the Executive 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 and emerging risk process need to continue to evolve in accordance with the growth of the Hays business around the world. Throughout the financial year the Internal Audit team continues to review and enhance the enterprise risk management framework and work with the Group Finance Director and the operating divisions across the Group to further embed the framework methodology at both a regional and local country level. The Group Risk Committee, chaired by the Chief Risk Officer and comprising senior operators from each region across the Group, together with representation from IT and finance, assists in the management and communication 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's effectiveness in discharging its duties during the year was assessed as part of the Board-commissioned external evaluation in accordance with the Code. The performance of the Committee and its work during the year were considered to be 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 Committee continues to be cognisant of the ongoing external economic landscape. In assessing any remuneration outcomes, it has taken into account **underlying business performance and any impact on all stakeholders, to ensure they reflect appropriate reward.**"

Susan Murray
Chair of the Remuneration Committee

Dear Shareholder

FY22 was the second year under the operation of our Remuneration Policy (the Policy) as approved by shareholders at the 2020 AGM with a favourable vote of 91.47%. The implementation of our Policy in FY21 received a favourable advisory vote of 98.37%.

Backdrop to FY22 targets and FY22 business review

The financial impact of the Covid-19 global pandemic materially reduced our profitability in FY20 and in FY21, versus pre-pandemic levels. The backdrop to the setting of FY22 targets was both the strong profit recovery we had seen in the second half of FY21 and our strategic objective to capitalise on that recovery and accelerate our long-term opportunities via our Strategic Growth Initiatives, especially in the Technology sector, which meant that FY22 would be a year of significant revenue investment. Finally, we entered the financial year with large parts of our business operating under Covid-19 restrictions and this was likely to continue in some form for much of the year.

The Committee carefully considered the targets it should apply to the profit-related incentive awards (i.e., both annual bonus and PSP awards) for FY22. As in FY21, the Committee decided to widen the range around the profit targets for the FY22 annual bonus to reflect the higher than normal level of uncertainty on FY22 earnings and to ensure that any maximum bonus target would require a level of profit achievement well above the then external consensus forecast.

Against this background, we delivered a strong trading performance in FY22, with record fees, material profit growth and a strong cash performance, all of which has led to significant cash returns being proposed to our shareholders in the form of core and special dividends and a targeted share buyback programme.

The financial performance delivered was significantly in excess of both the Board's expectations and that of the market when the targets were set. In fact, our EBIT of £210.1 million was more than 25% above consensus and 10% above the top of the range when we set the targets, and this led to three profit upgrades during the year despite the increasing economic and geopolitical uncertainty after Russia's invasion of Ukraine. There was also continued focus on our long-term strategic priorities with material investment into our growth agenda. Finally, cash performance was also strong, with DSOs maintained at a record low level leading to a year-end net cash position of c.£296.2 million, and this, allied to the strong rebound in profitability, led to £168.5 million of dividend payments being proposed to shareholders for FY22.

Clearly the material reduction in profitability in FY20 and FY21 from that expected pre-pandemic has heavily impacted the three-year cumulative EPS performance in the long-term PSP ending in FY22. Contrastingly, cash performance over the same three years was very strong.

Our approach to executive reward for FY22 has been carefully considered and reflects the business results.

FY22 Annual Bonus

With levels of profitability expected to return to more normal levels, the FY22 Annual Bonus metrics both for EPS and Cash Conversion calculations returned to their normal methodology that we used in the years up to the pandemic. As mentioned in the previous section, in setting the EPS targets, a wider than normal range was put around the on-target levels to ensure that there was an additional stretch to achieve maximum target. As in the past years, Annual Bonus targets have been retrospectively disclosed on pages 106 to 108.

The shape and extent of the business' recovery post-pandemic, especially in the Permanent recruitment market, has been much stronger than expected and, whilst the cash performance in FY22 was in line with our expectations, the Committee is cognisant that what were felt to be very challenging annual profit bonus targets at the time they were set and which were ahead of consensus at the time, have ultimately been significantly exceeded, with the actual results far exceeding any reasonable forecasts when the targets were originally set. The Committee therefore took appropriate time to carefully consider the outcomes of the Annual Bonus, underlying business results and the contributions towards that performance of the executive directors. The Committee wished to ensure that the bonus out-turn was merited.

The Committee feels that, overall, the business performance in FY22 was strong, with actual profit results well above the top of the range when we set the targets, record fee numbers, significant investment in the future productive capacity of the business and delivering significant cash returns to shareholders with c.£168.5 million of core and special dividends being proposed, despite much of the business operating under Covid-related restrictions during the year. Thus, we have concluded that the outcomes of the FY22 Annual Bonus are appropriate.

The 2021 (FY22) PSP target setting

The Committee awarded PSP grants of 200% of salary to the executive directors for the first time under the 2020 Policy. As stated in the FY21 Remuneration Report, given the complex challenges of the economy, the Committee was keen to spend appropriate time calibrating and reviewing the targets for the FY22 PSP awards to ensure that they were sufficiently robust and stretching. The Committee published the final targets on the website prior to the AGM.

The Committee is satisfied that the target range for EPS is challenging, with full vesting requiring very significant growth when compared to results for both FY20 and FY21. The target range for Cash Conversion was increased to 80% to 110% in comparison to the range applicable to prior awards (previously 71% to 101%). An award of 45% of the cash element is payable for cash conversion of 85%, with straight-line vesting for interim levels of performance.

Full details of the awards to the executive directors, together with their associated targets, can be seen on page 114 of this report.

As with all incentive plans, the Committee will consider the final outcomes at the end of the performance period and weigh them against the context of overall business performance and market conditions to ensure they are a fair and appropriate reflection of performance.

The 2019 (FY20) Performance Share Plan (PSP) vesting

The 2019 PSP vested at 50% reflecting the three-year Performance Period that ended on 30 June 2022.

The Cash performance over the last three years has been outstanding and this is reflected in the vesting outcome. The working capital position achieved at year end will in practice increase the stretch of cash targets for future years. As explained in the backdrop section, the EPS targets were set in a different economic environment and therefore proved to be unrealistic given the impact of the pandemic and thus the pay-out was zero. The TSR element also lapsed.

The Committee is satisfied that the overall PSP outcome fairly reflects, and is aligned with, the performance achieved.

Shares that vest under the 2019 PSP will now be held for a further two years before release in 2024. During this Holding Period they will be subject to Clawback conditions.

Full details of the executive directors' remuneration for FY22 can be found in the Single Figure on page 104 and the full Annual Report on Remuneration on pages 104 to 125.

Remuneration for FY23

FY23 Salary review

Reflecting the economic environment and business results, the Committee felt it appropriate to award a pay increase for FY23. The CEO has received a 5% increase effective from 1 July 2022 in line with the pay budget for other employees in the UK. It is recognised that this is a higher increase than in many previous years but is below the level of inflation in the UK and aligned with the approach taken for senior executives across the business. The CFO, Paul Venables, did not receive a pay increase for FY23 as he will retire from the Company on 30 September 2022.

Pension

In line with the Policy approved at the November 2020 AGM, the pension contribution for the CEO remains at 20% of salary, (reduced from 30% at the start of FY21) until 31 December 2022 when it will reduce to that of the majority of employees in the UK. The pension contribution for Paul Venables remains at 20% (reduced from 30% at the start of FY21) until his departure on 30 September 2022.

Annual Bonus for FY23

Annual Bonus potential is 150% of salary. Annual Bonus targets will be retrospectively disclosed in the FY23 report. There will be no bonus in relation to FY23 for Paul Venables as he leaves on 30 September 2022.

2022 (FY23) PSP grant

Under the 2020 Policy, the PSP is granted at 200% of salary. There will be no award for Paul Venables who retires on 30 September 2022.

For the FY23 award, the performance metrics and weightings will remain consistent with the approach taken last year. In the context of the uncertain economic backdrop, the Remuneration Committee is still in the process of calibrating and finalising the financial targets for the FY23 award, with a focus on ensuring that targets are sufficiently robust and stretching. We currently intend to publish details of the targets for the FY23 PSP on the Company website. We intend to publish these targets well in advance of the 2022 AGM.

Any shares that vest under the 2022 (FY23) grant would be subject to a further two-year Holding Period. The PSP is subject to both Malus and Clawback conditions.

Departure terms for CFO Paul Venables

During the year, the Committee reviewed the departure terms for the outgoing CFO, Paul Venables who will leave the Company on 30 September 2022. The terms fully comply with the Remuneration Policy and are summarised in section 2.6.

CFO designate – James Hilton

The Committee also approved the remuneration for James Hilton, CFO designate, who will join the Board on 1 October 2022. His remuneration is in line with the Remuneration Policy for new executive directors and his remuneration is summarised in Section 4.1. His salary is lower than the outgoing CFO and will be kept under review as he builds experience in the role. His pension will align with that of the majority of the UK workforce in line with the Policy. Following appointment, he will participate in the Annual Bonus and FY23 PSP at the same level as the CEO.

Other Committee activities in FY22

In addition to 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 a 5% increase to the Chairman's fee for FY23 in line with the pay review budget for UK employees. For information, the non-executive directors also have had their base fee increased by 5% for FY23. The SID and Committee Chair fees have remained the same. Fee levels for FY23 can be seen on page 123.

The Committee also published the results for the Gender Pay Gap in April 2022 and has continued to monitor actions being taken within the Company to close the gap.

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 2020 Remuneration Policy can be found on our website haysplc.com. However, to help with understanding, we have summarised the Policy above each remuneration outcome. 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 and other stakeholders, and that we are aware of the greater societal issues and market sentiment. We are especially vigilant as the market, economic and political situations and their impact continue to be felt in the varying economies and as people adjust to new and flexible working practices.

Susan Murray
Chair of the Remuneration Committee
24 August 2022

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

Membership and meetings

Six formal meetings were held during FY22 – one in each of July, August, September and October 2021 then one in each of January and May 2022. Attendance is shown on page 82. 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 97	
Remuneration At A Glance Page 101	
Summary of our Remuneration Policy and how it links to strategic objectives Page 102	
Annual Report on Remuneration Page 104	This report is divided into sections: 1. Single Figure of Remuneration – page 104 2. Long-term value creation – page 112 3. Remuneration in the broader context – page 117 4. Statement of implementation of the Remuneration Policy in the following financial year – page 121 5. Governance – page 124
Our full current Remuneration Policy	Our full current 2020 Remuneration Policy as applicable to FY22 can be found on our website at haysplc.com

REMUNERATION AT A GLANCE

Summary of our current Remuneration Policy

Key reward component	Key features
Base salary and core benefits	– Competitive salary and benefits to attract right calibre of executive. – The CEO's salary for FY23 is £822,274, an increase of 5% in line with the budget set for UK employees. – The incoming CFO's salary has been set at £420,000.
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% Relative TSR	– Maximum potential 200% of salary. – KPIs focused on long-term sustainability and shareholder returns. – Five-year lifespan: three-year Performance Period plus two-year Holding Period.
Shareholding requirements	– 200% of salary. – Ensure material personal stake in the business. – Post-employment shareholding policy in place.

- 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 104 to 111**

Reward component	What we have done
Base salary	– Salary increases for the CEO and CFO were 2% with effect from 1 July 2021. This was in line with other employees in the UK. – CEO: £783,118 – CFO: £564,627

Bonus	– Bonus payments in relation to FY22 equated to:
	  – CEO: 88.56% of maximum i.e. 132.84% of salary equating to £1,040,317
	  – CFO: 89.56% of maximum i.e. 134.34% of salary equating to £758,537
	  – 50% of the above awards deferred into shares for three years

PSP	– 200% of salary awarded.
Shareholdings at 30 June 2022 (Beneficial Ownership)	– CEO: 306% of base salary (requirement 200%) – CFO: 313% of base salary (requirement 200%)

The Single Figure can be found on page 104.

How have we performed?

More details **pages 106 to 111**

Bonus

Metrics reverted to EPS and Cash Conversion for FY22. Results are shown below.

Metric	Target range	Actual	% of max paid
EPS: 60%	4.79p – 6.87p	**9.26p***	100.00%
Cash Conversion: 20%	63.50% – 101.00%	**87.10%**	63.00%
CEO Personal: 20%		**16/20**	80.00%
CFO Personal: 20%		**17/20**	85.00%
Total: CEO			88.56%
Total: CFO			89.56%

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

September 2019 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 – 30%	33.59p	39.34p	**18.17p**	0%
Cash Conversion – 50%	71%	101%	**127.46%**	100%
Relative TSR – 20%	Median of comparator group	Upper quartile of comparator group	**Below median**	0%
Total % of award vesting				50%

Key general business highlights

- Strong overall performance with record fees, material profit growth, and improved margins despite significant organic revenue investment.
- As a result, like-for-like fees grew by 32% and operating profit by £115.0 million or 128%.
- Strong cash performance both in FY22 and across FY20-22 driven by record low debtor days.
- Improved profit performance and strong balance sheet supports significant returns to shareholders with £168.5 million of core and special dividends and the announcement of a targeted £75 million share buyback programme.

More details **page 40**

What changes were made to the Remuneration Policy in FY22?

- FY22 is the second year of the Remuneration Policy approved at the November 2020 AGM. The Policy continues to operate as intended.
- Support of 91.47% in favour of the Policy at the November 2020 AGM indicating strong support for our approach.
- No changes were made to the Policy during the year but FY22 was the first year that the full PSP grant of 200% was used.
- Our full Remuneration Policy can be found on pages 85 to 97 of the FY20 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 104 to 111.

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

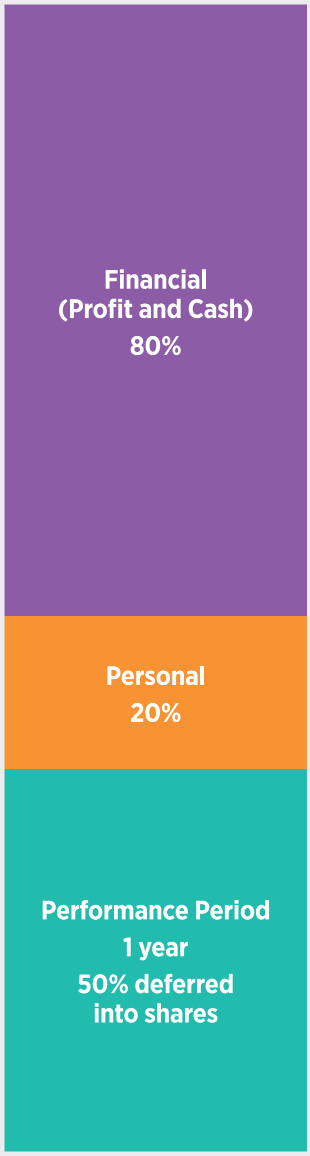
The incentive plans support our key strategic priorities:

- GROW – Materially increase core recruitment fees, particularly in Technology recruitment and with Enterprise clients
- ENHANCE – Drive productivity to deliver significant profits and cash flows, funding reinvestment and enabling substantial returns to shareholders
- DIVERSIFY – Substantially grow new revenue streams and partnership-based areas such as HR services and Project Services globally
- PARTNER – Nurture lifelong client and candidate partnerships and build the deepest and most engaged Talent Networks worldwide
- ENABLE – Our strategy is underpinned by our continuous investment in People, Culture, Technology and Sustainability

- 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.
- Our approach to pay continues to meet Provision 40 of the 2018 UK Corporate Governance Code. Further detail is provided on page 97 of the 2020 Report & Accounts.

SHORT-TERM AGILITY

Annual Bonus



150% of base salary

Focus on

Shareholding

PSP

EPS
30%

Cash Conversion
50%

TSR
20%

Performance Period
3 years + 2 year Holding Period

Up to 200% of base salary

long term

200% of base salary

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

- Balancing the business between permanent and temporary/contractor candidate placements;
- Having a wide range of business specialisms covering 21 professional and technical sectors; and
- Having a global geographic footprint in 32 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

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Section 1 – Total reward for FY22

In this section:

1.1 FY22 Single Figure for executive directors
1.1.1 Salary
1.1.2 Benefits
1.1.3 Pension
1.1.4 Other benefits
1.1.5 Annual Bonus
1.1.6 PSP
1.2 FY22 fees for non-executive directors (NEDs)

Section 1 – Total Reward for FY22

1.1 FY22 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 FY22. Comparative figures for FY21 have also been provided. Details of non-executive directors' (NEDs') fees are set out in Section 1.2 on page 111.

£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]
FY22										
Alistair Cox **Chief Executive**	783	34	157	0	974	1,040	2,014	509	1,549	2,523
Paul Venables **Group Finance Director**	565	40	113	0	718	759	1,477	367	1,126	1,844
FY21										
Alistair Cox	768	42	154	0	964	1,117	2,081	509	1,626	2,590
Paul Venables	554	39	111	0	704	805	1,509	367	1,172	1,876

(a) This column includes Salary, Benefits, Pension, Other and Annual Bonus.
(b) The PSP figures for the award that was granted in 2018 (FY19) and vested in 2021 now reflect the actual vesting price on 12 September 2021 of £1.67 (the price on 10 September 2021 was used as 12 September 2021 was a Sunday). No shares were released but moved into their Holding Period. More detail is shown on page 110. It is coincidental that the PSP values for FY21 and FY22 are the same – the number of shares vesting in FY21 was lower but the share price higher; the number of shares vesting in FY22 was higher but the share price, using the average for the final quarter of FY22, was lower.
(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 2021 for FY22. The increase was the same as the wider budget set for relevant UK employees.

Executive director	Salary for FY22	Increase over FY21	Salary for FY21
Alistair Cox	£783,118	2.0%	£767,763
Paul Venables	£564,627	2.0%	£553,556

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 FY22.

£000s Executive director	Private Medical Insurance (PMI)(1)	Life assurance(1)	Income protection(1)	Car/ Car allowance	Other(2)	Total
FY22						
Alistair Cox	3	14	16	1	0	34
Paul Venables	2	5	15	18	0	40
FY21						
Alistair Cox	2	12	15	13	0	42
Paul Venables	2	4	15	18	0	39

(1) PMI, Life assurance and Income protection figures represent the annual premiums. Alistair Cox has an electric car and Paul Venables a car allowance, hence the difference in values

(2) FY21 Other – Both Alistair Cox and Paul Venables purchased shares as part of the equity raise in 2020. As the amount paid was marginally lower than the share price on the day, Alistair and Paul were deemed to have received a taxable benefit. This represented £281 each. As the above table represents £000s, the amount is shown as zero.

1.1.3 Pension – note 3 (audited)

Policy summary

- Other than a cash payment in lieu of pension at the rate of 20% 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

The Remuneration Committee reviewed the approach on retirement benefits as part of the Policy renewal approved at the November 2020 AGM. As a result, pension reduced from 30% of base salary in FY20 to 20% of base salary for FY21 and FY22. It will move to the level of the majority of Hays' UK employees on 1 January 2023.

£000s Executive director	Pension
FY22	
Alistair Cox	157
Paul Venables	113
FY21	
Alistair Cox	154
Paul Venables	111

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 April 2021 Hays Sharesave Scheme and Paul Venables participated in the March 2019 and April 2021 Hays Sharesave. Details are shown on page 112.

£000s Executive director	Other
FY22	
Alistair Cox	0
Paul Venables	0
FY21	
Alistair Cox	0
Paul Venables	0

Notes:
Paul participated in the 2019 plan which matured in May 2022. At that time the share price was below the option price and Paul did not exercise his shares. There is therefore no gain. He retained the options and has six months until end of October 2022 to exercise or else the options lapse.
Other plans have not yet reached maturity and therefore there are no gains.

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1.1.5 Annual Bonus – note 5 (audited)

Policy summary

- Maximum bonus potential for FY22 under the 2020 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

The figure shown is the total bonus awarded in relation to the performance in the year, including the portion that is deferred.

For bonus awarded in relation to FY22 performance, 50% of the figure shown is deferred into shares for three years.

There are no further performance conditions but leaver terms apply.

The cash element of the bonus award is subject to Clawback for three years from award. The deferred element is subject to Malus for the three-year Holding Period.

Summary

£000s Executive director	Annual Bonus actually awarded	Of which cash	Of which deferred
FY22 – 50% deferred into shares			
Alistair Cox	1,040	520	520
Paul Venables	759	379	380
FY21 – 50% deferred into shares			
Alistair Cox	1,117	558	559
Paul Venables	805	402	403

Details of the FY22 Annual Bonus

The performance metrics and objectives	Assessment	Achievement and what happens now
Due to the uncertainty of the market as a result of the Covid pandemic, the financial metrics were changed for FY21. For FY22 they reverted back to the usual metrics. – 60% on Group EPS (FY21 was Group EBIT); – 20% on Group Cash Conversion (FY21 was Group Operating Cash); and – 20% on personal objectives. Overall, the CEO achieved 80% and the CFO 85% of their personal 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 Company's cash generated by operations less the IFRS 16 lease liability repayment for the financial year, stated as a percentage of operating profit. 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 and Governance (ESG) risks). **Use of discretion** As stated in the Chair's letter, when setting the financial targets for FY22, the Committee took into account the continued uncertainty and unpredictability of the market as the world began to emerge from the Covid pandemic. Against this backdrop, the Committee has carefully reviewed the actual results and considered the underlying performance of the Company, as well as the effect of market and economic circumstances. The Committee has also considered any impact on the Company's key stakeholders and the input of the executives in achieving the final outcomes. Consideration included the fact that there will be a dividend payment, a share buyback was made and that no external support has been sought regarding Covid. After careful reflection, the Committee feels that the formulaic outcome of the FY22 bonus is fair and justified and has exercised no discretion.	**Alistair Cox** Achieved 132.84% of salary (out of 150% maximum potential) i.e. 88.56% of maximum. This equates to a bonus of £1,040,317 (as stated in the Single Figure) of which: – 50% or £520,158 will be paid as cash; and – 50% or £520,159 will be deferred into shares for three years. There are no further performance conditions. **Paul Venables** Achieved 134.34% of salary (out of 150% maximum potential) i.e. 89.56% of maximum. This equates to a bonus of £758,537 (as stated in the Single Figure) of which: – 50% or £379,268 will be paid as cash; and – 50% or £379,269 will be deferred into shares for three years. There are no further performance conditions. **Clawback and Malus** The cash element of the bonus is subject to Clawback for three years from the date of award. The deferred element is subject to Malus for the three-year deferral period.

Calculation of actual results (audited)

Annual Bonus FY22 outcome						Alistair Cox		Paul Venables	
Performance condition	Weighting	Threshold performance required (25% of element vests)	Maximum performance required (100% of element vests)	Actual performance	Annual Bonus value for meeting threshold and maximum performance % salary	Achievement % salary	Bonus value £000s	Achievement % salary	Bonus value £000s
EPS*	60%	4.79p	6.87p	9.26p	18 – 90	90.00%	705	90.00%	508
Cash Conversion	20%	63.5%	101.0%	87.1%	6 – 30	18.84%	148	18.84%	107
Personal CEO	20%	–	100%	80%	0 – 30	24.00%	187	–	
Personal CFO	20%	–	100%	85%	0 – 30	–		25.50%	144
Total FY22	**100%**				**These totals are in the FY22 Single Figure**	**132.84%**	**1,040**	**134.34%**	**759**
* Both the target and actual performance were based on budget exchange rates. Therefore actual performance varies from reported performance due to movements in exchange rates during the year.						Of which cash – 50%	520	Of which cash – 50%	379
						Of which deferred – 50%	520	Of which deferred – 50%	380

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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 comprise 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. However, the key major themes of the objectives and the executives' broad achievements are summarised below.

CEO – Alistair Cox

Broad themes	Summary of progress	Score
Continuation of Strategic Growth Initiatives	Good progress across a wide range of countries and business areas. Incremental growth delivered in areas including Technology and Engineering. Robust governance framework implemented.	3.5/4.0
FY22 Capital Markets Day	Delivery of high quality FY22 Investor Day, clearly setting out business strategy, our strengths and depth of the management team. Development of compelling strategic ambition for the next five years. Compelling articulation of investment proposition to both current and prospective investors. Successful delivery in both physical and virtual format, with positive feedback from analysts and shareholders.	4.0/4.0
Succession planning	Longer-term planning for senior roles across the business. Successful conclusion to CFO search and recruitment process. Further work to be undertaken in respect of selected key roles.	2.5/4.0
ED&I Strategy	Continued focus on development of strategy in this area – development of action plans across multiple jurisdictions, reflecting local demographics and market. Multiple processes being introduced to encourage organisational change over time.	2.0/4.0
Environmental targets	Approval of Science-Based Targets by June 2022 (in line with planned time-frame). Development of clear and achievable Net Zero strategy, with momentum towards execution in due course.	4.0/4.0
Total		16.0/20.0 = 80%

CFO – Paul Venables

Broad themes	Summary of progress	Score
Proactive development of key Finance roles as part of succession planning.	Strong progress was delivered on the overall finance succession plan including for the Group FD role with the delivery of an effective successor and a suitable transition plan for James Hilton. Successful development of teams across multiple jurisdictions. A number of changes were made coming out of James' promotion, with all roles filled by strong internal candidates and a seamless transition with no control issues.	7.0/8.0
FY22 Capital Markets Day	Delivery of high quality FY22 Investor Day, clearly setting out business strategy, our strengths and depth of the management team. Development of compelling strategic ambition for the next five years. Compelling articulation of investment proposition to both current and prospective investors. Successful delivery in both physical and virtual format, with positive feedback from analysts and shareholders.	4.0/4.0
Development of new Internal Audit programme	Completed the development of a Hybrid Internal Audit programme on a global scale to ensure Internal Audit can continue to carry out its global work programme effectively. All key aspects designed and implemented. Successful rebuild of the IA function – formally assessed the skill set of the team against other requirements of the new audit programme.	3.0/4.0
Multiple Group projects	Executed on a number of Group projects including SGI, Group Strategy and back-office efficiency programmes in Germany, India, UK and ANZ. Good progress has been made on all of the projects and suitable handover arrangements executed.	3.0/4.0
Total		17.0/20.0 = 85%

1.1.6 PSP – note 6

Policy summary

- The 2019 (FY20) 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 2019 (FY20) award vested in 2022. No discretion was exercised.

PSP 2019 (granted in FY20) vesting in 2022

The value of the 2019 PSP (vesting in September 2022) is based on a share price of £1.1909 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 £1.518 being the closing price on the day preceding the grant date. The award vested at 50% of the maximum.

See page 110 for detailed information on performance against targets.

Executive director	Value £000s in Single Figure based on share price of £1.1909	Restatement
Alistair Cox	509	Value will be restated in FY23 report when vesting share price is known.
Paul Venables	367	

Details of PSP 2019 (granted in FY20) vesting in 2022

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 2019 to 30 June 2022. Granted: 12 September 2019 and will vest on 12 September 2022. 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 Inc Page Group plc Randstad Holdings nv Robert Half International Inc Robert Walters plc SThree plc	**EPS** 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. It should be noted that the EPS targets for the 2019 award were set prior to the pandemic and therefore reflected a very different economic outlook which, in practice, was unachievable due to the impact of Covid-19 on FY20 and FY21 results and which have also impacted FY22 outcomes. **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 758,659 shares in 2019. 50% of the award has vested. 427,454 shares are due to vest in September 2022 which includes accrued dividend equivalent shares. This equates to a value of £509,055 using a preliminary share price of £1.1909 – see above. **Paul Venables** Awarded 546,992 shares in 2019. 50% of the award has vested. 308,194 shares are due to vest in September 2022 which includes accrued dividend equivalent shares. This equates to a value of £367,028 using a preliminary share price of £1.1909 – see above. **Notes** The Committee is satisfied that out-turns suitably reflect performance over the period. These values will be restated in FY23's Report once the final share price is known. Vested shares for both Alistair and Paul will now be subject to a two-year Holding Period. Please see Section 2.6 for further details on what happens to Paul's shares upon his retirement from Hays on 30 September 2022.

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Actual results

PSP 2019 (granted in FY20) vesting in 2022 (audited)

The share price used to calculate the award was £1.518, being the closing price on the day preceding the grant date.

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

				PSP value as % of salary for:				
Performance condition	Weighting	Threshold performance required (25% of element vests)	Maximum performance required (100% of element vests)	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%	33.59p	39.34p	0	11.25%	45%	18.17p	0%
Cash Conversion	50%	71%	101%	0	18.75%	75%	127.46%	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 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.

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.

Executive director	% of FY20 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]	2018 award that vested in 2021 as stated in the FY21 Single Figure £000s	2018 award value restated using share price at vest date £000s[2]
Alistair Cox	150	1,152	1.518	758,659	854,909	427,454	12 September 2022	12 September 2024	509	505	509
Paul Venables	150	830	1.518	546,992	616,388	308,194	12 September 2022	12 September 2024	367	364	367

(1) The value of the 2019 PSP is based on a share price of £1.1909 which was calculated using an average for the final quarter of the 2022 financial year in accordance with the Regulations as the vesting will occur after the date of this report.

(2) The value of the 2018 PSP disclosed in the 2021 Single Figure was based on a share price of £1.6572 which was calculated using an average for the final quarter of the 2021 financial year in accordance with the Regulations as the vesting occurred after the date of the Report. The share price on award was £2.058. The actual share price on the date of vesting was £1.67. The date of vesting was 12 September 2021 (the price on 10 September 2021 was used as 12 September 2021 was a Sunday). This price has been used to restate the value of the 2018 PSP awards in the Single Figure for 2021 in the table above and the Single Figure table on page 104. Please note that no shares were released on this date. The shares that vested were placed into their two-year Holding Period.

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.

1.2 Non-executive directors' FY22 fees (audited)

The table below shows the current fee structure and actual fees paid in FY22.

£000s Non-executive director	Andrew Martin	Peter Williams	Susan Murray	MT Rainey	Torsten Kreindl(1)	Cheryl Millington	Joe Hurd(2)
	Chairman						
		SID					
		R	**R**	R	R	R	R
	N	N	N	N	N	N	N
		A	A	A	A	A	A
				WE			
Total fee FY22	229	83	72	72	55	59	31
Taxable expenses FY22	–	–	–	–	2	–	2
TOTAL FY22	**229**	**83**	**72**	**72**	**57**	**59**	**33**
Total fee FY21	224	82	71	71	58	58	–
Taxable expenses FY21	–	–	–	–	1	–	–
TOTAL FY21	224	82	71	71	59	58	–

(1) Torsten Kreindl stepped down from the Board on 16 May 2022. His fee reflects the period 1 July 2021 to 16 May 2022. The total for FY21 has been re-stated to include expenses incurred in execution of duties which are taxable for reporting purposes.

(2) Joe Hurd joined the Board on 1 December 2021. His fee reflects the period 1 December 2021 to 30 June 2022. The total amount includes expenses incurred in execution of duties which are taxable for reporting purposes.

Key – positions held during FY22

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 FY22 was £59,122.
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

In this section:
2.1 Outstanding deferred Annual Bonus
2.2 Share options
2.3 Outstanding PSP awards
2.4 Statement of directors' shareholdings and share interests
2.5 TSR chart and table
2.6 Payments to past directors/payment for loss of office during FY22

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 FY22. The shares that vested related to deferred Annual Bonus from previous years. Dividend equivalent shares which accrue under the DAB have been included in the table below.

There are no further performance conditions.

Executive director	Awards outstanding at 1 July 2021[1]	Dividend equivalents accrued to date	Awards granted in FY22	Grant price (market price at date of award)	Face value of award granted in FY22 (at grant price)	Dividend equivalent shares accrued to date	Awards vesting in FY22	Awards outstanding as at 30 June 2022
Alistair Cox	448,743	52,868	341,410	£1.636	£558,548	24,563	287,978	579,606
Paul Venables	323,543	38,116	246,156	£1.636	£402,712	17,709	207,630	417,894

(1) The opening balance shows number of shares at award and not any accrued cumulative dividend equivalents.

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 2022.

Executive director	Scheme date of grant	Balance 1 July 2021	Granted during 2022	Exercised	Lapsed/ Cancelled	Balance 30 June 2022	Option price £	Exercise date	Market price on date of exercise £	Gain £000s	Date from which exercisable	Expiry date
Alistair Cox	1 April 2021	6,293	–	–	–	6,293	1.43	–	–	–	1 May 2024	31 October 2024
Paul Venables	28 March 2019[1]	2,666	–	–	–	2,666	1.35	–	–	–	1 May 2022	31 October 2022
Paul Venables	1 April 2021	3,776	–	–	–	3,776	1.43	–	–	–	1 May 2024	31 October 2024

(1) Paul did not exercise his options when they became available in May 2022 as the share price was below the option price. He has until end October 2022 to exercise.

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. All awards are subject to Malus and Clawback.

2020 PSP (granted in FY21) vesting in 2023 (made under the Policy approved at the November 2020 AGM)

As stated on page 116 of the Directors' Remuneration Report for FY20, given the complex challenges of Covid-19 we delayed the target setting for the 2020 PSP awards to ensure they were sufficiently robust and stretching. In line with the guidance published by the Investment Association, the Remuneration Committee agreed to disclose the targets within six months of the publication of the FY20 Annual Report & Financial Statements. The 2020 PSP targets were disclosed on the Hays plc website in line with this guidance.

The Committee recognises that the EPS target range is lower in absolute terms than the target applied in the previous year's grant. However, given the impact of Covid-19 on the global economy and our business and the level of uncertainty on the trajectory of economic recovery at the time, the Committee is comfortable that these targets were challenging in relative terms when taking into account market expectations when the targets were set. The Committee will consider the final outcomes at the end of the performance period and weigh them against the context of overall business performance and market conditions to ensure they are a fair and appropriate reflection of performance.

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

				PSP value as % of salary for:		
Performance condition	Weighting	Threshold performance required (25% of the elements vest)	Maximum performance required (100% of the elements vest)	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%	4.54p	7.34p	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

Executive director	% of FY21 salary awarded	Face value at award £000s	Share price at award £	Maximum number of shares	Threshold number of shares (25%)
Alistair Cox	150	1,152	1.345	856,241	214,060
Paul Venables	150	830	1.345	617,348	154,337

The award was made under the Policy approved by shareholders at the November 2020 AGM. Although the Policy allows for a grant of up to 200% of salary, it was agreed that a grant of 150% of salary would be made for FY21 to take into account the business and economic conditions and impact on key stakeholders arising from the Covid-19 pandemic.

(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 FY21 award 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 the following into account when setting the EPS targets:
- EBIT Budget (the setting of which is a robust and transparent process):
  - Company EBIT Budget for FY21 and the expectations of EBIT performance for years two and three;
    - Threshold and maximum growth expectations for years one, two and three have been set around a fixed range each year.
    - In addition, due to the volatility of the composition of Group profitability by Geography across the Group, a fixed tax rate has been applied each year when converting from EBIT to EPS.
  - Strategic direction of the business over the period covered by the PSP award;
  - Market conditions and visibility of future trading; and
  - Analysts' forecasts.

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;
- Fraud and Gross misconduct; and
- Severe reputational damage and corporate failure.

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2021 PSP (granted in FY22) vesting in 2024, followed by a two-year Holding Period (made under the Policy approved by shareholders at the November 2020 AGM)

The Remuneration Committee was keen to spend appropriate time calibrating and reviewing the targets for the FY22 PSP awards to ensure that they were sufficiently robust and stretching. The Committee published details of the targets for the FY22 PSP on the Company website, in advance of the November 2021 AGM.

Performance period	1 July 2021 to 30 June 2024
Grant date	5 October 2021
Vest date	5 October 2024 followed by a two-year Holding Period

				PSP value as % of salary for:		
Performance condition	Weighting	Threshold performance required (25% of element vests)	Maximum performance required (100% of element vests)	Below threshold	Threshold	Maximum
Relative TSR(1)	20%	Median of the comparator group	Upper quartile of the comparator group	0	10%	40%
Cumulative EPS(2)	30%	18.91p	25.60p	0	15%	60%
Cash Conversion(3)	50%	80%	110%	0	25%	100%
Total	100%			0	50% 25% of award	200% 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 the FY22 award 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 the following into account when setting the EPS targets:
- EPS Budget (the setting of which is a robust and transparent process);
- The expectations of performance for years two and three;
- The strategic direction of the business over the period covered by the PSP award;
- Market conditions and visibility of future trading, and
- Analysts' forecasts.

While there remains a degree of uncertainty regarding the long-term market and economic environment, the Committee is satisfied that the target range is highly challenging, with full vesting requiring very significant growth when compared to results for both FY20 and FY21.

(3) The target range for cash conversion has been increased in comparison to that applicable to prior awards (previously 71% to 101%). An award of 45% of salary is payable for cash conversion of 85%, with straight-line vesting for interim levels of performance.

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.

Executive director	% of FY22 salary awarded	Face Value at award £000s	Share Price at Award £	Maximum number of shares	Threshold number of shares (25%)
Alistair Cox	200%	1,566	1.533	1,021,680	255,420
Paul Venables	200%	1,129	1.533	736,630	184,157

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.
- Post-employment shareholding guidelines also apply.

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 2022 are set out in the table below.

Executive director	Shareholding requirement % of salary	Number of shares owned outright/ vested shares	Share price as at 30 June 2022	Base salary as at 1 July 2021	Actual share ownership as % of base salary	Guidelines met
Alistair Cox	200%	2,144,277	£1.116	£783,118	306%	Yes
Paul Venables	200%	1,581,325	£1.116	£564,627	313%	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 dependant 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 2022, but excluding Sharesave options, are shown below. For reference, their Sharesave options are shown in the table under 2.2 on page 112.

Executive director	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[3]	PSP share interests including dividends subject to performance conditions
Alistair Cox	2,144,277	£2,393,013	1,688,024	£1,883,835	3,832,301	£4,276,848	546%	1,947,586
Paul Venables	1,581,325	£1,764,759	1,217,060	£1,358,239	2,798,385	£3,122,998	553%	1,404,206

(1) Unvested shares will be subject to payroll deductions for tax and social security on vesting. Number includes dividend equivalent shares to date. Shares currently in their Holding Period relating the 2017 (FY18) PSP are due to be released in November 2022.
(2) Share price as at 30 June 2022 and used in the above table was £1.116.
(3) The table above shows shareholding pre-tax. Holdings on an estimated post-tax basis are: CEO: 399% and CFO: 406%.

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 2022 – this table has been audited.

Non-executive director	Shares held at 30 June 2022	Shares held at 30 June 2021
Andrew Martin	190,088	190,088
Peter Williams	63,806	46,806
Susan Murray	4,000	4,000
MT Rainey	48,845	48,845
Torsten Kreindl[1]	–	–
Cheryl Millington	–	–
Joe Hurd	7,557	–

There have been no changes to the above holdings for current NEDs as at the date of this Report.
(1) Torsten's shares represent the number held at his date of leaving the Board on 16 May 2022.

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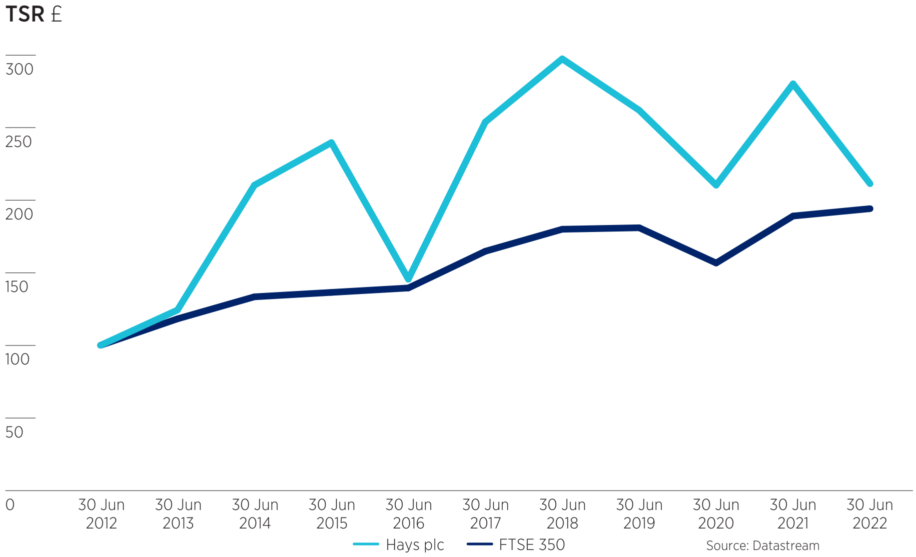
2.5 Total Shareholder Return (TSR)

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 2021 figure has been restated to take into consideration the actual share price on date of PSP vesting.

Chief Executive	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Single Figure (£000s)	1,328	2,012	2,826	3,996	2,796	2,993	3,009	2,666	1,468	2,590	2,523
Annual Bonus payment level achieved (% of maximum opportunity)	37%	95%	98%	98%	66%	93%	97%	49%	0%	97%	88.56%
PSP vesting level achieved (% of maximum opportunity)	0%	22%	50%	100%	86%	60%	55%	70%	50%	50%	50%
DAB match vesting level achieved (% of maximum opportunity)	60%	N/A	N/A	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 FY22

There were no payments to former directors for loss of office in the financial year FY22.

Paul Venables will retire from the Company on 30 September 2022. In light of Paul's significant contribution over his 16 years with the business, Paul has been considered a 'Good Leaver' by the Committee for incentive purposes. Outstanding deferred bonus awards in respect of bonuses earned for FY21 and FY22 will vest at the end of the normal three-year deferral period. Unvested LTIP awards granted in 2020 and 2021 will vest subject to time pro-rating and performance. Fully performance-tested LTIP awards granted under the 2017 Policy will be released on departure. Fully performance-tested LTIP awards granted under the 2020 policy will be released following the end of the relevant Holding Period. Malus and Clawback provisions are in place for both the DAB and PSP.

There will be no payment in lieu of notice or termination payment payable on departure. Paul will not participate in the bonus plan for the period worked in FY23, and he will not be granted a PSP award in respect of the year.

Paul will comply with the terms of the post-employment shareholding guidelines as set out in the 2020 Policy.

Section 3 – Remuneration in the broader context

In this section:

3.1 Remuneration for employees below Board
3.2 Change in Board remuneration compared to other employees
3.3 CEO vs Employee Pay Ratio
3.4 External appointments
3.5 Relative importance of spend on pay

3.1 Remuneration for employees below Board

Our remuneration philosophy is cascaded throughout the organisation. Members of the Executive Board are deemed 'specified individuals' under the Remuneration Committee's Terms of Reference and therefore have their remuneration set by the Committee. Our Executive 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 usually deferred into shares for three years and subject to Malus provisions. The cash element is usually subject to Clawback provisions for three years. Members of the Executive Board also usually participate in the Performance Share Plan (PSP) with the same performance conditions as the executive directors.

Employees below the Executive 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 Executive Board, the Committee considers a report prepared by the Group Head of Reward detailing remuneration practice across the Group. The report provides a regional overview of how employee pay compares to the market, any material changes during the year and includes detailed analysis of basic pay and variable pay changes within the UK where all of the executive directors and most of the Executive Board are based.

While the Company does not 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.

MT Rainey is the non-executive director appointed for workforce engagement and she attends various employee events and projects to learn first hand about issues or concerns.

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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 Executive Board, 50% of any bonus earned is usually deferred into shares for three years and is subject to Malus.	**Performance Share Plan (PSP) and Sharesave** Members of the Executive Board usually participate in the same PSP Plan as executive directors subject to Remuneration Committee approval. The PSP is subject to Malus and Clawback provisions. Executive Board members are encouraged to retain shares. Below the Executive 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. During FY21 Volunteering Days were introduced worldwide with every employee globally given at least one paid Volunteering Day per year to allow them to give back to the communities in which they live and work.	**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 FY20 to FY22 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).

The reasons for the changes between FY21 and FY22 are due to:

a) Increase to salaries and base fees of 5%. There were no changes to the fees for SID or Chair of Committees.

b) Annual bonuses are lower than for FY21.

c) There is a slight change in benefits for the executive directors between FY22 and FY21. Life assurance premiums changed but there is no change to actual cover. Alistair Cox changed to an electric car and therefore his car benefit has reduced.

d) Non-executive directors do not receive bonus or benefits.

	% change in salary/fee FY22 vs FY21	% change in taxable benefits FY22 vs FY21	% change in Annual Bonus FY22 vs FY21	% change in salary/fee FY21 vs FY20	% change in taxable benefits FY21 vs FY20	% change in Annual Bonus FY21 vs FY20	% change in salary/fee FY20 vs FY19	% change in taxable benefits FY20 vs FY19	% change in Annual Bonus FY20 vs FY19
Chief Executive – Alistair Cox	2.0%	-19.0%	-6.8%	2.5%	-16%	n/a	-1.0%	0%	-100%
Group Finance Director – Paul Venables	2.0%	2.5%	-5.7%	2.6%	2.6%	n/a	-1.0%	-7.0%	-100%
Chairman – Andrew Martin	2.0%	n/a	n/a	2.3%	n/a	n/a	7.0%	n/a	n/a
SID and Chair of Audit Committee – Peter Williams	1.2%	n/a	n/a	2.5%	n/a	n/a	18.0%	n/a	n/a
Chair of Remuneration Committee – Susan Murray	1.4%	n/a	n/a	2.9%	n/a	n/a	-1.0%	n/a	n/a
Chair of Workforce Engagement – MT Rainey	1.4%	n/a	n/a	2.9%	n/a	n/a	13.0%	n/a	n/a
NED – Cheryl Millington	1.7%	n/a	n/a	1.8%	n/a	n/a	0%	n/a	n/a
NED – Torsten Kreindl(1)	-5.2%	100%	n/a	1.8%	n/a	n/a	0%	n/a	n/a
NED – Joe Hurd(2)	n/a	n/a	n/a	–	–	–	–	–	–
Employees of Hays plc(3)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) The change in taxable benefits for Torsten relates to expenses incurred in execution of duties which are taxable for reporting purposes and are shown in section 1.2 on page 111.

(2) Joe Hurd joined the Board on 1 December 2021.

(3) Hays plc only employs the CEO and CFO and has contracts for services for the Chairman and non-executive directors. There are no other employees in Hays plc.

3.3 CEO vs Employee Pay Ratio

This is the third 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 provides further details:

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY22	**A**	**84:1**	**54:1**	**32:1**
FY21	A	92:1	65:1	40:1
FY20	A	53:1	36:1	22:1

The following table provides salary and total remuneration information in respect of the employees at each quartile.

Year	Element of pay	25th percentile	Median	75th percentile
FY22	**Salary**	£24,500	£39,667	£29,600
	Total remuneration	£30,040	£46,588	£79,102

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We are committed to providing a total reward package for our employees that is competitive. The structure of remuneration for employees is shown on pages 117 and 118. 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. The difference in ratio between FY22 and FY21 is therefore felt to be caused most likely by changes in variable pay.

In calculating the ratio, we have used methodology A, the same method 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 FY22 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.

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 2022, the fees earned and retained by the executive directors were as follows:

- Alistair Cox: Alistair holds no external appointments.
- Paul Venables: Paul joined the Board of Manchester Airport Group as a NED and Audit Chair (designate) on 1 February 2022 and his fee to 30 June 2022 was £25,625.

3.5 Relative importance of spend on pay

The table below sets out the relative importance of the spend on pay in FY22 and FY21 compared with other disbursements. All figures are taken from the relevant Hays Annual Report.

	Disbursements from profit in FY22 £m	Disbursements from profit in FY21 £m	% change
Profit distributed by way of dividend	168.5	170.5	-1.2%
Overall spend on pay including directors	766.5	624.5	22.7%

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

In this section:

4.1 Executive directors
4.2 Non-executive directors
4.3 Voting outcome

Below are the Remuneration Policy decisions for FY23. These are in line with the Policy approved by shareholders at the November 2020 AGM.

4.1 Executive directors

Summary

Position	Name	Base salary from 1 July 2022	Maximum bonus potential as % of salary	Maximum PSP award as % of salary	Benefits and pension
CEO	Alistair Cox	£822,274	150%	200%	Pension is 20% of salary for the period 1 July 2022 to 31 December 2022. From 1 January 2023, Alistair will move to the pension level of the majority of UK employees, currently 4% of salary.
CFO	Paul Venables	£564,627	N/A	N/A	Pension is 20% of salary up to his departure on 30 September 2022.
CFO designate Appointment effective from 1 October 2022	James Hilton	£420,000 from 1 October 2022	150% pro-rated for nine months from 1 October 2022 to 30 June 2023	200%	Pension will be aligned to the majority of UK employees from 1 October 2022, currently 4% of salary.
		The salary for the CEO Alistair Cox was increased by 5% for FY23. This was in line with the budget for other UK eligible employees. There was no increase for the CFO Paul Venables due to his departure.	There will be no FY23 bonus for Paul Venables due to his departure.	There is no PSP grant for Paul Venables due to his departure. See grant summary below.	

Bonus performance conditions

The weighting of the performance conditions remain as follows for FY23:

Performance condition	Weighting	
Financial (profit and cash)	80%	The operation of the Bonus Plan is as set out in the Remuneration Policy in the FY20 Annual Report. 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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2022 PSP (to be granted in FY23) vesting in 2025, followed by a two-year Holding Period (to be made under the Policy approved by shareholders at the November 2020 AGM)

For the FY23 award, the performance metrics and weightings will remain consistent with the approach taken last year. In the context of the uncertain economic backdrop, the Remuneration Committee is still in the process of calibrating and finalising the financial targets for the FY23 award, with a focus on ensuring that targets are sufficiently robust and stretching. We currently intend to publish details of the targets for the FY23 PSP on the Company website. We intend to publish these targets well in advance of the 2022 AGM.

Performance period	1 July 2022 to 30 June 2025
Vest date	Three years from grant date followed by a two-year Holding Period

				PSP value as % of salary for:		
Performance condition	Weighting	Threshold performance required	Maximum performance required	Below threshold	Threshold	Maximum
Relative TSR[1]	20%	Median of the comparator group	Upper quartile of the comparator group	0	10%	40%
Cumulative EPS[2]	30%	*	*	0	15%	60%
Cash Conversion	50%	*	*	0	25%	100%
Total	100%			0	50%	200%
					25% of award	100% of award

* Targets to be confirmed on the Company website in advance of the 2022 AGM.

(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 FY23 award is: Adecco SA, Kelly Services Inc, Manpower Inc, Page Group, 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 FY23 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.

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 FY23 the shareholding requirement for both the CEO and the CFO is 200% of base salary. Both the CEO, Alistair Cox and CFO, Paul Venables already hold above this shareholding – see page 115. The CFO designate, James Hilton, will start to build up shares to this level from FY23.

4.2 Non-executive directors

The Committee reviewed the Group Chairman's fee for FY23 and determined that there should be a 5% increase in the base fee which is in line with the budget for other eligible employees in the UK. Base fees for the other NEDs were also increased by 5%. There are no changes to the SID fee or Committee Chair fees. There is no fee for being the Chair of the Nomination Committee. Fees for FY23 are shown below.

Position	Fee for FY23 £000s	Fee for FY22 £000s
Chairman	240	229
Base fee	62	59
Committee Chair (including fee for NED responsible for workforce engagement)	13	13
SID	11	11

4.3 Voting outcome for the 2020 Remuneration Policy at the 2020 AGM and Annual Report on Remuneration FY21 at the 2021 AGM

Votes	Votes 2020 Policy	%	Votes FY21 Remuneration Report	%
Votes for	1,330,376,148	91.47%	1,418,029,452	98.37%
Votes against	124,075,795	8.53%	23,508,843	1.63%
Votes withheld	2,006,052	–	45,465,839	–

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Section 5 – Governance

In this section:

5.1 Remuneration Committee members and attendees
5.2 Terms of Reference
5.3 Meetings in FY22
5.4 Advisers to the Remuneration Committee
5.5 Engagement with shareholders
5.6 Considering risk
5.7 General governance

5.1 Remuneration Committee members and attendees

The table below shows the members and attendees of the Remuneration Committee during FY22.

Remuneration Committee members	Position	Comments
Susan Murray	Member from 12 July 2017	Independent
Torsten Kreindl	Member from 1 June 2013 to 16 May 2022	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
Joe Hurd	Member from 1 December 2021	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	Attend by invitation but do not participate in any discussion about their own reward.
Paul Venables	Chief Financial Officer	
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 FY22	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 FY22

The Committee normally meets at least four times per year. During FY22, it formally met six times as well as having ongoing dialogue via email or telephone discussion. The meetings principally discussed the following key issues and activities:

- A review of the basic pay, bonus, PSP awards, and the personal objectives of the executive directors and other senior executives. In particular the Committee focused on setting incentive targets given the ongoing uncertain market and economic circumstances;
- Consideration of the relationship between executive reward and the reward structures in place for other Group employees;
- The ongoing 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.
- The Committee also discussed and agreed the departure terms for the outgoing CFO, Paul Venables, and the remuneration package for the CFO designate, James Hilton.

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 FY22 Deloitte has advised the Committee on all aspects of the Remuneration Policy for executive directors and members of the Executive Board.

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 FY22 in relation to Committee work was £88,950 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 in 2020, the Committee was pleased to have received strong shareholder support for its 2020 Remuneration Policy proposals, the Resolution for which received a 91.47% vote in favour at the November 2020 AGM.

During FY22 the Committee has been open to discussion with shareholders and 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
24 August 2022

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. Information relating to Majority Shareholders can be found on page 86 under Board and stakeholder engagement.

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 27 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

An interim dividend of 0.95 pence (2021: nil) per Ordinary share was paid to shareholders on 8 April 2022. The Board recommends the payment of a final dividend of 1.90 pence (2021: 1.22 pence) per Ordinary share. In addition, the Board is also recommending the payment of a special dividend of 7.34 pence (2021: 8.93 pence) per Ordinary share. These three dividend payments will represent a total dividend of 10.19 pence (2021: 10.15 pence) per Ordinary share for the financial year ended 30 June 2022. Subject to the shareholders of the Company approving this recommendation at the 2022 AGM, the final and special dividends will be paid, in aggregate, on 11 November 2022 to those shareholders appearing on the register of members as at 30 September 2022. The ex-dividend date is 29 September 2022.

Financial instruments

Details of the financial instruments used by the Group are set out in notes 18 to 20 to the Consolidated Financial Statements. A general outline of Hays' use of financial instruments is set out in the treasury management section on page 43 of the Finance Director's Review.

Directors

Biographies of the serving directors of Hays are provided on pages 78 and 79 of this Report. During the year, Joe Hurd was appointed as a director on 1 December 2021 and Torsten Kreindl retired as a director on 16 May 2022. All the other directors served on the Board throughout FY22. Peter Williams is the Senior Independent Director and MT Rainey is the Designated NED for Workforce Engagement. Paul Venables announced during the year that he would retire from the Board on 30 September 2022, and James Hilton will succeed him from 1 October 2022.

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 buyback 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 all of the other 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 2022, the Company had 1,666,673,427 fully paid Ordinary shares in issue, of which 16,358,090 Ordinary shares were held in treasury by the Company. During the year ended 30 June 2022, Hays purchased 15,443,348 Ordinary shares of 1 pence, representing 0.93% of shares in issue, for a total consideration of £18,049,303, excluding costs, which were cancelled.

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.

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 2022, 0.98% 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 year, the Company purchased 14,236,084 Ordinary shares of 1 pence, representing 0.85% of shares in issue, for a total consideration of £19,715,489, excluding costs and Stamp Duty. The shares are held in treasury and will be utilised to satisfy employee share-based award obligations. During FY22, Hays transferred 3,558,127 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.

Political donations

The Company made no political donations during the financial year ended 30 June 2022 and the Board intends to maintain its policy of not making such payments.

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 18 and 19 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 and any proposed dividends. 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 Going Concern period, being at least 12 months from the date of approval of the Consolidated Financial Statements. 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. New Articles were adopted by Shareholders at the Company's 2021 AGM.

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.

2022 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 at 12 noon on 9 November 2022 at the offices of UBS, 5 Broadgate, London EC2M 2QS. The Notice of Meeting 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 of Meeting 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
24 August 2022

DIRECTORS' RESPONSIBILITIES

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

Statement of Directors' responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the 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 UK-adopted international accounting standards and the 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, 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 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 UK-adopted international accounting standards 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 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 also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's 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.

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.

Directors' confirmations

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

- the Group Financial Statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company Financial Statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Audit Committee 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 they face.

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's 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's and Company's auditors are aware of that information.

By order of the Board

Alistair Cox
Chief Executive

Paul Venables
Group Finance Director
24 August 2022