


GOVERNANCE



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

- 82 Chair's statement
- 84 Board of Directors
- 88 Governance Framework
- 90 How the Board works
- 94 Key activities
- 96 Stakeholder engagement
- 98 Workforce engagement
- 100 Board Evaluation
- 102 Nomination Committee Report
- 106 Audit Committee Report
- 110 Remuneration Report

CHAIR OF THE BOARD'S INTRODUCTION TO GOVERNANCE



Andrew Martin
Chair
Hays plc

Dear Shareholder

I am pleased to introduce the Corporate Governance section of this year's Annual Report. The report sets out our governance framework, how we make decisions and engage with our stakeholders and how we have complied with the UK Corporate Governance Code 2018.

The Board in 2023

Succession planning and the evolution of the composition of the Board has been the primary focus of the Board this year. We are committed to maintaining a strong Board from a diverse range of backgrounds and are pleased to report we have exceeded the targets the Board set for itself in its Board Diversity Policy for gender and ethnic minority representation on the Board this year.

On 23 February 2023 we announced that following discussions with Alistair Cox, it was an appropriate time to commence a process to identify his successor. On behalf of the Board, I would like to express our thanks for the great leadership he has shown in his 16 years in role. The Board, led by the Nomination Committee, spent a considerable amount of time identifying Alistair's successor to ensure a rigorous and transparent process. The Board is delighted to be able to announce that Dirk Hahn will succeed Alistair as Chief Executive Officer on 1 September 2023. Dirk is a long-standing member of the Hays Executive Board and is currently MD of Hays Germany and CEMEA (Continental Europe, Middle East and Africa), where he oversees around 5,500 employees. The Board has confidence that Dirk's knowledge and experience makes him the ideal person to lead the Company in its next stage of growth.

We were delighted to welcome Zarin Patel to the Board in January this year. Zarin has extensive experience in managing transformation within complex digital-centric businesses and wide-ranging financial and commercial expertise.

Our annual Board effectiveness evaluation concluded that the Board continues to operate effectively and you can read more about the process and outcomes on [page 100](#).

Corporate Governance

The Board recognises the role it has in ensuring Hays operates in a manner that is consistent with highest standards of Corporate Governance – aligned to one of our values to 'Do the right thing'. We have continued to strengthen Board governance this year, which has included reviewing and updating internal governance processes such as our Matters Reserved for the Board. The Board is committed to enhancing governance controls and welcomes the proposed changes to the Corporate Governance Code to strengthen reporting on risk management and internal controls – you can read about Hays' preparations for this on [page 109](#).

Stakeholder engagement

Alongside strong operational performance this year, we are pleased to deliver value to all our stakeholders in a sustainable way. The Board has remained focused on ensuring that Hays is a company that benefits society by building lifelong partnerships that empower people and organisations to success. You can read on [pages 96 to 99](#) the various ways we have ensured we consider the views of our stakeholders in our Board decision-making process.

The Board values the insight it gains from stakeholder engagement and I have been delighted to have been able to meet with a range of stakeholders this year, including shareholders at our AGM, institutional investors and employees on site visits.

Looking ahead

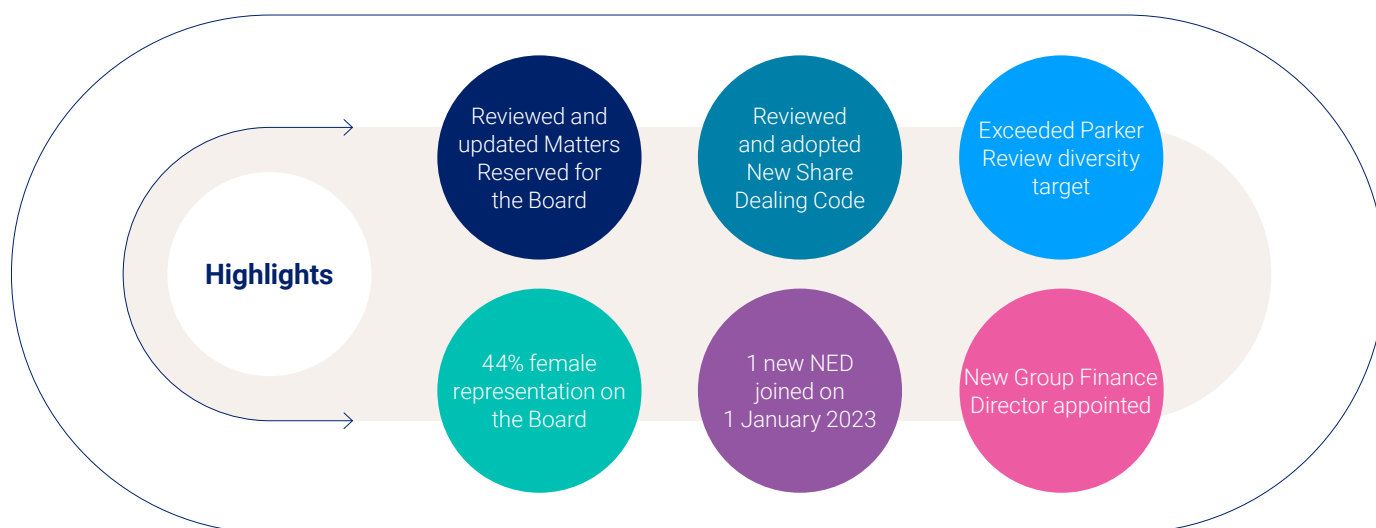
The Board is confident that, despite the challenging macroeconomic conditions, Hays is well positioned under the new leadership of Dirk Hahn to emerge even stronger, underpinned by a diverse business and a committed team.

I would like to take this opportunity to extend my thanks to all the members of the Board and to our incredible workforce for their continued dedication to Hays this year. To our shareholders, clients and candidates, I thank you for your continued support. I am incredibly proud of all that has been achieved this year and look forward to building on this in FY24.

Andrew Martin
Chair

23 August 2023

GOVERNANCE AT A GLANCE



Code compliance

Hays plc is subject to the UK Corporate Governance Code 2018 (the Code) issued by the Financial Reporting Council (available at frc.org.uk). 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. During the year ended 30 June 2023, Hays complied with all of the provisions of the Code, except for the fact that Provision 38 was met part way through the year by the alignment of the Executive Directors' pension with the wider workforce. More information is on [page 128](#).

The table below shows where shareholders can find further information on how the Company has applied the principles of the Code.

Board leadership and Company Purpose	Page
A – An effective Board	84 to 87
B – Purpose, values and culture	1, 20 to 27
C – Governance framework and Board resources	88
D – Stakeholder engagement	96 to 99
E – Workforce policies and practices	98 to 99

Division of responsibilities	Page
F – Board roles	89
G – Division of responsibilities	89
H – Non-Executive Directors	89, 91
I – Key activities of the Board in 2023	93 to 95

Composition, succession and evaluation	Page
J – Appointments to the Board	103
K – Board skills, experience and knowledge	84 to 87, 92
L – Annual Board Evaluation	100

Audit, risk and internal controls	Page
M – Financial Reporting, External Auditor and Internal Audit	107 to 109
N – Review of 2023 Annual Report and Accounts	108
O – Risk Management	74 to 79

Remuneration	Page
P – Linking remuneration with purpose and strategy	114 to 115
Q – Remuneration Policy	116 to 126
R – Performance outcomes in 2023	130

OUR BOARD OF DIRECTORS

Chair of the Board



Andrew Martin
Chair



Appointed
12 July 2017

Skills and experience

Andrew has extensive experience in business, finance and corporate governance having held a number of non-executive and senior executive positions across several sectors.

Past roles

Until 2015, Andrew was Chief Operating Officer 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 (now TUI Group 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, and until May 2023, a Non-Executive Director of the John Lewis Partnership Board. Early in his career, Andrew trained as a Chartered Accountant at KPMG before moving to Arthur Andersen where he became a partner.

External appointments

Non-Executive Chairman of Intertek Group plc.

Executive Directors



Alistair Cox
Chief Executive

Appointed
1 September 2007

Skills and experience

With over 15 years' service with the Group, Alistair has a deep understanding of the recruitment market and a sharp focus on strategy execution and operations.

Past roles

Alistair's early career was in various field engineering, management and research science roles with British Aerospace and then Schlumberger. 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. Alistair is a Chartered Engineer with an MBA from Stanford University.

External appointments

Non-Executive Director of Relx plc.



James Hilton
Group Finance Director

Appointed
1 October 2022

Skills and experience

James has extensive experience in finance, audit and risk management and, having worked at Hays for more than 15 years, understands the Group's operations at all levels.

Past roles

James is an Economics graduate from Cambridge University, and qualified as a Chartered Accountant with KPMG. James joined Hays in 2008 from the Investment Banking division of Dresdner Kleinwort, where he specialised in Corporate Broking and M&A Advisory. Prior to his appointment to the Hays Board, James held a number of senior finance roles at Hays including Head of Investor Relations, UK Financial Controller, European Finance Director and Group Financial Controller.

Independent Non-Executive Directors

**Joe Hurd**

Independent Non-Executive Director

**Appointed**

1 December 2021

Skills and experience

Joe has significant global experience in consumer-facing technology businesses. He also brings expertise as an independent public board director, advising on strategic growth, ESG, workforce engagement, innovation, governance, compensation, board recruitment and diversity.

Past roles

Joe began his career in corporate and securities law with Linklaters, before establishing himself as an entrepreneur with successful start-ups Friendster and VideoEgg. Previously he served as a Non-Executive Director of GoCo Group plc (now Future plc) and as an Independent Director of SilverBox Engaged Merger Corp I. From 2009 until 2012, Joe served in the Obama Administration as a political appointee at the Department of Commerce, serving on the White House Business Council.

External appointments

Chief Executive Officer and Managing Partner of Katama Group LLC. A Non-Executive Director of Trustpilot Group plc since June 2021. A nominated member of Lloyd's Council.

**Cheryl Millington**

Independent Non-Executive Director

**Appointed**

17 June 2019

Skills and experience

A strategic technology leader, Cheryl also brings extensive general management, data and people experience to the Board.

Past roles

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.

External appointments

Non-Executive Director of Atom Bank plc and AXA Insurance UK plc.

Committee key

- A** Audit Committee
- R** Remuneration Committee
- N** Nomination Committee
- W** Designated NED for Workforce Engagement
- Committee Chair

OUR BOARD OF **DIRECTORS** CONTINUED

Non-Executive Directors



Susan Murray

Independent Non-Executive Director



Appointed

12 July 2017

Skills and experience

Susan brings extensive experience in international consumer goods and services businesses. She has specialist knowledge and experience in strategy, marketing, remuneration and general management.

Past roles

Susan is a former Chairman of Farrow & Ball and a former Non-Executive Director of Mitchells & Butlers plc, Compass Group plc, Pernod Ricard S.A., Imperial Tobacco plc, Enterprise Inns plc, Aberdeen Asset Management plc, SSL International plc, 2 Sisters Food Group and Wm Morrison Supermarkets plc. She is also a former Chief Executive of Littlewoods Stores Limited and former Worldwide President and Chief Executive of The Pierre Smirnoff Company, part of Diageo plc.

External appointments

Non-Executive Director and Chair of Remuneration Committee at Grafton Group plc. Senior Independent Director of William Grant & Sons Limited.



Zarin Patel

Independent Non-Executive Director



Appointed

1 January 2023

Skills and experience

Zarin brings expertise in managing transformation within complex digital-centric businesses. She also has wide-ranging experience across finance, investment and customer in both executive and non-executive roles.

Past roles

Zarin spent 15 years at each of KPMG and the BBC, where she was Chief Financial Officer for 9 years. From 2014 to 2016 she was the Chief Operating Officer of The Grass Roots Group plc. Previously, Zarin was a Non-Executive Director of Post Office Limited and an independent member of the Audit and Risk Committee of John Lewis Partnership plc. Zarin is a member of the Institute of Chartered Accountants in England and Wales and has recent and relevant financial experience.

External appointments

Non-Executive Director and Chair of the Audit and Risk Committee of Anglian Water Services Limited. Senior Independent Director and Chair of the Audit and Risk Committee of Pets at Home Group plc. A Non-Executive Director at HM Treasury and Chair of the Audit and Risk Committee. A trustee of National Trust and Chair of its Audit Committee.



MT Rainey

Independent Non-Executive Director



Appointed

14 December 2015

Skills and experience

An experienced media and advertising professional, MT Rainey has worked extensively in the UK and US. She brings a wealth of corporate, commercial and enterprise experience to the Board as well as a passion for diversity, sustainability and corporate ethics.

Past roles

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.

External appointments

Non-Executive Director of Clear Channel Outdoor Holdings Inc., Chair of Lighthouse Centre for the Arts, Chair of Charlotte Street Partners.

**Peter Williams**

Senior Independent Director

**Appointed**

24 February 2015

Skills and experience

Peter has extensive experience of the media sector and expertise in financial, audit and risk management.

Past roles

Peter was Group Finance Director of Daily Mail & General Trust plc, a role he performed for 19 years until 2011. From 2011 to 2018 Peter was a Non-Executive Director of Perform Group. Peter has recent and relevant financial experience and has a Law degree from Cambridge University and is a member of the Institute of Chartered Accountants in England and Wales.

External appointments

A member of the Industrial Advisory Board of GVQ Investment Management.

**Doug Evans**

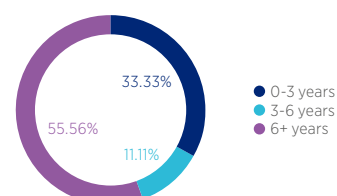
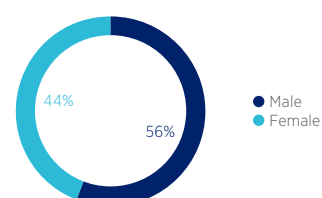
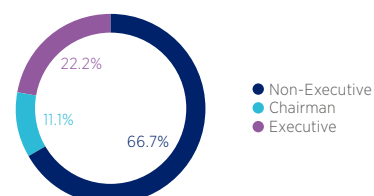
Company Secretary & General Counsel

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.

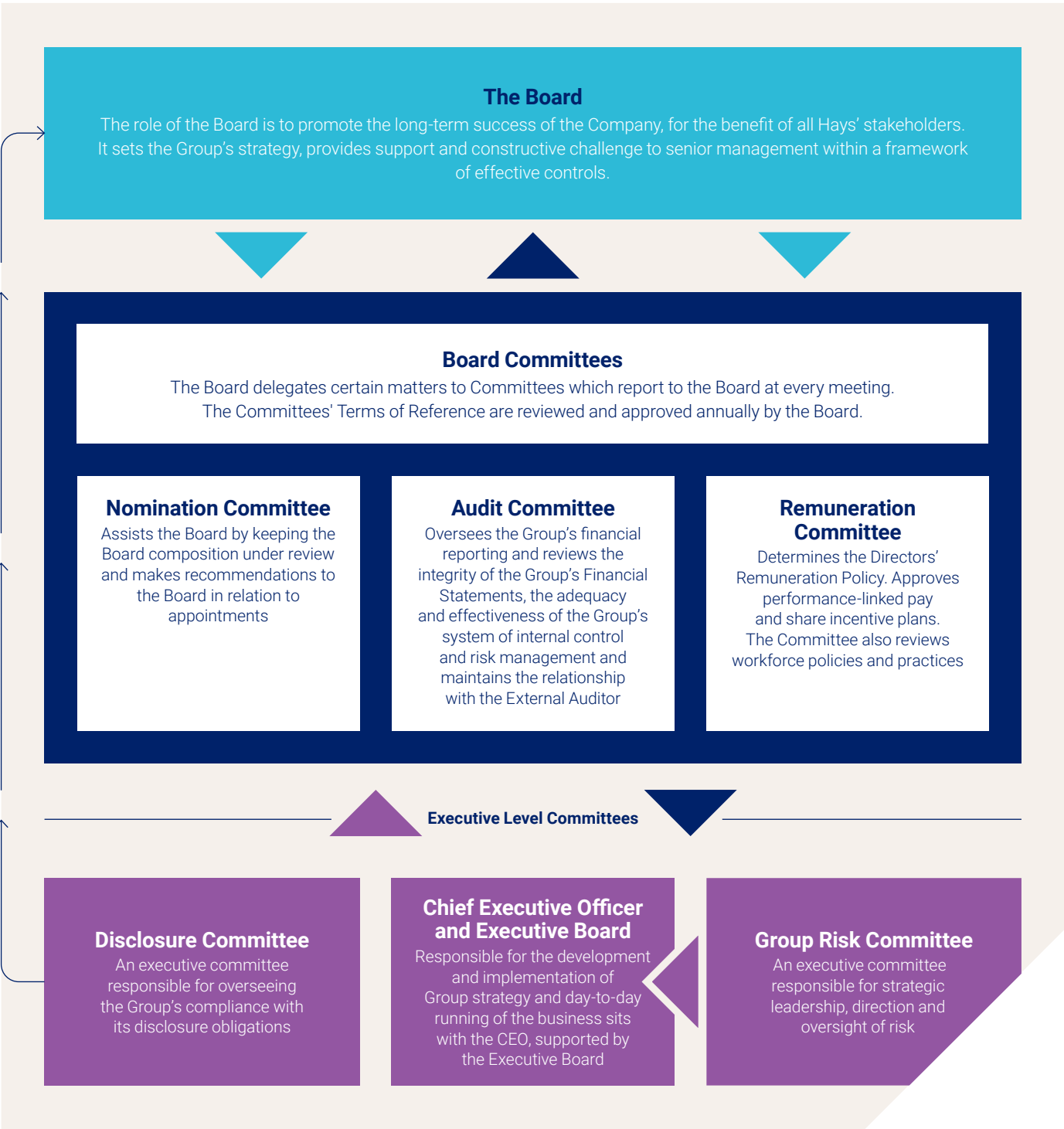
Board tenure**Gender diversity****Board composition****Directors who served throughout the year****Paul Venables**

Group Finance Director

Paul Venables stepped down from his position as Group Finance Director on 30 September 2022 after 16 years with the Group.

OUR GOVERNANCE FRAMEWORK

The Hays Board is committed to ensuring there is a strong and effective system of corporate governance in place to support the execution of the Company's strategy.



DIVISION OF RESPONSIBILITIES

Whilst our Directors take collective responsibility for the activities of the Board, some of our roles are described in greater detail below.

Non-Executive Directors		
Non-Executive Chair	Senior Independent Non-Executive Director	Independent Non-Executive Directors
<ul style="list-style-type: none"> – Leadership and effective operation of the Board – Chairing the Board and the Nomination Committee and setting Board agendas – Encouraging constructive challenge and facilitating effective communication between Board members – Ensuring effective two-way communication with shareholders and stakeholders – Ensuring that all Directors receive clear and accurate information on a timely basis – Ensuring the views of all stakeholders are understood and considered appropriately in Board discussion and decision-making – Ensuring the effectiveness of the Board and enabling the annual review of effectiveness – Responsible for the composition and evolution of the Board, together with the Nomination Committee and SID 	<ul style="list-style-type: none"> – Acting as a sounding board for the Chair – Serving as an alternative contact and intermediary for other Directors and shareholders – Leading the Chair's annual performance appraisal and ultimate succession 	<ul style="list-style-type: none"> – Provide strong, independent and external perspectives to Board discussions and enhance robust and constructive debate and optimal decision-making – Bring independent judgement and oversight on issues of strategy, performance and, through the Board's committees, on matters such as remuneration, risk management systems, financial controls, financial reporting and the appointment of new Directors – Scrutinise the executive management in meeting agreed objectives and monitoring the reporting of performance

Executive Directors	
Chief Executive Officer	Group Finance Director
<ul style="list-style-type: none"> – 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 Chair – Chairing the Executive Board and developing senior talent within the business for succession planning 	<ul style="list-style-type: none"> – Manages the Group's financial affairs – Supports the CEO in the implementation and achievement of the Group's strategic objectives – Oversees Hays' relationships with the investment community – Represents Hays externally to all stakeholders, including the government and regulators, customers, Pension Trustees for the Company's defined benefit pension schemes, lenders, suppliers and the communities we serve

Company Secretary	
Company Secretary and General Counsel	
<ul style="list-style-type: none"> – Secretary to the Board, its Committees and the Executive Board – All Directors have access to the advice of the General Counsel and Company Secretary – Responsible for advising the Board on all governance matters and ensuring that Board procedures are followed 	<ul style="list-style-type: none"> – Support to the Chair in ensuring that the Directors receive accurate, timely and clear information – Advises and keeps the Board updated on any changes to the Listing and Transparency Rules requirements and best practice corporate governance developments

HOW THE BOARD WORKS

The Board promotes the long-term sustainable success of the Company for the benefit of all stakeholders, whilst generating value for shareholders and wider society. The Board is responsible for approval and delivery of the business strategy and ensuring it is aligned with the Company’s Purpose and Values.

The requirements of the Board are set out in the Hays plc Articles of Association and the Board has a formal schedule of matters reserved for its decision and approval. Both these documents are available on the Hays plc website. To meet its stated objectives, it focuses on the following key areas:



Strategy and Performance

The Board is responsible to all stakeholders for assessing the appropriateness of the strategy against the Company’s Purpose and Values. It 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 its delivery of a sustainable and profitable business, ensuring it continues to operate within the appropriate risk-reward culture.

The Board evaluates and monitors current performance against agreed financial and non-financial targets. It has a forward-looking agenda that considers economic, social, environmental and regulatory issues and any other relevant external matters that may influence the Company’s achievement of its objectives.

More information on [pages 3 to 53](#)

Risk Management and Internal Control

The Board assesses the Company’s principal and emerging risks, and sets the Company’s risk appetite for each of the principal risks.

The Board delegates the task of monitoring its policy on risk and control the Audit Committee. 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.

More information on [pages 74 to 79 and 106 to 109](#)

People and Culture

The Board assesses and monitors culture, ensuring that policy, practices and behaviours in the business are aligned with the Company’s Purpose, Values and Strategy.

The Board receives and considers detailed analysis of employee engagement surveys, covering company culture including wellbeing, learning and development, diversity and inclusion, noting performance, progress made and future next steps. The Board reviews the whistleblowing procedures in place.

The Board is responsible for succession planning for Directors and other senior executives of the Company and 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.

More information on [pages 20 to 27](#)

Stakeholders

In its discussions and decision-making, the Board considers and balances the interests of all stakeholders. The Board reports to shareholders in the form of the Annual Report and Accounts, Half-year financial reports and quarterly trading updates.

More information on [pages 16 to 19 and 96 to 99](#)

Our Directors

The majority of the Board are Independent Non-Executive Directors. There is clear division of responsibilities between the Executive and Non-Executive Directors. [More information on page 89.](#)

Independence of Directors and time commitment

During the year, the Board considered the independence of each of the Non-Executive Directors, and concluded that there are no business or other circumstances that are likely to affect the independence of any Non-Executive Director and that all Non-Executive Directors continue to demonstrate independence.

In accordance with the 2018 Code, all Directors are subject to annual re-election by shareholders. Each of the Non-Executive Directors seeking appointment or reappointment at this year's AGM are considered to be independent in judgement and character.

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.

Non-Executive Director appointments are initially for a period of three years and may be renewed for two further terms of three years subject to recommendation from the Nomination Committee, taking into account both individual contribution, length of service of the Board overall and its future needs.

Details of the Executive Directors' service contracts and the Chairman's and the Non-Executive Directors' letters of appointment are set out in the Directors' Remuneration Report on [page 122](#).

These documents are available for inspection at the registered office of the Company during normal business hours and at the AGM.

Board and Committee attendance

The Board met a total of seven 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	7 of 7	–	–	–
James Hilton⁽¹⁾	5 of 5	–	–	–
Paul Venables⁽²⁾	2 of 2	–	–	–
Andrew Martin	7 of 7	–	8 of 8	–
Joe Hurd	7 of 7	4 of 4	8 of 8	5 of 5
Cheryl Millington	7 of 7	4 of 4	8 of 8	5 of 5
Susan Murray	7 of 7	4 of 4	8 of 8	5 of 5
Zarin Patel⁽³⁾	3 of 3	2 of 2	4 of 4	2 of 2
MT Rainey	7 of 7	4 of 4	8 of 8	5 of 5
Peter Williams⁽⁴⁾	6 of 7	4 of 4	8 of 8	5 of 5

(1) Joined the Board on 1 October 2022. Attendance shown is of those meetings which took place during tenure.

(2) Stepped down from the Board on 30 September 2022. Attendance shown is of those meetings which took place during tenure.

(3) Joined the Board on 1 January 2023. Attendance shown is of those meetings which took place during tenure.

(4) Did not attend one Board meeting due to a prior commitment.

HOW THE BOARD WORKS CONTINUED

Conflicts of interest

Directors have a duty to avoid a situation where they have, or could have, a direct or indirect interest that conflicts, or may conflict with the interests of the Company. Any conflicts or potential conflicts identified are considered and, as appropriate, authorised by the Board in accordance with the Company's Articles of Association. A register of authorised conflicts is also reviewed periodically. Only Directors without an interest in the matter being considered will be involved in any decision involving a potential conflict and each Director must act in a way they consider, in good faith, will promote the success of the Group.

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 additional commitments do not adversely impact their time commitment to Hays and that they remain compliant with shareholder advisory groups' guidance on 'overboarding'. Before committing to an additional appointment, Directors confirm the existence of any potential or actual conflicts; and provide the necessary assurance that the appointment will not adversely impact their ability to continue to fulfil their role at Hays. Directors are required to obtain formal approval from the Board ahead of undertaking any new external appointments.

Board composition

As at the date of this report, the Board comprised six Independent Non-Executive Directors, the Chair and two Executive Directors. The aim is to ensure the balance of the Board reflects the needs of the Company, is diverse and able to consider matters from a broad range of perspectives. Each Board member brings a wide range of skills and experience from different business backgrounds. The skills matrix below details some of the skills and experience considered to be particularly important to the execution of our strategy. The skills matrix is reviewed at least annually.

Directors' key skills and experience

	Alistair Cox	James Hilton	Andrew Martin	Joe Hurd	Zarin Patel	Cheryl Millington	Susan Murray	MT Rainey	Peter Williams
Strategy and M&A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Finance	✓	✓	✓		✓	✓	✓		✓
Audit and Risk	✓	✓	✓	✓	✓	✓	✓		✓
Market transformation	✓	✓	✓	✓		✓	✓	✓	
Technology and innovation	✓	✓		✓	✓	✓		✓	
AI	✓					✓			
International experience	✓	✓	✓		✓	✓	✓	✓	✓
ESG	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategic People development and organisational culture	✓		✓			✓	✓	✓	
Recruitment industry, sales	✓	✓	✓			✓			
Customer	✓		✓		✓	✓	✓	✓	

Board decision-making

The Board met during the year for seven scheduled Board meetings and one Strategy day. The Chair, in conjunction with CEO and Company Secretary, plans an annual programme of business prior to the start of the year, taking into account outputs from the annual Board Evaluation. A typical Board meeting will comprise the following elements: CEO and Group Finance Director reports; trading performance reports; risk reports; reports from the Chairs of our Board Committees; deep dive reports into areas of strategic importance and legal and governance updates.

The Company Secretary ensures that the Directors receive clear, timely information on all relevant matters. Board papers are circulated electronically via a secure Board portal in advance of meetings. The portal is also used to distribute reference documents such as Company policies and other useful resources like articles and discussion papers.

Time is set aside at the end of every Board meeting for the Chair to discuss matters with the Independent Non-Executive Directors without Executives present.





KEY ACTIVITIES OF THE BOARD


The following table sets out the key areas of focus considered by the Board during the year.


Stakeholders	Principal Risks
<div><div> Clients</div><div> Shareholders</div><div> Suppliers</div><div> Host countries & governments</div><div> Employees</div><div> Communities</div><div> Candidates</div></div>	<div><div><div>1</div>Macroeconomic/cyclical business exposure/inflation</div><div><div>2</div>COVID-19 pandemic</div><div><div>3</div>Business model</div><div><div>4</div>Talent</div><div><div>5</div>Regulatory/compliance</div><div><div>6</div>Reliance on technology /cyber security</div><div><div>7</div>Data protection/privacy</div><div><div>8</div>Contracts</div></div>


Strategic Priorities

 Grow

 Diversify


 Partner

 Enhance

 Enable

Strategy and Operations

Stakeholders



Principal Risks

1

2

3

4


5

6

7

8

Strategic Priorities



– 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

– 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 trading performance and operations for the Group’s regions

– Reviewed and monitored progress of the CEO succession plan


– Approved starting business operations in Saudi Arabia

– Approved acquisition of Vercida Consulting

– Received reports on technology and innovation and related industry developments

People & Culture

Stakeholders



Principal Risks

1


2

3

4

5

Strategic Priorities



– Received feedback from Designated workforce engagement Non-Executive Director on matters pertaining to workforce engagement

– Considered and approved invitations under the Company’s all-employee share plans

– Considered and reviewed the leadership and development strategy

– Reviewed the Group’s succession plans and assessed risks and options

– Discussed progress on the Group’s Global DE&I strategy

Finance

Stakeholders



Principal Risks



Strategic Priorities



- 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 FY23
- Considered and approved share buyback programme
- Met with the Company's financial adviser and corporate brokers
- Received regular updates on pension schemes

Internal Controls and Risk Management

Stakeholders



Principal Risks



Strategic Priorities



- 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 the Company's whistleblowing arrangements
- Received updates on cybercrime
- Received updates on proposed changes to parts of legacy Enterprise Risk Management Systems

ESG

Stakeholders



Principal Risks



Strategic Priorities



- Received updates on our Net Zero journey
- Received updates on 'Helping for your tomorrow'
- Received updates on customer experience
- Received regular updates on views and feedback from investors
- Considered the Company's investor relations strategy
- Review and approval of Modern Slavery Statement
- TCFD Disclosures

Governance

Stakeholders



Principal Risks



Strategic Priorities



- On the recommendation of the Nomination Committee, the Board oversaw the arrangements for Board succession planning and approved the appointments of Zarin Patel and James Hilton
- Reviewed regular reports on legal and compliance matters from the Company Secretary, including from the Company's whistleblowing arrangements
- Approval of updated Board Diversity Policy
- Approval of new Share Dealing Code
- Conducted internal Board and Committee evaluation and set action plan for FY24
- Reviewed and updated the Matters Reserved for the Board
- 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)

BOARD AND STAKEHOLDER ENGAGEMENT

The Board is focused on driving long-term, sustainable performance for the benefit of our key stakeholders.

Section 172 statement

In accordance with section 172 of the Companies Act 2006 and the UK Corporate Governance Code 2018, the Board considers the potential impact on the Company's key stakeholders and takes their views and interests into account when making decisions. Some of the key decisions taken by the Board during the year and how it took the needs of our different stakeholders, as well as the long-term consequences of any decision, into account are set out below.

A description of the Company's key stakeholders, what matters to them and how the Group engages with them is set out in [pages 16 to 19](#) of the Strategic Report. More detail of the activities undertaken by the Board can be found on [pages 94 to 95](#).

1

Acquisition of Vercida

Key Stakeholders:

Employees, Clients, Shareholders, Communities

On 18 May 2023, the Board announced the acquisition of Vercida Consulting, a DE&I business that provides organisations with advice and training to improve their ability to attract, retain and progress talent from diverse backgrounds.

Interests of clients

DE&I was identified as an area in which our clients needed the support of a partner. The acquisition of Vercida will increase our ability to consult on DE&I services and support our clients to attract and retain talent from diverse backgrounds for the benefit of wider society.

Long-term consequences of decision

When considering this acquisition, the Board received detailed updates from management about the strategic rationale, anticipated commercial synergies, due diligence findings, valuation and returns analysis, stakeholder considerations, structuring considerations and post-acquisition plans. Throughout the decision-making process, the Board considered how the acquisition could strengthen the Company's strategy and how the expertise acquired would benefit Hays stakeholders, all while ensuring that the acquisition was financially viable.

Interests of employees

The Board were mindful that the acquisition could cause uncertainty amongst the Vercida workforce and, as far as permissible, they were kept updated throughout. Following completion, Vercida employees were invited to the Hays London office and there has been a comprehensive plan to integrate them into the team as quickly as possible. [More information on page 39](#).

2

Share buyback programme

Key Stakeholders:

Shareholders

In FY23 the Board executed a £75 million share buyback programme.

Long-term consequences of decision

Our strategy for long-term sustainable growth is underpinned by the effective management and utilisation of cash. The share buyback programme balances the opportunity to return excess capital to shareholders with the existing and planned investment back into the business and the need to ensure we meet our short and long-term profit targets.

Acting fairly between members

The ability of the business to manage its cash position in an effective way is clearly in the interests of all stakeholders. The Board considered that the share buyback would benefit shareholders specifically through the opportunity for increased future dividends per share on the remaining shares and will also result in an increase in earnings per share.

3

Leadership changes

Key Stakeholders:

Employees, Shareholders

During the past year, Hays appointed a new Group Finance Director and announced the decision to begin a process to identify a new Chief Executive Officer.

Interests of employees

The Board recognises that Board and senior leadership changes bring uncertainty for employees in ways of working, culture and strategic direction. The Board appreciates the impact leadership changes have on employees, particularly the amount of change within a short timeframe and ensured that the impact on employees and culture was considered in the initial decision on those appointments, but most importantly that the Board monitors the resulting impact going forward as new leadership embeds into the business. At times of leadership change, workforce engagement and the monitoring of culture are more important than ever and will continue to be a focus for the Board in the year ahead.

Interests of shareholders

Changes at Board level also bring uncertainty for shareholders. The Chairman held regular meetings with the top shareholders to explain that the rationale for the changes were well founded, and based on the long-term growth and success of the business. The investors' feedback was regularly communicated to the Board and was considered by the Nomination Committee in their search process for a new Chief Executive Officer. You can read more about this search process and succession planning on [page 105](#).

Shareholders

The Board maintains strong lines of communication with investors and the Chair and Executive Directors proactively engaged with them to understand their views on strategy, the performance of the Company and other specific matters, such as the CEO succession this year.

Major shareholders

As at 30 June 2023, 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	17.05%
Ameriprise Financial, Inc.	8.84%
Blackrock, Inc.	7.38%
GLG Partners LP	3.74%
Evenlode Investment	3.62%
Vanguard Group	3.61%
Heronbridge Investment Management	3.38%
Marathon Asset Management	3.30%
Janus Henderson Investors	3.04%

(1) Since the financial year-end until the date of this report, there have been no changes to the major shareholders' interests.

Institutional investors

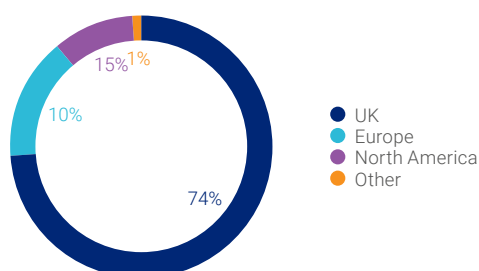
There is a programme of meetings with major institutional shareholders and the Director of Investor Relations engages directly with investors throughout the year. The Board receives regular reports from the Investor Relations team. Feedback from meetings held between executive management, or the Investor Relations team, and institutional shareholders is also reported to the Board. The Directors discuss any feedback, which influences decisions to actively meet with shareholders on specific matters.

The Group reports its financial performance to shareholders six times a year: half-year and full-year announcements and Q1, Q2, Q3 and Q4 trading updates. Meetings are scheduled with investors and analysts to discuss the Group's half-year and full-year results.

During the year, the Executive Directors and senior management along with the Investor Relations team participated in meetings, conferences, roadshows and events across the world with the investor community, including debt providers, principally the Company's banks. They held over 64 meetings with 75 institutions.

The Chair also held 11 meetings with top 20 shareholders during the year including 3 meetings to discuss matters on CEO succession.

Geographical breakdown of investors met



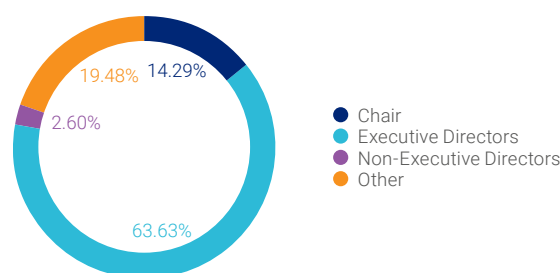
During the year, the Chair of the Remuneration Committee engaged with the Company's top institutional shareholders about the renewal of the Directors' Remuneration Policy. Having carefully considered feedback, the Remuneration Committee's final decision is not to make any significant changes to the Policy at this time. Shareholders are being asked to approve a Policy which includes only minor amendments and reflects the Policy approved in 2020. The Policy previously received a favourable vote of 91.47%. More information is on [pages 116 to 126](#).

Annual General Meeting

The Company's AGM is an opportunity for the Board to engage with our retail shareholders and we were pleased to be able to do so in person at the 2022 AGM. The CEO presented an update on performance and outlook and then shareholders were invited to ask questions during the meeting, some of which were followed up by one-to-one informal discussions afterwards.

The Company's 2023 AGM will be held at 12 noon on 15 November 2023 at the offices of UBS, 5 Broadgate, London EC2M 2QS.

Number of shareholder meetings in 2022



WORKFORCE ENGAGEMENT

The Hays Board believes that the workforce voice needs to be heard and understood. MT Rainey continued in her role as Designated Workforce Engagement Director this year. Her role as a direct conduit between employees and the Board serves to ensure a deeper, more authentic insight into the workforce and amplifies the understanding provided by the YourVoice and other employee surveys. This perspective is then factored into a wide range of Board discussions in a more strategic way than specific research-based discussions would typically allow. As the role has developed over the past few years it has clearly enabled the Board to hear from and about a greater diversity of viewpoints, which have added an important perspective to a wide range of strategic discussions at Board meetings. Listening to the workforce at Board level creates an obligation to understand and respond, and MT's activities this year have continued to provide valuable insights that help shape actions and impacts.

The three primary areas of activity were:

Employee Focus Groups

One example of MT's direct engagement with the workforce this year was the Employee Focus groups held around the October Board Meetings in Mannheim and Paris. MT Rainey designed and led a number of groups, supported by Joe Hurd and Cheryl Millington, to hear directly from employees across a wide range of roles, functions, and levels about their experience of working at Hays. The groups operated on a confidential basis, and while discussion was intended to be informal a detailed discussion guide was created and followed using a series of guided questions to open-up the topics.

One of the primary issues that was explored was how well employees knew and understood the Hays Company strategy, current direction, primary purpose and core values and how those related to their own jobs and experience of working at Hays. This led to discussion of the nature and effectiveness of Hays' employee communication and the relationship of the centre to the regions and the local offices. Another issue was how employees felt working environments had changed post-pandemic and the pros and cons of the new, more flexible working style. This led to a discussion of wellbeing and employee care at Hays and Hays efforts around DE&I.

Overall, the impression of the discussions was that colleagues feel supported by their managers and are proud to work for an industry leading brand. There was a consensus that Hays' policies on flexible working had made a positive impact on wellbeing and the experience of working at Hays, and the groups expressed enthusiasm and appreciation for Hays' increased efforts and focus on DE&I issues.

Some of the conversations suggested a need to improve ease of operation and communication across geographies and to remove functional silos; perhaps a need for improvement in 'socialising' the understanding of corporate strategy in particular in the light of the new brand strapline which had been recently launched. There was a consistent feeling that Hays could be a stronger public (candidate) brand in this tough skills-led market.

In the coming year Focus Group discussion may focus on how well the Company is managing its employee base through the cost-of-living crisis and how well it is managing change.



As Workforce Engagement Director, MT also attends and participates in a considerable number of other global and regional Employee Forums at Hays that encourage people to connect with each other on a range of issues across geographies, functions and interests from employee volunteering to parenting. More information is on [pages 58 to 63](#).

YourVoice survey

YourVoice is one of the principal tools the Board uses to gauge employee sentiment and engagement. MT was given unique free and open access to the platform which allowed her to look at the data and free text responses among sub-populations, cross-referencing different questions and issues. This insight has been extremely valuable to her role, lending weight, colour and nuance to Board discussions and shaping the Board's view of employee wellbeing, diversity and inclusion as well as to operational issues like pay, fairness and progression.

MT spent a considerable amount of time exploring answers to open ended questions which helped her to get a strong sense of understanding around issues being expressed. As YourVoice results are used by senior managers to inform action over the coming year, it is helpful for MT to have oversight of the themes to ensure that management are acting on issues raised.

The Global DE&I Council

The Global DE&I Council's purpose and objective is to drive Hays' internal and external DE&I policies. Council meetings are about sharing and amplifying best practice of many of the grass roots groups around the Company and to ensure that this becomes standardised and Group policy. MT has been able to attend these meetings and her feedback has helped the Board to better understand the issues and challenges to achieving greater diversity in senior leadership which is more reflective of the diversity across the employee base overall.

More information is on [pages 22 to 25](#)

HOW THE BOARD MONITORS CULTURE

The Board recognises that our employees are one of our most important assets and are integral to our business. The Board is committed to strengthening employee voice and encouraging employees to reach their full potential.

Set out below are some of the ways in which the Board monitors the culture, listens to colleagues and acts on what they say.

Site visits

In October 2022, the Board visited Mannheim, Germany and Paris, France to meet local employees and senior management. The Board received updates from the local senior management who highlighted strategy, opportunities and challenges. These visits deepened the Board's understanding of how the Company's Purpose, Strategy and Values are embedded in particular sites and countries. The benefits are mutual as it also gives our people a chance to better understand the Board and provide direct feedback on matters important to them.

In addition, MT Rainey (in her capacity of Designated Workforce Engagement Director), Joe Hurd and Cheryl Millington also attended two employee focus groups at these locations. You can read more about it on [page 98](#).

YourVoice surveys

One of the principal tools Hays uses to gauge employee sentiment and engagement is the YourVoice survey, covering a wide range of areas including reward, leadership, culture and development. Once a year all employees are invited to complete the survey to provide feedback on what works well and what could be improved. The survey results support the Board's understanding of colleague sentiment across the Group and provide direct feedback on areas which can be improved.

Town halls and newsletters

Throughout the year, the Chief Executive Officer, Group Finance Director and the executive management team held town hall meetings, which Hays employees were invited to attend. These discussions took place at significant points in the year, such as following key financial results announcements. The employees also receive a monthly newsletter from the Chief Executive Officer, giving a month's overview of the business, aspirations for the trading period and general news across the Group.

Regular reports on compliance, including anti-bribery and corruption and whistleblowing reports

Key areas of compliance focus are highlighted at Board meetings, which allows the Board to understand potential issues and target effort in the right places. Annual review of policies gives the Board visibility of the compliance culture at Hays.

Progressing diversity and inclusion

DE&I at Hays remains a key area of commitment for the Board and they continue to receive regular updates on key metrics.

▶ More information on [pages 22 to 25](#)

BOARD EVALUATION

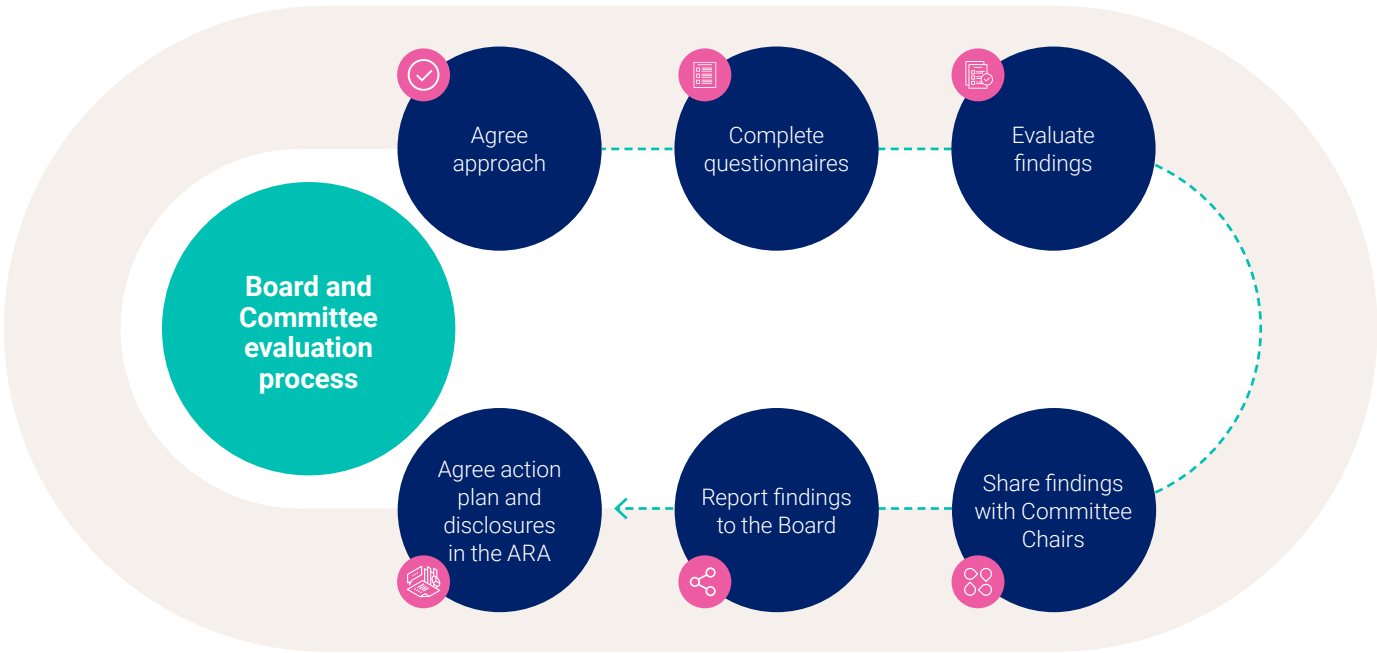
Board and Committee evaluation and effectiveness

The Board operates a three-year cycle of evaluations. Year one of the cycle comprises an externally facilitated evaluation. In FY22 the Board evaluation was conducted by EquityCulture Ltd, which has no connection with the Company or individual directors. Years two and three are internally facilitated reviews using a questionnaire format. In all years the evaluation assesses the effectiveness of the Board and its Committees. The Senior Independent Director also undertakes a review of the effectiveness of the Chair of the Board.

FY22 external evaluation

The progress made to address the findings of the FY22 evaluation are set out in the table below.

Key recommendations	Progress made in FY23
Succession planning at Board level: <ul style="list-style-type: none">– Consideration should be given to the appointment of additional Non-Executive Directors, with particular focus on the merits of additional female representation and greater non-UK experience.– Further consideration should be given to the skills and attributes Hays will need from future Board appointments.	One of the key activities of the Board during FY23 was Board succession planning. An independent search firm was appointed to support the search for an additional Non-Executive Director, which resulted in the recommendation to appoint Zarin Patel, who was invited to join the Board and its Committees with effect from 1 January 2023. A skills matrix has been established on page 92 to support Board succession planning.
Enhance Board oversight of ESG, including consideration of the establishment of an ESG Committee.	A number of recommendations around reporting of additional non-financial KPIs are now reflected in Board reports. The establishment of an ESG Committee remains a consideration for the Board but a decision was taken to delay this until FY24 due to the prioritisation succession planning in FY23.
Consider how the Board could work closer with the business to enhance data-driven decision-making, particularly around diversity-related data and consideration should be given to appointing a professional leader in the diversity arena.	The Board received presentations and dedicated increased meeting time to discussing diversity and inclusion, with presentations from the newly appointed Global Head of DE&I. More information on page 23 .



FY23 internal evaluation

This year the Board agreed to carry out a more rigorous internal evaluation, using Independent Audit's (a third party with no connection to the Company or individual Directors) platform to assist with the provision of a questionnaire and analysis of the results. The benefit of using a third-party platform was that it enabled the data to be broken down between Executive Directors, Non-Executive Directors and executive management so that alignment across the groups could be assessed. It also enabled the direct input of each Board member to be kept confidential, as with the prior year's external evaluation, allowing for honest and in-depth feedback.

The results of the evaluation process were presented for discussion at the Board meeting in July 2023. A key theme of the report was the way in which the Board has been aligned on the strategic opportunities for the business and has come together to form a consensus on key decisions. The report highlighted a key strength has been that discussions in Board and Committee meetings are open and inclusive with balanced input from all members. Overall, it was the collective view of the Directors that the Board and its Committees are effective, operating in a culture that allows challenge and debate.

During the year a review of the Chair of the Board's performance was undertaken by the Senior Independent Director, in consultation with the other Independent Non-Executive Directors. The review concluded that the performance of the Chair was effective.

The review of the Executive Director's performance, which helps to determine their pay outcomes each year, is contained in the Directors' Remuneration Report on [page 130](#).

A summary of the FY23 evaluation themes and proposed actions for FY24 are set out in the table below.

Key themes

Key themes	FY24 proposed actions
Board administration, agendas, meetings – to facilitate greater debate	<p>The Chair and Company Secretary will develop the forward agenda planner in setting the FY24 Board objectives to enable more focus around the strategic opportunities, challenges and drivers.</p> <p>The Company Secretary will review the guidance and training provision for paper preparers and presenters to enable more time and focus at Board meetings for input and debate.</p>
Non-Executive Director engagement outside of meetings with Executives and the business	<p>More opportunities will be created for the Non-Executives to engage with senior leaders in the business, both formally and informally.</p> <p>Executives will be encouraged to approach the Non-Executives for assistance with strategic issues and to draw on their skills and experience.</p> <p>Company Secretary and CEO to review the programme of Directors' training to enhance depth of Board operational and commercial knowledge through deep-dive sessions outside of Board meetings.</p>
Succession planning at Board level	The Nomination Committee will continue to actively review the Board composition and skills to set up a diverse pipeline of potential Non-Executive Directors.
Succession planning at Executive level	The new CEO will be tasked to ensure there are well considered executive succession and development plans in place.
Building wider stakeholder understanding	Chair and Company Secretary continue to identify opportunities for the Board to receive insights from the Company's broader stakeholder groups. Ensure that each paper where a decision is required includes a section specifically addressing the impact on stakeholders of that decision.

NOMINATION COMMITTEE REPORT



Andrew Martin
Chair of the
Nomination Committee
Hays plc

Dear Shareholder

As Chair of the Nomination Committee, I am pleased to present the Committee's 2023 report, which details the important work the Committee has undertaken this year.

During FY23 the Committee continued to review the leadership of the Company. In February 2023 we announced the decision to commence a process to appoint a successor to Alistair Cox. Assisted by Egon Zehnder, the Nomination Committee has undertaken a formal, rigorous and transparent recruitment process and we are very pleased to announce the appointment of Dirk Hahn. More information on this process is on [page 105](#).

We aim for our Board to have a wide range of backgrounds, skills and experiences. We also value a diversity of outlook, approach and style in our Board members. In order to ensure that our Board remains diverse, we analyse the skills and experiences we require against the skills and experiences on our Board using the matrix on [page 92](#). During the year the Committee continued to recognise the importance of diversity on the Board, and we were also looking to appoint someone with the financial background necessary to take over from Peter Williams as he approaches the end of his nine-year

tenure. We were therefore delighted to announce the appointment of Zarin Patel, who joined the Board on 1 January 2023 as an additional Independent Non-Executive Director. She has brought a wealth of relevant experience to the Board and will succeed Peter as Chair of the Audit Committee in due course.

During the year the Board with the assistance of the Nomination Committee has also monitored changes to the wider organisational structure and approved changes to key leadership roles below Board level. The Board also continued to monitor succession plans for executives below Board level, and this included extensive discussion of the level of diversity in the executive pipeline.

The Committee also considered the Board Diversity Policy and outlined its commitment to the Parker Review and FTSE Women Leaders Review targets on ethnic and gender diversity. We are pleased to report that the Board is exceeding the targets it set for itself on gender and ethnic diversity, as detailed on [page 104](#).

Our annual Board Evaluation was an internal assessment this year. In a change from previous internal evaluations, we used Independent Audit's platform to assist with the provision of a questionnaire and analysis of the results. More information on the Board Evaluation process and outcomes is on [pages 100 to 101](#). I am pleased to report that the review concluded that the Committee and Board are operating effectively.

I would like to thank the members of the Committee for their dedication and support throughout the year.

Andrew Martin
Chair of the Nomination Committee

23 August 2023

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.

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
- keep under review the time commitment expected from the Chair and the Non-Executive Directors.

Membership and meetings

The Committee is appointed by the Board. It is chaired by the Chair of the Board and comprises the Non-Executive Directors, all of whom are independent, save for the Chair who was independent on appointment. The names and qualifications of the Committee's current members are set out in the Directors' biographies on [pages 84 to 87](#).

The Committee meets as required and did so on eight occasions during the year, and attendance by members can be seen on [page 91](#). 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 new CEO 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.

Board and Committee composition

The Committee reviewed the composition of the Board to consider the balance of skills, experience and diversity of the Directors, both as required for succession planning and for potential new appointments.

The Committee identified the need for a Non-Executive Director with recent and relevant finance experience. Zarin, having the experience of managing transformation within complex digital-centric businesses and broad experience across finance, investment, procurement and audit as well as corporate finance, was appointed following a rigorous interview process. Spencer Stuart was used in respect of Zarin Patel'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.

In the year ahead, the Committee will continue to assess the balance of skills, diversity and experience of the Non-Executive Directors and their succession plans. The Committee analyses the skills and experience required against the skills and experiences of our Board using the matrix on [page 92](#). We will review this matrix regularly to ensure it is refreshed to meet the changing needs of the Company.

Board diversity

The Board believes that a diverse Board, with Board members contributing a range of views, insights, perspectives and opinions, will improve the Board's decision-making and effectiveness.

The Board is also committed to increasing diversity across all operations of the Group. The newly appointed Head of DE&I presented to the Board on a range of initiatives to support the development of talented individuals, regardless of factors such as gender, ethnicity or disability. More information is on [pages 22 to 25](#).

During the year, there has been a significant focus on diversity at Board level. Following the updated guidance and targets issued by the FTSE Women Leaders Review and the UK Listing Authority, the Board approved an updated Board Diversity, Equity and Inclusion Policy (the Policy). The Policy is available on the Company's website. The Board outlined its ongoing commitment to the Parker Review and FTSE Women Leaders Review and is pleased to report it is exceeding the targets it set itself for gender and ethnic minority representation on the Board. See the table on [page 104](#) for more detail.

The FTSE Women Leaders Review also published revised gender representation targets, specifically the expectation that a woman holds at least one of the senior Board positions of Chair, CEO, SID or Group Finance Director. The Committee considers succession for these key roles on an ongoing basis and this target is at the forefront of the Committee's mind when considering candidates for appointment to these roles in the future.

NOMINATION COMMITTEE REPORT CONTINUED

FCA Board and Executive Diversity Disclosure

In accordance with Listing Rule 9.8.6(9) of the FCA's Listing Rules, these tables set out details of the diversity of the individuals on the Board and Executive Committee at 30 June 2023.

There are 9 Executive Board members (including two Executive Directors) and 9 Directors of the Board. The Company Secretary is included in the calculation of executive management.

The data was obtained on a voluntary self-reported basis.

Participants were invited to complete a survey through a secure electronic portal, wherein they were asked to confirm their sex and gender identity, and ethnic background. The descriptive categories of sex, gender and ethnic background set out in the survey, were taken verbatim from Listing Rule 9.8.6(9), and therefore correspond precisely with the tables.

The Company's compliance with the FCA's new diversity disclosure requirements is set out below.

Sex and gender identity

	Number of Board members	% of the Board	Number of senior positions on the Board (Chair, CEO, Group Finance Director, SID)	Number in Executive Management	% of Executive Management
Men	5	55.56%	4	8	88.89%
Women	4	44.44%	0	1	11.11%
Other categories	0	0	0	0	0
Not specified/prefer not to say	0	0	0	0	0

Ethnic background

	Number of Board members	% of the Board	Number of senior positions on the Board (Chair, CEO, Group Finance Director, SID)	Number in Executive Management	% of Executive Management
White British or other White (including minority-white groups)	7	77.78%	4	9	100%
Mixed/Multiple ethnic groups	0	0	0	0	0
Asian/Asian British	1	11.11%	0	0	0
Black/African/Caribbean/Black British	1	11.11%	0	0	0
Other ethnic group, including Arab	0	0	0	0	0

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. In order to ensure there are effective succession plans in place, the Committee has visibility over a wide range of employees who have been identified as potential succession candidates in the short, medium and long term. All Board succession discussions take place in consideration of the Board Diversity Policy.

Succession planning for the Chief Executive Officer has been the primary focus of the Committee over the past year and you can read more about this on [page 105](#).

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 2023 AGM continues to be effective and demonstrates commitment to their roles, including independence of judgement, commitment of time for Board and Committee meetings and any other duties.

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.

On appointment as Group Finance Director, as James Hilton already had a comprehensive understanding of the Group, his induction focused on briefings from external counsel on Directors' duties and corporate governance.

Zarin Patel was given a Board induction pack containing Company and Board information to assist with building an understanding of the nature of the Group, its business, markets and people, and to provide an understanding of the Group's main relationships. The pack included information to help facilitate a thorough understanding of the role of a Director and the framework within which the Board operates. In addition, Zarin had meetings with key colleagues across the business to better understand the areas of the business.

The Chair, 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 Chair 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.

The Board portal is used as a repository of reference materials and papers on a range of relevant topics. The Company Secretary arranges for external speakers to provide training on specific topics as appropriate.

Board Evaluation

During FY23, in accordance with Code Provision 21, the effectiveness of the Board and its Committees was assessed through a Board Evaluation process, conducted internally. The detailed process and outcomes are set out on [pages 100 to 101](#).



CEO succession process

On 23 February 2023, it was announced that Alistair Cox would be stepping down as Chief Executive Officer, after 16 years of service in the role. The Nomination Committee led the search on behalf of the Board to identify and recruit a new Chief Executive Officer.

A small working group was formed at the outset consisting of the Chairman, Susan Murray, Cheryl Millington and Zarin Patel. The working group was responsible for the day-to-day oversight of the recruitment process to ensure progress was being made against the agreed plan. The Committee, with the assistance of Egon Zehnder, who are independent of the Company and all the Directors, led the search for a new Chief Executive Officer. With reference to the Board Diversity Policy, the Committee agreed a role profile setting out the preferred attributes, relevant skills, experience and expertise necessary for the next CEO. Egon Zehnder conducted an internal and external market scanning exercise to produce a diverse longlist of candidates.

The Chair and other members of the Committee considered the candidates and produced a list of shortlisted internal and external candidates. This was followed by an extensive interview process, which included interviews with the Chair and members of the working group and finally presentations to the whole Board. Following interviews, the Nomination Committee met to discuss feedback and a final meeting was held on 22 August 2023 to agree a recommendation to the Board.

Following approval by the Board, on 24 August 2023 it was announced that Dirk Hahn would be appointed as the Company's new Chief Executive Officer from 1 September 2023. More information about Dirk Hahn, his experience and previous roles can be found on [page 82](#) and Alistair will work closely on a thorough handover process ahead of Dirk's formal appointment.

AUDIT COMMITTEE REPORT



Peter Williams
Chair of the
Audit Committee
Hays plc

Dear Shareholder

I am pleased to present the Audit Committee Report for the year ended 30 June 2023 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. During the year, the Committee's core duties remained unchanged and the usual cadence of activities relating to risk, assurance and internal controls remained in place. We have reviewed the Committee's Terms of Reference and minor amendments were made to ensure they track the Code.

Current macroeconomic climate and risks

While many immediate challenges arising from COVID-19 and Brexit had dominated prior years, the backdrop of this financial year under review continued to be characterised by change and uncertainty. Navigating the risks associated with macroeconomic factors were key components of discussion in every area of the business, including the Russian invasion of Ukraine, rising interest rates and inflation. Detail on our risk mitigating activities can be found on [pages 74 to 79](#).

Preparing for planned financial governance changes

A significant area of focus during FY23 was on governance development, namely the government's consultation Department for Business, Energy, and Industrial Strategy (BEIS) consultation on audit and corporate governance reform. The consultation proposed a number of reforms and new processes designed to improve communications and engagement between Boards, their Audit Committees and shareholders. The Committee welcomes these reforms and more detail on the Company's plans and preparations is set out on [page 109](#).

We will continue to ensure that all applicable laws and regulations are complied with, and we remain confident that the business continues to operate in a controlled and well-managed way.

The increasing focus of stakeholders on the impact of climate change and other environmental issues has become evident in the Committee's workload. The Committee continued to receive updates from the 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.

Committee changes

The Committee was pleased to welcome Zarin Patel in January this year. She brings a wealth of knowledge and relevant experience from a variety of financial and risk-related leadership roles.

I would like to thank the members of the Committee, the management team, Internal Audit, External Audit partners for their continued commitment, for the open discussions that take place at our meetings, and for the contribution they all provide in support of our work.

Peter Williams
Chair of the Audit Committee

23 August 2023

Role of the Audit Committee

The Committee's Terms of Reference are available on the Company's website.

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 judgements
- 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
- 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 84 to 87](#).

The Chair of the Committee, Peter Williams, is a Chartered Accountant and has recent and relevant financial experience. 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 91](#).

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 Chair 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 going concern and 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.

AUDIT COMMITTEE REPORT CONTINUED

Fair, balanced and understandable

The Committee has reviewed the financial and narrative disclosures in this year's Annual Report and 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:

- senior individuals within the Company are allocated responsibility for sections of the ARA (each a 'Section Owner')
- guidance is issued to the primary contributors and section owners in respect of the requirement for the Annual Report to be FBU.
- senior management, including the Group Finance Director and General Counsel and Company Secretary, review the ARA on several occasions to ensure that it promotes consistency and balance between the narrative in the front half and accounts sections.
- Section Owners are required to provide written confirmations to the Group Finance Director and General Counsel and Company Secretary that each statement of fact contained in the relevant section has been appropriately verified.
- Deloitte LLP were appointed to assist with the preparation and review of the Directors' Remuneration Report.
- the Audit Committee Chair reviews and considers the draft annual report and accounts in advance of the final sign-off by the Board in the context of the Code provision. In addition, the Chairs of each of the Committees review their respective reports and provide comments.
- 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 judgement 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 judgements 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.

Provisions

While there are no individually material balances within provisions, and management does not consider it to be reasonably possible that any of the provisions will materially change in the next 12 months, the calculation of each provision requires the use of assumptions and, in certain cases, advice from third-party experts. The Committee considered the level of provisions, the assumptions used in the calculations and, where relevant, the advice received from third-party experts. Having discussed the value of the provisions with management and the External Auditor, the Committee are satisfied that the value of provisions 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 and professional rules require that the Company's audit partner be rotated every five years; in FY22 Andrew Paynter was succeeded by Jon Sturges.

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 2023 financial year.

Auditor independence and non-audit services policy

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

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

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

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

The three-year average audit fee was £1.9 million. Accordingly, the maximum value of non-audit services that PwC could have been engaged by Hays to provide during the financial year 2023 was £1.3 million. The total fee for non-audit services provided by PwC during the 2023 financial year was £0.2 million (2022: £0.2 million), largely reflecting the FY23 half-year review fee of £0.1 million (2022: £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 £102k (2022: £76k). 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 and quality of the External Auditor

The annual effectiveness review in respect of financial year 2022 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 an improved overall rating versus prior year; noting minor improvement areas were suggested in relation to feedback from specific countries, which were discussed and implemented, with actions having been taken into account for the FY23 PwC 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 FY22. 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 have been identified, then subsequently improved and monitored and that risks have been identified, evaluated and managed. The Committee reviews the Group's internal control systems and receives updates on the findings of Internal Audit's investigations at every meeting, prior to reporting any significant matters to the Board.

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.

Further to the reports received by the Committee, which set out the Group's processes, systems and assurance processes, the Committee has concluded that it has complied with its obligations under the Code 2018 in relation to the assessment of risk together with the monitoring and review of the effectiveness of internal controls and risk management. The Committee is pleased to confirm that it was able to provide the Board with assurance that the Group's internal control systems and risk management procedures are effective and operating as required.

The Committee is committed to ensuring the Group's internal control and governance arrangements reflect best practice and welcomes the consultation on changes to the Code 2018 in response to the white paper on 'Restoring trust in audit and corporate governance'. In preparation for this, the Committee is overseeing a detailed review of the Group's control framework, policies, procedures and internal assurance structure, with a view to modernising and strengthening our internal control structure. An Internal Control and Assurance Working Group, which includes the Group Finance Director, General Counsel and Company Secretary, and Head of Internal Audit, has been established to oversee the review of the new disclosure requirements in relation to the Group's control framework, Audit and Assurance Policy, Resilience Statement, Dividend Policy and Fraud Risk Assessment. The Committee recognises the Group's internal control environment and enterprise risk management framework will continue to evolve and this will remain a focus of the Committee in FY24.

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 2023 financial year, which continues to focus on addressing both financial and overall risk management objectives across the Group.

During the year, 32 Internal Audit reviews were undertaken, with the findings reported to both the Executive Board and the Committee, with recommendations tracked and progress 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.

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 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 internal 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.

REMUNERATION REPORT – CHAIR'S ANNUAL STATEMENT AND SUMMARY



Susan Murray
Chair of the
Remuneration Committee
Hays plc

Dear Shareholder

FY23 was the third and last year under the operation of the Remuneration Policy (the Policy) as approved by shareholders at the 2020 AGM with a favourable vote of 91.47%. Last year's Remuneration Report received a favourable advisory vote of 97.90% at the 2022 AGM.

Backdrop to FY23 targets and FY23 business review

Although Hays faces many structural growth opportunities, our markets are highly cyclical. Hays has built a diversified portfolio designed to try and best mitigate these challenges. However, the inherent cyclicity means that the incentive arrangements and target ranges often need to adapt in response to an evolving external environment.

The backdrop to the setting of FY23 targets was the strong financial performance in FY22, in the post-pandemic recovery period, in which the Group delivered record fees and material profit growth. In addition, having invested significantly in FY22 across a number of our Strategic Growth Initiatives, the focus in FY23 was to deliver towards the objectives set out at our April 2022 Investor Day.

The Committee carefully considered the targets it should apply to the annual bonus and Performance Share Plan (PSP) award for FY23. As in FY22, the Committee decided to widen the range around profit targets for the FY23 annual bonus to reflect the greater than normal level of uncertainty on FY23 earnings and to ensure that any maximum bonus target would require a level of profit achievement well above external consensus forecasts from the time when the targets were originally set.

We delivered a solid trading performance in FY23, against a macroeconomic and market backdrop that deteriorated significantly through the year and which especially impacted our Perm business in the majority of markets in which we operate. Despite this backdrop, we achieved a record net fee performance and our early actions taken to manage consultant capacity and cost base ensured we delivered an improved operating profit and conversion rate performance in the second half of our financial year versus the first. This ultimately delivered an operating profit result of £197.0 million in line with external market expectations. We maintained a strong balance sheet through the year and our cash performance was excellent with 101% conversion of operating profit to operating cash flow, with Group DSOs maintained at record low levels. All of these factors led to our decision to increase our core dividend by 5% and distribute £35.6 million surplus cash to our shareholders.

FY23 Annual Bonus

The FY23 Annual Bonus was based on EPS, Cash Conversion and individual strategic objectives.

As noted above, a wider than normal range was put around the on-target EPS levels to ensure that there was additional stretch to achieve the maximum target, which was appropriate given the increased level of macroeconomic uncertainty.

The FY23 targets for EPS were set following the delivery of strong growth in FY22, and an expectation for continued strong profit growth in FY23. The Group's trading environment proved more difficult than expected in FY23, most notably in our Perm recruitment business which became more challenging across the majority of our markets. Ultimately the Group's profit performance was below the stretching ambitions set at the start of the year and therefore the EPS element of the bonus paid out at 26.93% of maximum. The early action taken to manage consultant capacity and manage costs were key factors in the Group's improved profit performance in our second half and the delivery of an EPS result that met the target range entry threshold.

As noted in the previous section, the Group's cash performance was excellent in the year. The Group's DSOs, its key measure of debtor ageing and recoverability, was maintained at 33 days in line with FY22, and well below the pre-pandemic level of 39 days. This drove a Group Cash Conversion of 101%, which delivered a maximum pay-out result against this element of the FY23 Annual Bonus.

Further detail regarding the Annual Bonus targets have been retrospectively disclosed on [pages 129 to 130](#).

The 2020 (FY21) Performance Share Plan (PSP) vesting

Although the award level under the Policy allowed for a 200% of salary grant, it was determined that, due to the economic conditions at the time, the award would be reduced to 150% of salary.

Following the assessment of performance, the 2020 (FY21) PSP vested at 80% reflecting the three-year Performance Period that ended on 30 June 2023.

As a result of the COVID-19 pandemic, there was considerable market uncertainty at the time that the conditions were set, and this made long-term target setting particularly challenging for this award. Although actual trading conditions over the performance period have arguably been more favourable than forecast in later 2020, the geopolitical and macroeconomic backdrop has arguably become more complex. In practice there has been very significant outperformance of the EPS targets that were originally set. However, the EPS performance achieved also far exceeds any reasonable forecast from the time when the targets were originally set.

The Group's cash conversion performance over the last three years has been excellent, with the cumulative three-year performance of 102% awarding a full award for this segment. This has been delivered despite the significant working capital investment as the Group pursued growth opportunities.

The Committee undertook a careful review of the PSP outcome. Taking into account the swift response to the pandemic, the continued investment in strategic growth initiatives, the sharp recovery in profitability over the period, the delivery of record net fee performance in the current year and dividends to shareholders over the period, the Committee is satisfied that the overall PSP outcome fairly reflects, and is aligned with, the performance achieved.

Shares that vest under the 2020 PSP will now be held for a further two years before release in 2025, extending alignment with the shareholder experience. During this Holding Period they will be subject to Clawback conditions.

Full details of the Executive Directors' remuneration for FY23 can be found in the Single Figure on [page 127](#) and the full Annual Report on Remuneration on [pages 127 to 145](#).

Remuneration Policy renewal

At the AGM in November 2023, the Committee will be seeking shareholder approval for our Remuneration Policy (the 'Policy'), under the normal three-year renewal cycle.

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

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

Our current Remuneration Policy continues to support the Company's strategic programme. Under the incentive structure, outcomes are based on the key measures of success. There is a short-term focus on profit via the annual bonus and a long-term focus on cash generation through the Performance Share Plan ('PSP'). With reference to our business and investment strategy, cash generation will take on an even greater importance to fund our expansion to ensure the business outperforms the market, and so that the business maintains an attractive and appropriate returns policy. It is expected that appropriate ESG targets will be included in personal and strategic objectives.

As a result of the Committee's review, we have not proposed any changes to the Policy.

The Committee engaged with major shareholders on the Policy renewal and has welcomed the feedback it has received which was predominantly supportive, as it was in 2020. The Committee wishes to thank those shareholders and proxy agencies that responded and appreciates the feedback and engagement.

While the Committee is not proposing any material changes at this time, it has noted the current consultation regarding changes to the UK Corporate Governance Code. We are also mindful that the external trading environment continues to evolve. In this context, the Committee will continue to monitor the effectiveness of the current approach to pay following the 2023 AGM. To the extent that more material changes to our approach to pay are considered, we would suitably engage with shareholders about our proposals and seek approval for a new Policy where necessary.

Remuneration for FY24

FY24 Salary review

The Committee has been very cognisant of the rising Cost of Living issues affecting the wider workforce. Across the business it was determined that there would be no pay increase for the Executive Committee and some senior employees. Instead, the pay review budget was distributed to eligible employees whose salaries were below this level. A flat increase was given to eligible employees, resulting in a higher actual percentage being given to those who were lower paid. In line with this approach, no pay increases were given to the Executive Directors for FY24. There was also no adjustment to the Chair's fee or any of the fees in relation to Non-Executive Directors for FY24.

Pension

In line with the Policy approved at the November 2020 AGM, the pension contribution for the CEO remained at 20% of salary, (reduced from 30% at the start of FY21) until 31 December 2022 when it reduced to that of the majority of employees in the UK (currently 4% of salary). The pension contribution for Paul Venables remained at 20% (reduced from 30% at the start of FY21) until his departure on 30 September 2022. In line with the Policy for new Executive Directors, James Hilton's pension is 4% of salary from 1 October 2022.

Annual Bonus for FY24

Annual Bonus potential is 150% of salary. Annual Bonus targets will be retrospectively disclosed in the FY24 report.

2023 (FY24) PSP grant

The 2023 PSP grant will be made under the Policy to be approved at the November 2023 AGM. The intention is to grant 200% of salary to the Executive Directors.

The current combination of Cash Conversion, EPS and relative TSR metrics will be maintained for this award. The Committee is currently in the process of finalising the detailed targets for the financial metrics. Once finalised, we intend to disclose these on our website in advance of the 2023 AGM. Any shares that vest under the 2023 (FY24) grant would be subject to a further two-year Holding Period. The PSP is subject to both Malus and Clawback conditions.

Departure terms for GFD – Paul Venables

As stated in last year's report, the Committee had agreed the terms for the departure of Paul Venables who left the Company on 30 September 2022. The terms fully comply with the Remuneration Policy and are summarised in section 2.6. As disclosed last year, Good Leaver status was awarded in recognition of his significant contribution over his 16 years with the business. All outstanding performance-based awards will be pro-rated for time and will only vest based on performance at the end of the relevant Performance Period.

Incoming GFD – James Hilton

The Committee also approved the remuneration for James Hilton, who joined the Board on 1 October 2022. His remuneration is in line with the Remuneration Policy for new Executive Directors and was outlined in last year's report. His salary is lower than the previous GFD and will be kept under review as he builds experience in the role. His pension aligns with that of the majority of the UK workforce in line with the Policy.

Other Committee activities in FY23

The Committee also published the results for the Gender Pay Gap in April 2023 and has continued to monitor actions being taken within the Company to close the gap.

The Board is delighted to welcome Dirk Hahn, previously Managing Director of Hays Germany and CEMEA, as our new Chief Executive from 1 September 2023. Remuneration terms for the new CEO will be in accordance with the Policy, including pension contribution level. Departure terms for Alistair Cox will also align to his contractual notice terms and the Policy for departing executives.

Clear reporting and transparency

We aim to make the Directors' Remuneration Report clear, concise and easy to follow and in this year's report we have included a more concise At A Glance page. Our proposed 2023 Remuneration Policy can be found on [pages 116 to 126](#).

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.

Susan Murray

Chair of the Remuneration Committee

23 August 2023

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

Membership and meetings

Five formal meetings were held during FY23 – one in each of July, August, September 2022 then one in each of January and May 2023. Attendance is shown on [page 91](#). 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 110	
Remuneration At A Glance Page 114	
Remuneration Policy Page 116	
Annual Report on Remuneration Page 127	<p>This report is divided into sections:</p> <ol style="list-style-type: none"> 1. Single Figure of Remuneration – page 127 2. Long-term value creation – page 133 3. Remuneration in the broader context – page 138 4. Statement of implementation of the Remuneration Policy in the following financial year – page 142 5. Governance – page 144
Our full current Remuneration Policy	Our full current 2020 Remuneration Policy as applicable to FY23 can be found on our website at haysplc.com

REMUNERATION AT A GLANCE

Business context: How did we perform?

- Record net fees of £1,294.6 million, representing 6% LFL net fee growth and includes 21 individual country records.
- Operating profit of £197.0 million delivered EPS of 8.59 pence per share. Whilst operating profit decreased 9% versus prior year, early management action was taken to align capacity to underlying market demand and reduce costs.
- Excellent cash performance, with year-end net cash of £135.6 million and cash conversion of 101%, driven by DSOs being maintained at historic low levels of 33 days.
- Supported by a strong balance sheet, the core dividend of 3.00 pence per share represents growth of 5% on prior year, with a proposed special dividend of 2.24 pence per share returning £35.6 million of surplus cash to shareholders.

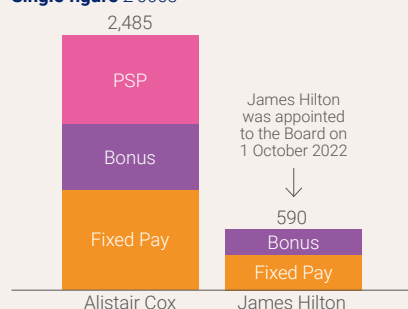
Incentive arrangements: Supporting our key strategic priorities

Incentive arrangements continue to have a short-term focus on profit and a long-term focus on cash generation.

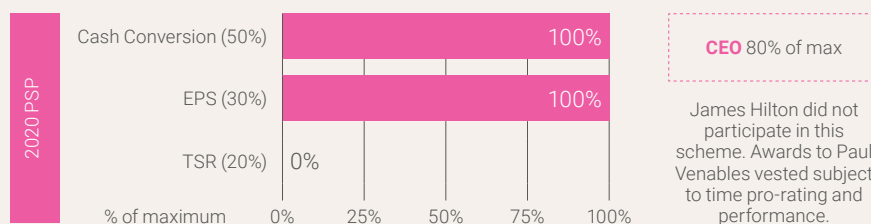
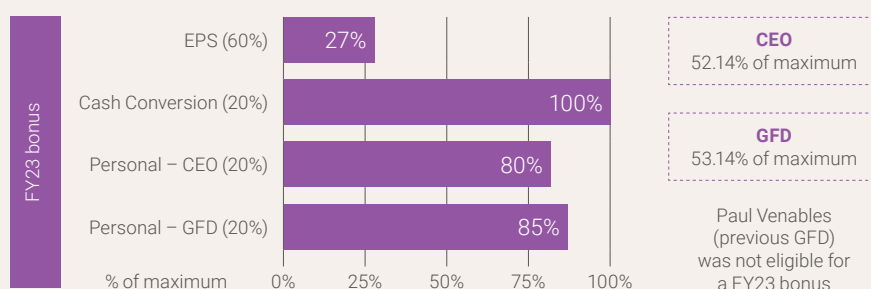
- Bonus**
- Financial metrics (80%) place emphasis on profit and maintain focus on cash returns and business efficiency.
 - Personal objectives (20%) provide building blocks to longer-term strategic goals.
- PSP**
- The cash element (50%) focuses on the long-term business efficiency and return to shareholders through dividend payments.
 - The EPS element (30%) is a key performance measure aligned with shareholder interests.
 - The TSR element (20%) directly measures shareholder returns relative to industry peers.

Remuneration for FY23: What did Executive Directors earn during the year?

Single figure £'000s

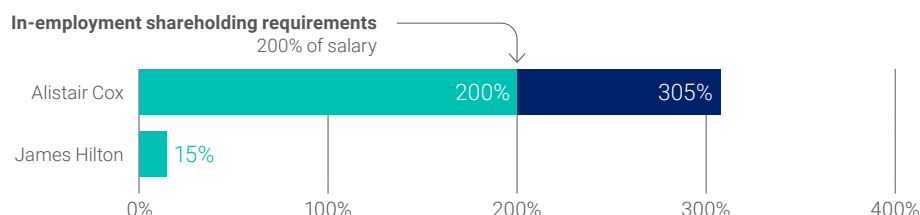


In recognition of the exceptional economic backdrop and the impact of COVID-19, the CEO's 2020 PSP award was granted at 150% of salary, which was below the shareholder approved policy limit of 200% of salary. Stretching targets were set in the context of performance expectations at the time of grant. Further detail is set out on [page 131](#).



Alignment with shareholders

The current CEO has a significant shareholding in the Company. The GFD was appointed in October 2022 and therefore is expected to build his shareholding over the course of his tenure.



Post-employment shareholding requirement: 100% of guideline for Year 1, 50% of guideline for Year 2

Overview of Remuneration Policy: How will Executive Directors be paid in FY24?

Rollover of the Directors' Remuneration Policy

We will be submitting a new Directors' Remuneration Policy for shareholder approval at the forthcoming AGM. No major changes are being proposed to the overall structure of the remuneration framework.

Fixed pay Base salary, pension and benefits	<ul style="list-style-type: none"> – No salary increases for FY24. – Salaries for FY24 will be: CEO (Alistair Cox) – £822k; GFD (James Hilton) – £420k. – Benefits package remains unchanged – includes health insurance and car-related benefits. – Pension contribution of 4% in line with the wider workforce.
Bonus Short-term variable remuneration	<div> <div>50% Cash</div> <div>50% deferred into shares for three years</div> </div> <ul style="list-style-type: none"> – To align reward to key annual objectives relating to the Group's financial and operational strength. – Maximum opportunity unchanged from 2020 Policy at 150% of salary for all Executive Directors. – Performance measures for FY24 will be EPS (60%), Cash Conversion (20%), Personal/strategic (20%).
PSP Long-term variable remuneration	<div> <div>3-year performance period</div> <div>2-year holding period</div> </div> <ul style="list-style-type: none"> – To incentivise the delivery of sustained long-term performance and align with share price and dividend growth over the long term. – Maximum opportunity unchanged from 2020 Policy at 200% of salary for all Executive Directors. – Performance measures for the 2023 (FY24) PSP will be Cash Conversion (50%), EPS (30%), TSR (20%).
Shareholding guidelines	<ul style="list-style-type: none"> – To ensure that Executive Directors' interests are aligned with those of shareholders over the longer-term. – No change to in-employment and post-employment shareholding requirements from 2020 Policy.

Performance measures for FY24: How does our reward framework align with our strategy?

Our strategic priorities



Measure	Focus	Strategic priority
FY24 bonus – short-term agility		
60%	EPS	Short-term focus on profit
20%	Cash Conversion	Cash returns and business efficiency
20%	Personal/Strategic	Aligned to long-term business goals
2023 PSP – long-term sustainability and focus		
50%	Cash Conversion	Long-term business efficiency
30%	EPS	Strategic direction of the business
20%	Relative TSR	Directly measures shareholder returns

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL

The Remuneration Policy Introduction

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

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

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

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

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

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

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

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

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

Engagement with shareholders and shareholder feedback

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

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

Policy summary

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

The Policy is designed around the following key principles:

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

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

Remuneration structure (policy table)

Elements of Executive Director remuneration package

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

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Elements of Executive Director remuneration package continued

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

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

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

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Elements of Executive Director remuneration package continued

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

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

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

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

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

Notes to the policy table:

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

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

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

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

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Service contracts

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

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

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

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

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

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

Payments to departing directors

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

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

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

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

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

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

Notes:

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

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

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

Setting payments for new appointments

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

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

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

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

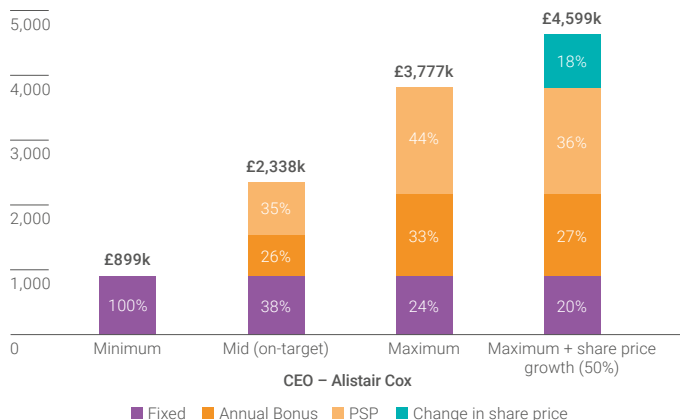
The annual fees payable to newly appointed Non-Executive Directors will be in line with the fees payable to existing Non-Executive Directors.

Remuneration scenario graph for executive directors

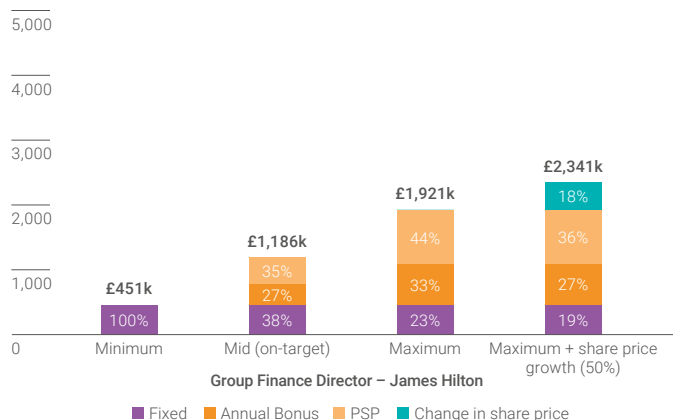
The graphs below illustrate the remuneration that would be paid to each of the Executive Directors, based on salaries at the start of financial year 2024 under four different performance scenarios: (i) Minimum; (ii) Mid (on-target); (iii) Maximum; and (iv) Maximum + share price growth. The elements of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

Value of package

£'000s



£'000s



Each element of remuneration is defined in the table below:

Description

Total amount of salary and pension in respect of the FY24 financial year and annualised benefits as disclosed under the FY23 Single Figure.

Bonus of up to 150% of salary.

PSP of up to 200% of salary.

As PSP awards are granted as shares, the value of the award can vary significantly, depending on the extent to which the performance criteria are achieved and the movement of the share price over the relevant Performance Period and Holding Period. The above chart shows the effect on the maximum value if the share price increased by 50%. This would make a difference of £822k for Alistair Cox and £420k for James Hilton. Conversely, if the share price dropped by 50%, their maximum remuneration would reduce by these amounts.

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

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

Statement of conditions elsewhere in the Group

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

BACKGROUND TO OUR REMUNERATION POLICY (THE POLICY) RENEWAL CONTINUED

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

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

Discretion

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

Prior commitments

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

Differences in policy from the wider employee population

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

ANNUAL REPORT ON REMUNERATION

Section 1 – Total reward for FY23

In this section:

1.1 FY23 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 FY23 fees for Non-Executive Directors ('NED's')

Section 1 – Total Reward for FY23

1.1 FY23 Single Figure for Executive Directors

The Single Figure of Remuneration and the subsequent details of the figures reflect the facts that:

- Paul Venables retired from the business on 30 September 2022. His remuneration therefore is from 1 July 2022 to 30 September 2022; and
- James Hilton was appointed as Group Finance Director (GFD) from 1 October 2022. His remuneration therefore is from 1 October 2022 to 30 June 2023.

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 FY23. Comparative figures for FY22 have also been provided. Details of NED fees are set out in Section 1.2 on page 132.

£000s Executive Director	Salary Note 1	Benefits Note 2	Pension Note 3	Other Note 4	Total Fixed Pay	Annual Bonus Note 5	PSP Note 6 and (a)	Total Variable Pay ^(b)	Total Remuneration
FY23									
Alistair Cox Chief Executive	822	44	99	0	965	643	877	1,520	2,485
Paul Venables Group Finance Director up to 30 September 2022	141	11	28	0	180	0	474	474	654
James Hilton Group Finance Director from 1 October 2022	315	11	13	0	339	251	0	251	590
FY22									
Alistair Cox	783	41	157	0	981	1,040	527	1,567	2,548
Paul Venables	565	40	113	0	718	759	380	1,139	1,857

(a) The value of the 2020 (FY21) PSP (vesting in November 2023) is based on a share price of £1.0991 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 £1.345 being the closing price on the day preceding the grant date. The value will be restated in the FY24 report when vesting share price is known. The award vested at 80% of the maximum. More information is shown on page 131.

The PSP figures for the award that was granted in 2019 (FY20) and vested in 2022 now reflect the actual vesting price on 12 September 2022 of £1.2330. No shares were released but moved into their Holding Period.

(b) For the CEO, FY22 benefits have been restated from £34k to £41k to provide consistency with FY23 reporting and provision of car benefit.

Paul Venables PSP has been pro-rated in line with service during the Performance Period.

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)

What has happened

As disclosed in last year's Report, the salary for Alistair Cox was increased by 5.0% with effect from 1 July 2022 for FY23. The increase was the same as the wider budget set for relevant UK employees. There was no increase for Paul Venables who retired from the business on 30 September 2022. James Hilton was appointed as GFD on 1 October 2022. His base salary on appointment was £420,000 pa.

Executive Director	Annual Salary for FY23	Increase over FY22	Annual Salary for FY22
Alistair Cox	£822,274	5.0%	£783,118
Paul Venables	£564,627	0.0%	£564,627
James Hilton	£420,000	n/a	n/a

The salary levels for Paul Venables and James Hilton shown in the Single Figure of Remuneration table in 1.1 above are the pro-rated amounts for their service in FY23.

ANNUAL REPORT ON REMUNERATION CONTINUED

1.1.2 Benefits – note 2 (audited)

What has happened

There were no changes in FY23.

£000s Executive Director	Private Medical Insurance (PMI) ⁽¹⁾	Life Assurance ⁽¹⁾	Income Protection ⁽¹⁾	Car/ Car Allowance ⁽²⁾	Other	Total
FY23						
Alistair Cox	3	18	15	8	0	44
Paul Venables	1	1	4	5	0	11
James Hilton	3	1	0	7	0	11
FY22						
Alistair Cox	3	14	16	8	0	41
Paul Venables	2	5	15	18	0	40

- (1) PMI, Life Assurance and Income Protection figures represent the annual premiums. James Hilton does not receive Income Protection. Paul Venables' benefits have been pro-rated in line with service.
- (2) Alistair Cox and James Hilton have an electric car and receive a cash allowance to cover the residual value of their benefit. The figures shown are the benefit-in-kind value of the car plus the annual residual car allowance. Paul Venables did not have a car but had a car allowance which is pro-rated for the period 1 July 2022 to 30 September 2022.

1.1.3 Pension – note 3 (audited)

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 moved to the level of the majority of Hays' UK employees which is 4% on 1 January 2023. James Hilton's pension was 4% of salary from the date he became Group Finance Director on 1 October 2022.

£000s Executive Director	Pension
FY23	
Alistair Cox	99
Paul Venables	28
James Hilton	13
FY22	
Alistair Cox	157
Paul Venables	113

1.1.4 Other benefits – note 4 (audited)

£000s Executive Director	Other
FY23	
Alistair Cox	0
Paul Venables	0
James Hilton	0
FY22	
Alistair Cox	0
Paul Venables	0

Notes:

Paul and James participated in the 2019 Sharesave plan which matured in May 2022. At that time the share price was below the option price. They had six months until end of October 2022 to exercise. The options lapsed. There was therefore no gain. Other Sharesave plans have not yet reached maturity and therefore there are no gains.

1.1.5 Annual Bonus – note 5 (audited)

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.

The maximum opportunity under the Policy is 150% of salary.

For bonus awarded in relation to FY23 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.

Paul Venables was not entitled to a bonus for FY23.

The bonus amount shown for James Hilton is pro-rated for the period 1 October 2022 to 30 June 2023.

Calculation of actual results (audited)

Annual Bonus FY23 outcome				Alistair Cox		James Hilton		
Performance condition	Weighting	Threshold performance required (0% of element vests)	Maximum performance required (100% of element vests)	Actual performance	Achievement % of maximum	Bonus value £000s	Achievement % of maximum	Bonus value £000s
EPS*	60%	7.66p	10.89p	8.53p	26.93%	199	26.93%	76
Cash	20%	63.5%	101.0%	101.2%	100.00%	247	100.00%	95
Conversion								
Personal CEO	20%	–	100%	80%	80.00%	197	–	–
Personal GFD	20%	–	100%	85%	–	–	85.00%	80
Total FY23	100%			These totals are in the FY23	52.14%	643	53.14%	251
Single Figure								
* 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%	321	Of which cash – 50%	125
					Of which deferred – 50%	322	Of which deferred – 50%	126

Use of discretion

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. After careful reflection, the Committee feels that the formulaic outcome of the FY23 bonus is fair and justified and has exercised no discretion.

ANNUAL REPORT ON REMUNERATION CONTINUED

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
Improve diversity across the regions, especially within the 'Top 680' senior employees.	There has been encouraging progress across the organisation to drive actions that will help gender diversity. Our female leadership within the Top 680 roles has increased from 42.4% in FY22 to 44.3% in FY23 and we are on track to meet our target of 50% by 2030.	4.0 / 5.0
To focus on succession planning especially at executive board level and ensure a comprehensive plan to identify development needs and a clear view of potential internal successors.	Succession planning sessions were held and plans developed for key roles. In particular, the evaluation of internal potential CEO successors continued throughout the year with action plans agreed as appropriate. This ultimately fed into the actual CEO succession process which started in February 2023.	4.0 / 5.0
Continue to deliver on the Strategic Growth Initiative programme including the growth of the Technology business, ensuring the effective implementation of the Enterprise Solutions business aimed at delivering fee growth in the large client segment, and implementing the appropriate governance framework, including Board reporting.	Progress has been made in all areas. Record Technology fees of £333 million have been achieved, up 6% from FY22. We grew direct and indirect fees in Enterprise clients by 10% as we partnered with more large organisations and grew our share of their recruitment spend. This has put us on track to deliver against FY27 aspirations to build a £400 million business in Outsourced Solutions.	4.0 / 5.0
Build on more granular financial and non-financial reporting metrics including strategic initiatives, diversity data and the environmental impact of the business.	Monthly management reporting to the Board has been enhanced to include a greater focus on non-financial reporting and granular business performance.	4.0 / 5.0
Total		16 / 20 = 80%

GFD – James Hilton

Broad themes	Summary of progress	Score
Embed a new senior finance team structure and ensure development plans and succession planning.	Five senior finance appointments successfully transitioned into new roles, with succession plans in place across all finance teams and senior roles.	4.5 / 5.0
Delivery of back-office efficiency projects on budget to realise cost saving targets. Review of finance and HR system landscape and target operating model.	Back office efficiency project delivery of £4.5 million pa annualised cost savings. Feasibility assessment completed on HR and finance systems project.	4.0 / 5.0
Embed TCFD and climate change reporting processes. Review of internal control and governance procedures in respect of the BEIS consultation and implement framework for Group Audit and Assurance Policy.	TCFD and new climate reporting framework established and embedded, with substantial progress made towards the financial, operational and compliance control framework required by BEIS.	4.0 / 5.0
Ongoing strong Group-wide management of productivity, headcount and operating cost control. Continued strong cash and debt management.	Significant focus on consultant productivity and overhead costs. From October 2022 onwards drove improved productivity and conversion rate in second half and reduction in Group cost base. Excellent 101% cash conversion and maintained record low DSOs at 33 days.	4.5 / 5.0
Total		17 / 20 = 85%

1.1.6 PSP – note 6

PSP 2020 (granted in FY21) vesting in 2023 (audited)

The 2020 PSP targets were set at the height of the COVID-19 pandemic, which made long-term target setting particularly challenging. At the time that the targets were set, there was considerable uncertainty and volatility in the market. There was also limited visibility regarding long-term prospects, or the pace and trajectory for any economic recovery.

In this context, the Committee set performance targets for the award which were considered to be challenging, taking into account both internal and external forecasts from the time when targets were set. The Committee opted to maintain the cash conversion and TSR targets from prior years, however the EPS targets were materially lower than targets set in prior years, reflecting forecasts at the time. In addition, although the Policy approved in 2020 allowed for a PSP grant of up to 200% of salary, it was agreed that the 2020 grant would be capped at 150% of salary to reflect the business and economic conditions and impact on key stakeholders arising from the COVID-19 pandemic.

When considering the final vesting outcome, the Committee noted the following:

- Although actual trading conditions over the three-year performance period have arguably been more favourable than forecast in late 2020, the geopolitical and macroeconomic backdrop has arguably become more complex.
- While there has been very significant outperformance of the EPS range, the outcomes far exceed any reasonable forecast from late 2020. Even if the maximum hurdle had been set at a much more aggressive level in 2020 (e.g. 2x the actual max set), the vesting outcome for this element would still have been 100%.
- For the cash conversion element, the outcome is particularly strong given the material working capital outflow which was required as the market moved from contraction to growth.
- Although the TSR element lapsed based on the methodology for the award, performance was only very marginally below threshold. Hays delivered TSR performance of 34% versus a median of 35% for peer companies. Hays was actually positioned 5th out of 9 companies, which was the middle of the sector group.
- Strong investment and progress in Strategic Growth Initiatives over the performance period.
- The Group has delivered dividend distributions to shareholders of £419.7 million over the three-year Performance Period of the PSP. Including shares purchased and cancelled under the Group's share buyback programme of £93.2 million, the total distribution to shareholders increased to £512.9 million. This includes a full return of the capital that was raised as part of the rights issue in April 2020.

As the award was capped at 150% of the salary, the actual vesting of 80% is equivalent to 60% of the policy maximum.

Taking into account all of the above, the Committee concluded that the outcome represents a fair reflection of performance over the period.

Awards will be subject to a two-year holding period which will ensure that participants remain aligned with longer-term shareholder experience. The award is also subject to malus and clawback provisions.

The share price used to calculate the award was £1.345, being the closing price on the day preceding the grant date.

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

Performance condition	Weighting	Threshold performance required (25% of element vests)	Maximum performance required (100% of element vests)	Actual performance	PSP value achieved as % of maximum
Relative TSR ⁽¹⁾	20%	Median of the comparator group	Upper quartile of the comparator group	Below Median	0%
EPS ⁽²⁾	30%	4.54p	7.34p	21.48p	100%
Cash Conversion	50%	71%	101%	102.15%	100%
Total	100%				80%

- (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.

ANNUAL REPORT ON REMUNERATION CONTINUED

Executive Director	% of FY21 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⁾	2019 (FY20) award that vested in 2022 as stated in the FY22 Single Figure £000s	2019 (FY20) award value restated using share price at vest date £000s ⁽²⁾
Alistair Cox	150	1,152	1.345	856,241	996,875	797,499	20 November 2023	20 November 2025	877	509	527
Paul Venables ⁽³⁾	150	830	1.345	452,358	539,547	431,637	20 November 2023	20 November 2025	474	367	380

(1) The value of the 2020 (FY21) PSP is based on a share price of £1.0991 which was calculated using an average for the final quarter of the 2023 financial year in accordance with the Regulations as the vesting will occur after the date of this report.

(2) The value of the 2019 (FY20) PSP disclosed in the 2022 Single Figure was 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 occurred after the date of the Report. The share price on award was £1.518. The actual share price on the date of vesting was £1.2330. The date of vesting was 12 September 2022. This price has been used to restate the value of the 2019 (FY20) PSP awards in the Single Figure for 2022 in the table above and the Single Figure table on [page 127](#). Please note that no shares were released on this date. The shares that vested were placed into their two-year Holding Period.

(3) The number of shares for Paul Venables has been pro-rated in line with his service during the Performance Period.

James Hilton did not participate in this PSP award.

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 cyclical nature 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' FY23 fees (audited)

The table below shows the current fee structure and actual fees paid in FY23.

£000s Non-Executive Director	Andrew Martin Chair	Peter Williams SID, R, N, A	Susan Murray R, N, A	MT Rainey R, N, A, WE	Cheryl Millington R, N, A	Joe Hurd ⁽¹⁾ R, N, A	Zarin Patel ⁽²⁾ R, N, A
Total fee FY23	240	86	75	75	62	62	31
Taxable expenses FY23	–	–	–	–	–	2	–
Total FY23	240	86	75	75	62	64	31
Total fee FY22	229	83	72	72	59	31	–
Taxable expenses FY22	–	–	–	–	–	2	–
Total FY22	229	83	72	72	59	33	–

(1) Joe Hurd – The total amount includes expenses incurred in execution of duties which are taxable for reporting purposes.

(2) Zarin Patel joined the Board on 1 January 2023. Her fee represents the period 1 January 2023 to 30 June 2023.

Key – positions held during FY23

- 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

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 FY23

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 FY23. 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 2022 ⁽¹⁾	Dividend equivalents accrued to date	Awards granted in FY23	Grant price (market price at date of award)	Face value of award granted in FY23 (at grant price)	Dividend equivalents accrued to date	Awards vesting in FY23	Awards outstanding as at 30 June 2023
Alistair Cox	530,992	80,126	456,680	£1.139	£520,159	39,321	213,633	893,486
James Hilton	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Paul Venables	382,845	57,768	332,984	£1.139	£379,269	28,671	154,029	648,239

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

Note: As per the Policy, 50% of any bonus award is deferred into shares. The shares granted in FY23 relate to the deferred annual bonus for FY22.

2.2 Share options (audited)

The executive directors participated 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 2023.

Executive Director	Scheme date of grant	Balance 1 July 2022	Granted during 2023	Exercised	Lapsed/ Cancelled	Balance 30 June 2023	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
James Hilton	28 March 2019 ⁽¹⁾	6,666	–	–	6,666	0	1.35	–	–	–	1 May 2022	31 October 2022
James Hilton	31 March 2022	7,692	–	–	–	7,692	1.17	–	–	–	1 May 2025	31 October 2025
Paul Venables	28 March 2019 ⁽¹⁾	2,666	–	–	2,666	0	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) Neither Paul Venables nor James Hilton exercised their options when they became available in May 2022 as the share price was below the option price. They had until end October 2022 to exercise. The options subsequently lapsed.

ANNUAL REPORT ON REMUNERATION CONTINUED

2.3 Outstanding PSP awards (audited)

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.

2021 PSP (granted in FY22) vesting in 2024, followed by a two-year Holding Period

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

Performance condition	Weighting	Threshold performance required (25% of element vests)	Maximum performance required (100% of element vests)
Relative TSR ⁽¹⁾	20%	Median of the comparator group	Upper quartile of the comparator group
Cumulative EPS ⁽²⁾	30%	18.91p	25.60p
Cash Conversion ⁽³⁾	50%	80%	110%
Total	100%		

(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.

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 ⁽¹⁾	200%	1,129	1.533	736,630	184,157

- (1) The award to Paul Venables will be pro-rated in line with his service during the Performance Period.

2022 PSP (granted in FY23) vesting in 2025, followed by a two-year Holding Period (audited)

As stated on page 122 of the Directors' Remuneration report for FY22, the Remuneration Committee wanted to spend appropriate time calibrating and reviewing the targets for the FY23 PSP to ensure that they were sufficiently robust and stretching taking into account the economic circumstances at the time. The Committee published details of the targets for the FY23 PSP on the Company website in advance of the AGM, with a view to allowing sufficient time for investors to see them prior to the November 2022 AGM.

Performance period	1 July 2022 to 30 June 2025
Grant Date	21 September 2022
Vest date	21 September 2025 followed by a two-year Holding Period

Performance condition	Weighting	Threshold performance required (25% of the element vests)	Maximum performance required (100% of the element vests)
Relative TSR ⁽¹⁾	20%	Median of the comparator group	Upper quartile of the comparator group
Cumulative EPS ⁽²⁾	30%	25p	35p
Cash Conversion ⁽³⁾	50%	80%	110%
Total	100%		

- (1) Relative TSR – 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.
- (2) EPS – the targets ranges have been set taking into account a range of internal and external reference points. The range has been increased from the FY22 grant. 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 FY22.
- (3) Cash Conversion – the target range for Cash Conversion was increased for the FY22 grant and remains the same for the FY23 grant. 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.

Paul Venables was not granted any PSP in FY23 as he retired from the Company on 30 September 2022.

Executive Director	% of FY23 salary awarded	Face value at award £000s	Share Price at award £	Maximum number of shares	Threshold number of shares (25%)
Alistair Cox	200%	1,645	1.166	1,410,418	352,604
James Hilton ⁽¹⁾	200%	840	1.166	720,411	180,102

- (1) The award was granted in relation to his appointment as GFD.

ANNUAL REPORT ON REMUNERATION CONTINUED

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

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 2023 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 2023	Base salary as at 1 July 2022	Actual share ownership as % of base salary	Guidelines met
Alistair Cox	200%	2,456,293	£1.022	£822,274	305%	Yes
James Hilton – joined Board on 1 October 2022 and building up shareholding	200%	62,143	£1.022	£420,000	15%	No
Paul Venables – current shareholding	200%	2,115,132	£1.022	£564,627	383%	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 2023, but excluding Sharesave options, are shown below. For reference, their Sharesave options are shown in the table under 2.2 on page 133.

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	2,456,293	£2,510,331	1,712,619	£1,750,297	4,168,912	£4,260,628	518%	3,647,142
James Hilton ⁽⁴⁾	62,143	£63,510	255,105	£260,717	317,248	£324,227	77%	782,441
Paul Venables	2,115,132	£2,161,665	648,239	£662,500	2,763,371	£2,824,165	500%	875,778

(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 2018 (FY19) PSP are due to be released in September 2023.

(2) Share price as at 30 June 2023 and used in the above table was £1.022.

(3) The table above shows shareholding pre-tax. Shareholdings on an estimated post-tax basis for the current Executive Directors are: Alistair Cox: 418% and James Hilton 48%

(4) James Hilton's PSP interests shown in their Holding Period relate to grants made prior to his appointment as GFD.

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 2023 – this table has been audited.

Non-Executive Director	Shares held at 30 June 2023	Shares held at 30 June 2022
Andrew Martin	190,088	190,088
Peter Williams	63,806	63,806
Susan Murray	4,000	4,000
MT Rainey	48,845	48,845
Cheryl Millington	–	–
Joe Hurd	7,625	7,557
Zarin Patel	–	n/a

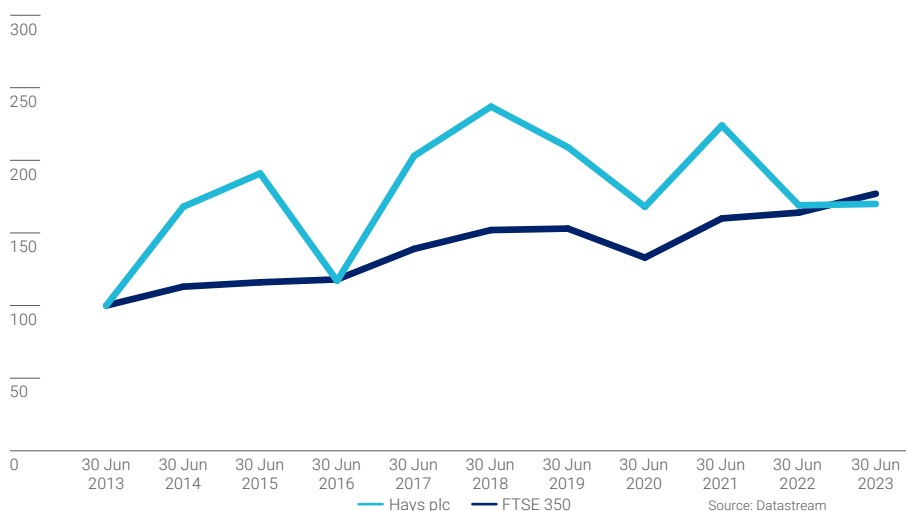
There have been no changes to the above holdings for current NEDs as at the date of this Report.

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.

TSR £



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 2022 figure has been restated to take into consideration the actual share price on date of PSP vesting.

Chief Executive	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Single Figure (£000s)	2,826	3,996	2,796	2,993	3,009	2,666	1,468	2,590	2,548	2,485
Annual Bonus payment level achieved (% of maximum opportunity)	98%	98%	66%	93%	97%	49%	0%	97%	89%	52%
PSP vesting level achieved (% of maximum opportunity)	50%	100%	86%	60%	55%	70%	50%	50%	50%	80%

2.6 Payments to past Directors/payment for loss of office during FY23 (Audited)

Paul Venables retired 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 PSP awards granted in 2020 and 2021 will vest subject to time pro-rating and performance. Fully performance-tested PSP awards granted under the 2017 Policy were released on departure in line with the 2017 Policy. Fully performance-tested PSP 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 was no payment in lieu of notice or termination payment payable on departure. Paul did not participate in the bonus plan for FY23, and he was not 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.

ANNUAL REPORT ON REMUNERATION
CONTINUED

Section 3 – Remuneration in the broader context

In this section:

3.1	Remuneration for employees below Board	3.3	CEO vs Employee Pay Ratio
3.2	Change in Board remuneration compared to other employees	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 PSP 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.

The table below summarises the above.

Principles	Components		
<p>Operate a consistent reward and performance philosophy throughout the business.</p> <p>Provide a balanced package with a strong link between reward and individual and Group performance.</p> <p>Encourage a material, personal stake in the business to give a long-term focus on sustained growth.</p>	<p>Base salary</p> <p>Based on skill and experience and benchmarked to local market.</p>	<p>Annual Bonus</p> <p>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.</p> <p>For members of the Executive Board, 50% of any bonus earned is usually deferred into shares for three years and is subject to Malus.</p>	<p>Performance Share Plan (PSP) and Sharesave</p> <p>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.</p> <p>Executive Board members are encouraged to retain shares.</p> <p>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.</p> <p>Nominations are reviewed and approved by the Remuneration Committee.</p> <p>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.</p>
	<p>Benefits</p> <p>Benchmarked to local market and can include pension, life assurance, health cover and discounted voluntary benefits.</p> <p>In the UK the Executive Directors participate in the same plans as other UK employees.</p> <p>Every employee globally is given at least eight hours of paid volunteering per year to allow them to give back to the communities in which they live and work.</p>	<p>Commission</p> <p>Client-facing employees have annual bonuses based on personal objectives and/or commission directly related to personal business performance.</p>	<p>YourVoice Survey</p> <p>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.</p>
Timeline			
Fixed			
Variable			
Long-term/Ongoing			

ANNUAL REPORT ON REMUNERATION CONTINUED

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 FY23 compared with the average percentage change for Hays plc employees. Hays plc only employs the CEO and GFD 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 FY22 and FY23 are due to:

- General salary and base fees rose by 5% in line with the general workforce pay review.
- Paul Venables' FY23 pay and benefits represent the three months he worked within FY23 and therefore show a drop from FY22. Paul was not eligible for an FY23 bonus.
- Benefit increase for Alistair Cox is due to the increase in life assurance premium.
- FY23 annual bonus outturns are lower than FY22.
- Non-Executive Directors do not receive bonus or benefits.

	% change in salary/ fee FY23 vs FY22	% change in taxable benefits FY23 vs FY22	% change in Annual Bonus FY23 vs FY22	% 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	5.0%	7.3%	-38.2%	2.0%	-2.4%	-6.8%	2.5%	-16%	n/a	-1.0%	0%	-100%
Group Finance Director – retired – Paul Venables	-75.0%	-72.5%	-100%	2.0%	2.5%	-5.7%	2.6%	2.6%	n/a	-1.0%	-7.0%	-100%
Group Finance Director – James Hilton	n/a	n/a	n/a	–	–	–	–	–	–	–	–	–
Chair – Andrew Martin	5.0%	n/a	n/a	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	3.6%	n/a	n/a	1.2%	n/a	n/a	2.5%	n/a	n/a	18.0%	n/a	n/a
Chair of Remuneration Committee – Susan Murray	4.2%	n/a	n/a	1.4%	n/a	n/a	2.9%	n/a	n/a	-1.0%	n/a	n/a
Chair of Workforce Engagement – MT Rainey	4.2%	n/a	n/a	1.4%	n/a	n/a	2.9%	n/a	n/a	13.0%	n/a	n/a
NED – Cheryl Millington	5.0%	n/a	n/a	1.7%	n/a	n/a	1.8%	n/a	n/a	0%	n/a	n/a
NED – Torsten Kreindl	n/a	n/a	n/a	-5.2%	100%	n/a	1.8%	n/a	n/a	0%	n/a	n/a
NED – Joe Hurd	9.4%	n/a	n/a	n/a	n/a	n/a	–	–	–	–	–	–
NED – Zarin Patel ⁽¹⁾	n/a	n/a	n/a	–	–	–	–	–	–	–	–	–
Employees of Hays plc ⁽²⁾	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) Zarin Pael joined the Board on 1 January 2023.

(2) Hays plc only employs the CEO and GFD 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	25 th percentile pay ratio	Median pay ratio	75 th percentile pay ratio
FY23	A	83:1	56:1	33:1
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	25 th percentile	Median	75 th percentile
FY23	Salary	£23,625	£26,880	£32,235
	Total remuneration	£30,085	£44,354	£75,230

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 138 and 139. 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 FY23 and FY22 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 FY23 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 2023, the fees earned and retained by the Executive Directors were as follows:

- Alistair Cox: Alistair joined the Board of Rexl in April 2023. His fee for the period to end June 2023 was £22k.
- Paul Venables: Paul joined the Board of Manchester Airport Group as a NED and Audit Chair (designate) on 1 February 2022 and his fee from 1 July 2022 to 30 September 2022 was £16k.

3.5 Relative importance of spend on pay

The table below sets out the relative importance of the spend on pay in FY23 and FY22 compared with other disbursements. All figures are taken from the relevant Hays Annual Report.

	Disbursements from profit in FY23 £m	Disbursements from profit in FY22 £m	% change
Profit distributed by way of dividend	83.4	168.5	-50.5%
Overall spend on pay including Directors	868.8	766.5	13.3%

ANNUAL REPORT ON REMUNERATION CONTINUED

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 FY24. These are subject of the Policy being approved by shareholders at the November 2023 AGM.

4.1 Executive directors Summary

Position	Name	Base salary from 1 July 2023	Maximum bonus potential as % of salary	Maximum PSP award as % of salary	Benefits and pension
CEO	Alistair Cox	£822,274 – no change	150%	No award	Pension is 4% of salary in line with the pension level of the majority of UK employees.
GFD	James Hilton	£420,000 – no change	150%	200%	Pension is 4% of salary in line with the pension level of the majority of UK employees.
There were no salary increases for the Executive Directors for FY24					

Bonus performance conditions

The weightings of the performance conditions remain as follows for FY24:

Performance condition	Weighting	
Financial (profit and cash)	80%	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.
Personal	20%	
Total	100%	In some instances, the detail of certain personal objectives may continue to be commercially sensitive for an extended period.

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.

2023 PSP (to be granted in FY24) vesting in 2026, followed by a two-year Holding Period

For the FY24 award, the performance metrics and weightings will remain consistent with the approach taken last year. The Committee is currently in the process of finalising the detailed targets for the financial metrics. Once finalised, we intend to disclose these on our website in advance of the 2023 AGM.

Performance period	1 July 2023 to 30 June 2026		
Vest date	Three years from grant date followed by a two-year Holding Period		
Performance condition	Weighting	Threshold performance required	Maximum performance required
Relative TSR ⁽¹⁾	20%	Median of the comparator group	Upper quartile of the comparator group
Cumulative EPS ⁽²⁾	30%	*	*
Cash Conversion	50%	*	*
Total	100%		

(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 FY24 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 FY24 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.

4.2 Non-Executive Directors

The Committee reviewed the Group Chair's fee for FY24 and determined that there should be no increase for FY24. Base fees for the other NEDs will also remain unchanged. 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 FY24 are shown below.

Position	Fee for FY24 £000s	Fee for FY23 £000s
Chair	240	240
Base fee	62	62
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 FY22 at the 2022 AGM

Votes	Votes 2020 Policy	%	Votes FY22 Remuneration Report	%
Votes for	1,330,376,148	91.47%	1,359,585,839	97.90%
Votes against	124,075,795	8.53%	29,178,638	2.10%
Votes withheld	2,006,052	–	20,681,090	–

ANNUAL REPORT ON REMUNERATION CONTINUED

Section 5 – Governance

In this section:

- | | | | |
|------------|--|------------|--|
| 5.1 | Remuneration Committee members and attendees | 5.4 | Advisers to the Remuneration Committee |
| 5.2 | Terms of Reference | 5.5 | Engagement with shareholders |
| 5.3 | Meetings in FY23 | 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 FY23.

Remuneration Committee members	Position	Comments
Susan Murray	Member from 12 July 2017	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
Zarin Patel	Member from 1 January 2023	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.
James Hilton	Group Finance Director	
Paul Venables	Group Finance Director – retired	
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 FY23	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](https://www.haysplc.com), and from the Company Secretary at the registered office.

5.3 Meetings in FY23

The Committee normally meets at least four times per year. During FY23, it formally met five 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;
- A review of the Remuneration Policy in preparation for renewal;
- 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 GFD, Paul Venables, the remuneration package for the incoming GFD, James Hilton, and the package for the new CEO.

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 FY23 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 FY23 in relation to Committee work was £109,450 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.

The Committee engaged with major shareholders on the Policy renewal and welcomed the feedback it received which was predominantly supportive, as it was in 2020. The Committee would like to thank those shareholders and proxy agencies who responded and appreciated the feedback.

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

23 August 2023

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. The Company's Section 172 statement can be on [page 96](#).

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 97](#) 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 (2022: 0.95 pence) per Ordinary share was paid to shareholders on 11 April 2023. The Board recommends the payment of a final dividend of 2.05 pence (2022: 1.90 pence) per Ordinary share. In addition, the Board is also recommending the payment of a special dividend of 2.24 pence (2022: 7.34 pence) per Ordinary share. These three dividend payments will represent a total dividend of 5.24 pence (2022: 10.19 pence) per Ordinary share for the financial year ended 30 June 2023. Subject to the shareholders of the Company approving this recommendation at the 2023 AGM, the final and special dividends

will be paid, in aggregate, on 17 November 2023 to those shareholders appearing on the register of members as at 6 October 2023. The ex-dividend date is 5 October 2023.

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 47](#) of the Finance Director's Review.

Directors

Biographies of the serving directors of Hays are provided on [pages 84 to 87](#) of this Report. During the year, James Hilton and Zarin Patel were appointed as directors on 1 October 2022 and 1 January 2023, respectively. Paul Venables retired from the Board on 30 September 2022. All the other Directors served on the Board throughout FY23. Peter Williams is the Senior Independent Director and MT Rainey is the Designated NED for Workforce Engagement.

General powers of the Directors

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

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

Directors' powers to allot and buy back shares

The Directors have the power to authorise the issue and 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 2023, the Company had 1,600,433,092 fully paid Ordinary shares in issue, of which 11,294,429 Ordinary shares were held in treasury by the Company. During the year ended 30 June 2023, Hays purchased 66,240,335 Ordinary shares of 1 pence, representing 4.14% of shares in issue, for a total consideration of £74,871,470, 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 2023, 0.71% 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. The shares are held in treasury and will be utilised to satisfy employee share-based award obligations. During FY23, Hays transferred 5,063,661 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. 179 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 ten-year period in relation to the Company's share capital, with a further limitation of 5% in any ten-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 2023 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 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 judgement 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.

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.

2023 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 15 November 2023 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

23 August 2023

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 judgements and accounting estimates that are reasonable and prudent
- 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, give a true and fair view of the assets, liabilities and financial position of the Company
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face
- the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

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
- 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

James Hilton
Group Finance Director

23 August 2023