

## Directors' Remuneration Policy 2023

Our Directors' Remuneration Policy (Policy) was approved by shareholders at the Company's AGM on 22 October 2020. The Policy has a three-year life and a new Directors' Remuneration Policy is proposed. This Policy, subject to shareholder approval, shall take effect from the close of the Company's 2023 AGM.

The Remuneration Committee, having reviewed that policy, and taking into account shareholder comments since the last policy vote and good practice developments in the market, concluded that, in substance, it remains fit for purpose to support the implementation of the Group's strategy over the next three-year period.

The key changes in the 2023 policy from the 2020 policy are summarised below:

- Pension – the policy for current and future Executive Directors is to provide a pension contribution no higher than the workforce contribution rate
- Benefits – to include potential participation for Executive Directors in tax-approved all-employee share schemes
- Malus and clawback – additional triggers have been added to the recovery and withholding provisions applying to the annual bonus and LTIP schemes
- Incentive scheme override – consistent with good practice, the Committee retains discretion to adjust LTIP vesting levels in exceptional circumstances
- Judgement and discretions – inclusion of situations where the Committee may apply judgement and discretion in the operation of incentive schemes
- Shareholding guideline – introduction of a shareholding guideline for Executive Directors

### Remuneration Policy table

Fixed remuneration			
Element	Purpose and link to strategy	Operation	Maximum
<b>Fixed salary</b>	Provides fixed remuneration for the Executive Directors, which reflects the individual's experience and the size and scope of the executive's responsibilities.	Set on appointment and normally reviewed annually in July.  Salaries are determined by the Remuneration Committee, taking into account a range of factors, including, but not restricted to, remuneration practices and general salary ranges within the Group, changes in scope or responsibility, market rates and the experience of the relevant Director.	While there is no maximum salary, ordinarily salary increases will not exceed the range of salary increases (in percentage terms) awarded to other employees in the Group. However, salary increases may be above this level in certain circumstances, for example: <ul style="list-style-type: none"> <li>• Increase in scope or responsibility;</li> <li>• Performance in role;</li> <li>• An Executive Director's remuneration being aligned with changing market rates;</li> <li>• An Executive Director being appointed on a below-market salary with a view to moving to the desired positioning over time.</li> </ul>
<b>Retirement benefits</b>	To provide competitive post-retirement benefits and reward sustained contribution.	Generally, payment may be made into a pension plan or as a separate cash allowance in lieu.  Group contributions are determined as a percentage of base salary; for new appointees as a percentage of pay aligned to the pension contributions of employees.	The maximum company contribution for current and new Executive Directors is aligned with the contribution rate applying to the wider workforce.  The wider workforce rate is currently 10% of base salary.
<b>Benefits</b>	Ensures the overall package is competitive in order to help recruit and retain Executive Directors.	Executive Directors are entitled to a range of benefits, including, but not limited to, membership of the Group's healthcare scheme, disability and life insurance, and car (or car allowance) and other associated expenses.  Other benefits may be provided depending on individual circumstances, for example relocation expenses.  Executive Directors will be eligible to participate in any tax-approved all-employee share plan operated by the Company, on the same terms as other eligible employees.	While the Committee has not set a maximum on the level of benefits Executive Directors receive, it is based on the value of benefits, set at a level that the Remuneration Committee considers is appropriate, taking into account companies of a similar size (and complexity) in the relevant market.  The maximum level of participation in all-employee share plans is subject to the limits imposed by the relevant tax authority from time to time.