

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

Under the Remuneration Policy, executive directors are granted annual share awards under the Company's Performance Share Plan ("PSP"). Although the Company will be seeking approval for an updated Remuneration Policy at the 2023 AGM under the normal three-year renewal cycle, the proposed operation of the PSP is consistent with prior years.

As stated on page 143 of the Directors Remuneration report for FY23, the Remuneration Committee wanted to spend appropriate time calibrating and reviewing the targets for the FY24 PSP to ensure they are sufficiently robust and stretching taking into account the current economic circumstances. Following the completion of this process, the Remuneration Committee is publishing details of the targets for the FY24 PSP on the Company website, in advance of the 2023 AGM.

The FY24 PSP targets are disclosed below.

| 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 (25% of the element vests) | Maximum (100% of the element vests) |
| Relative TSR ⁽¹⁾ | 20% | Median of the comparator group | Upper quartile of the comparator group |
| EPS ⁽²⁾ | 30% | 24p | 34p |
| Cash Conversion ⁽³⁾ | 50% | 80% | 110% |
| Total | 100% | | |

- (1) Relative TSR – the targets are consistent with prior years. 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.
- (2) EPS - given the inherent cyclicity of the sector, the Committee reviews the EPS targets for each performance period taking into account a range of internal and external reference points. In particular, the Committee noted external forecasts for FY24 and potential impact on overall performance given the cumulative nature of the targets. While the ranges are marginally lower than the FY23 grant, the Committee is satisfied that the target range is challenging, with full vesting requiring significant growth when compared to results for FY23. For reference, the equivalent range for the FY23 grant was 25p to 35p.
- (3) Cash Conversion - the target range for cash conversion remains the same for the FY24 grant. Consistent with prior years, 45% of this element 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.

In line with the 2018 Corporate Governance Code, the Remuneration Committee will continue to have discretion to amend the final vesting level should any formulaic assessment of performance not reflect a balanced view of the business performance during the performance period. The Committee may also adjust targets or outcomes in certain circumstances (e.g. significant unplanned M&A activity).

The award is subject to Malus for the three-year performance period and Clawback during the two-year Holding Period.