Remuneration Policy

This part of the Report sets out the Directors' Remuneration Policy (the Policy)

The Company's current Policy was approved by shareholders at the 2021 AGM (the full remuneration policy is set out in the 2022 Annual Report and Accounts). As a result, the Remuneration Committee carried out a detailed review of the Policy during the year and considered its effectiveness in light of the Company's current strategic priorities and direction and in the context of market practice. This part of the Report sets out the changes proposed to the Policy and the rationale for those changes. It is intended that this Policy will apply for three years, and that the Policy will apply to payments made from the date of approval. The information provided in this section of the Directors' Remuneration Report is not subject to audit.

Determining the remuneration policy

The Committee is responsible for the development, implementation and review of the Directors' remuneration policy. In addressing this responsibility, the Committee works with management and external advisors to develop proposals and recommendations. The Committee considers the source of information presented to it, takes care to understand the detail and ensures that independent judgement is exercised when making decisions. The Committee works alongside other Board Committees as needed; for example, the Audit Committee confirms incentive plan performance results.

When reviewing the Policy the Committee considered its effectiveness in light of the Company's current strategic priorities and in the context of market practice. Our Policy and practices are designed to support strategy and promote long-term sustainable success. Executive remuneration is aligned to Company purpose and behaviour, with increased emphasis on sustainability in the application of our Policy and clear links to the successful delivery of the Company's mid-term objectives and long-term strategy.

As a part of the Policy review, the Committee considered the alignment across the business as well as stakeholder views. A summary of the pay alignment across the business and how stakeholder views are taken into account in the Policy is set out on page 133.

Corporate Governance Code Requirements

As a part of the Policy review process and in line with the UK Corporate Governance Code, the Policy has been tested against the six factors listed in Provision 40.

Clarity

Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce

Remuneration arrangements are clearly articulated within the Annual Report and Accounts to shareholders and other stakeholders. The Policy is clearly disclosed on pages 124 to 133 and the implementation of the Policy is set out on pages 134 to 147. Before proposing the updated Policy for approval, extensive consultation with the Company's major shareholders and the leading shareholder advisory bodies took place. All feedback was carefully reviewed and considered, to ensure that the changes proposed were clear, understandable and transparent, and clearly aligned to stakeholder interests.

Risk

Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated

The proposed Policy has been designed to discourage inappropriate risk-taking through a weighting of incentive pay towards long-term incentives, the balance between financial and non-financial measures in the annual bonus, the requirement for bonus deferral, recovery provisions, and shareholding requirements both during and post-employment. The Committee therefore believes that the performance targets in place for the incentive schemes provide appropriate rewards for stretching levels of performance without driving behaviour which is inconsistent with the Company's risk profile. In addition, to avoid conflicts of interest, Committee members are required to disclose any conflicts or potential conflicts ahead of Committee meetings.

Proportionality

Remuneration arrangements should ensure the link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance

There is an equal balance between short-term and long-term incentives, and performance conditions include both financial and non-financial performance linked to strategy. The previous updates to the remuneration policy in 2021 increased the proportion of the annual bonus payable to Executive Directors which is required to be deferred into shares, further aligning short-term incentives with long-term performance. This remains unchanged in the proposed Policy being put to shareholders in 2024. All incentive targets are set to be stretching and incentivising. The Committee has discretion to override formulaic outturns to ensure that they are appropriate and reflective of overall performance.

Simplicity

Remuneration structures should avoid complexity and their rationale and operation should be easy to understand

Our remuneration arrangements are regularly reviewed to ensure they are as simple as possible and in line with market practice, whilst at the same time incorporating the necessary structural features to ensure a strong alignment to Group performance and strategy. Additional steps are taken to ensure these are effectively communicated and understood by all participants.

Predictability

The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the Policy

The Annual Report on Remuneration clearly sets out how the current Policy has been applied during the year, as well as the Committee's intentions for the following reporting year. This is put to a shareholder vote at each Annual General Meeting of the Company. Elements of the Policy are subject to caps and dilution limits. Examples of how remuneration varies depending on performance is set out in the scenario charts. Any incentive payout is ultimately at the discretion of the Committee.

Alignment to culture

Incentive schemes should drive behaviours consistent with Company purpose, behaviours and strategy

Variable incentive schemes, performance measures and underpins are designed to be consistent with the Company's purpose, established behaviours and strategy. Our performance metrics include sustainability-related targets in our long-term incentive plan which reflects the increasing importance of sustainability within our future strategy, rewarding for supporting the Company's growth-focused, sustainability centric culture. The Sharesave Plan is in place for all eligible employees across the Group (in the UK and overseas) to encourage them to become shareholders and have a share in our future growth.

Summary of proposed Policy changes and key 2024 implementation highlights

As noted above, we consider our Policy to be effective and aligned with our strategy. As a result, the changes we are proposing are refinements to better reflect our current medium to long-term objectives. The key points to note are set out in the table below:

Policy Changes:	
Long-Term Incentive Plan and Recruitment Policy	The wording in the Policy will be updated to reflect a new exceptional circumstances limit to be included in the Long-Term Incentive Plan (the intention being to enable awards at up to 250% of salary to be granted as part of a recruitment buyout award). The wording around the structure of buyout awards such that these would mirror, as far as practicable, what has been forfeited in terms of structure and quantum, will also be clarified.
Payments for Loss of Office	The termination policy wording to note that payments in lieu of notice ordinarily relate to a maximum of base salary, benefits and pension and that the payments may be phased and subject to mitigation, will also be clarified.
Key 2024 Implementation Highlights:	
Annual Bonus Plan	No changes proposed – quantum to remain at 150% of salary for the CEO and 125% of salary for the CFO, with no changes to the performance metrics (40% EBITDA, 25% EBITDA margin, 15% cash flow and 20% strategic measures). One third of any bonus earned will continue to be deferred into Genuit shares and vest equally over two and three years. Market standard recovery and withholding provisions apply.
Long-Term Incentive Plan	Awards to Executive Directors will continue to be granted at 150% of salary with performance tested over three years. However, the following changes are to be made: – The performance metrics used to determine vesting will be underlying diluted EPS (50%), cash conversion (25%) and ESG (25%). The cash conversion measure replaces relative TSR which will in relation to 2024 be used to modify the vesting result based on performance achieved against the financial and ESG metrics (see below). Achievement of the threshold performance targets will continue to trigger 25% of each element vesting, rising to 100% for achieving the maximum target or better. – Once vesting is determined based on performance against the above metrics, a TSR modifier will be applied to the vesting result. This will have the ability to increase total vesting by a further 33% or reduce total vesting by 33%. TSR will continue to be measured against FTSE 250 industrials and the modifier will be applied as follows: – TSR at or below lower quartile: the vesting result based on EPS, cash conversion and ESG performance is reduced by 33% (i.e. the vesting result will be multiplied by a factor of 0.67). – TSR at or above upper quartile: the vesting result is increased by 33% (i.e. the vesting result will be multiplied by a factor of 1.33). – TSR between performance points: the vesting result is adjusted on a straight-line basis using a TSR performance factor of between 0.67 and 1.33. The introduction of the TSR modifier gives rise to a higher potential vesting outcome overall at 200% of salary from the current 150% of salary. However, there is no change to the expected value of the award given that while vesting can be increased by 33%, it can also be reduced by 33%. Awards are subject to a two-year holding period and market standard recovery and withholding provisions apply.
Share Ownership Guidelines	Executive Directors will continue to be required to build a share ownership of a value equal to 200% of salary. This must be retained for two years post cessation of employment.

Remuneration Policy continued

Executive Directors

Fixed Pay	
Base Salary	
Purpose and link to strategy	To appropriately recognise skills, experience and responsibilities and attract and retain talent by ensuring salaries are market competitive.
Operation	Generally reviewed annually with any increase normally taking effect from 1 January, although the Committee may award increases at other times of the year if it considers it appropriate. The review takes into consideration a number of factors, including (but not limited to): – The individual Director's role, experience and performance. – Business performance. – Market data for comparable roles in appropriate pay comparators. – Pay and conditions elsewhere in the Group.
Maximum opportunity	No absolute maximum has been set for Executive Director base salaries. Current Executive Director salaries are set out in the Annual Report on Remuneration section of this Remuneration Report. Any annual increase in salaries is at the discretion of the Committee taking into account the factors stated in this table and the following principles: – Salaries would typically be increased at a rate consistent with the average salary increase for UK employees. – Larger increases may be considered appropriate in certain circumstances (including, but not limited to, a change in an individual's responsibilities or in the scale of their role or in the size and complexity of the Group). – Larger increases may also be considered appropriate if a Director has been initially appointed to their position on the Board at a lower than typical salary.
Performance conditions and provisions for recovery of sums paid[1]	No performance conditions. Recovery and withholding provisions do not apply.
Benefits	
Purpose and link to strategy	To provide market-competitive benefits as part of a competitive package to assist with recruitment and retention.
Operation	Benefits currently include company car (or car allowance), income protection insurance, private family medical insurance, permanent health insurance and life assurance of four times annual salary. The Committee has discretion to add to or remove benefits provided to Executive Directors. Executive Directors are entitled to reimbursement of reasonable expenses. Executive Directors also have the benefit of a qualifying third-party indemnity from the Company as well as Directors' and Officers' liability insurance.
Maximum opportunity	There is no overall maximum as the level of benefits depends on the annual cost of providing individual items in the relevant local market and the individual's specific role.
Performance conditions and provisions for recovery of sums paid[1]	No performance conditions. Recovery and withholding provisions do not apply.

Remuneration Policy continued

Pension	
Purpose and link to strategy	To provide market-competitive retirement benefits.
Operation	Current policy is for the Company to contribute to the Group Pension Plan, a personal pension scheme and/or provide a cash allowance in lieu of pension.
Maximum opportunity	Executive Directors receive a pension-related contribution in line with the contribution available to the wider workforce (currently 5% of salary).
Performance conditions and provisions for recovery of sums paid[1]	No performance conditions. Recovery and withholding provisions do not apply.
Variable Pay	
Annual Bonus[2][3]	
Purpose and link to strategy	To link reward to key financial and operational targets for the forthcoming year. Additional alignment with shareholders' interests through the operation of bonus deferral.
Operation	The Executive Directors are participants in the annual bonus plan which is reviewed annually to ensure that bonus opportunity, performance measures and targets are appropriate and supportive of the business plan. No more than two thirds of an Executive Director's annual bonus is delivered in cash following the release of audited results and the remaining amount is deferred into an award over Company shares under the Deferred Share Bonus Plan. – Deferred awards are usually granted in the form of conditional share awards or nil-cost options (and may also be settled in cash). – Deferred awards usually vest in two equal tranches two and three years after award although may vest early on leaving employment or on a change of control (see later sections). – An additional payment (in the form of cash or shares) may be made in respect of shares which vest under deferred awards to reflect the value of dividends which would have been paid on those shares during the vesting period (this payment may assume that dividends had been reinvested in Company shares on a cumulative basis).
Maximum opportunity	The maximum award that can be made to an Executive Director under the annual bonus plan is 150% of salary for the Chief Executive Officer and 125% of salary for other Executive Directors.
Performance conditions and provisions for recovery of sums paid[1]	The bonus is normally based on performance assessed over one year using appropriate financial, operational and individual performance measures. The majority of the bonus will be determined by measures of Group financial performance. A sliding scale of targets is set for each Group financial measure with payout at no more than 25% for threshold financial performance increasing to 100% for maximum performance. The remainder of the bonus will be based on financial, strategic or operational measures appropriate to the individual Executive Director. Details of the bonus measures operating each year will be included in the relevant Annual Report on Remuneration. The Remuneration Committee has discretion, where it believes it to be appropriate, to override the formulaic outcome arising from the annual bonus plan. Any bonus payout is ultimately at the discretion of the Committee. Malus/clawback provisions apply. Cash bonus will be subject to recovery and/or deferred shares will be subject to withholding at the Committee's discretion in exceptional circumstances where, within three years of the bonus determination or before the vesting of each tranche of deferred shares, a material misstatement or miscalculation comes to light which resulted in an overpayment under the annual bonus plan or if evidence comes to light of material misconduct by an individual or a material health and safety breach or actions that subsequently gave rise to serious reputational damage or insolvency.

Remuneration Policy continued

Long-Term Incentive Plan (LTIP)[3][4]	
Purpose and link to strategy	To link reward to key strategic and business targets for the longer term and to align Executive Directors' interests with shareholders' interests.
Operation	Awards are usually granted annually under the LTIP to selected senior executives. Individual award levels and performance conditions on which vesting will be dependent are reviewed annually by the Committee. Awards may be granted as conditional awards of shares, nil-cost options or, if appropriate, as cash-settled equivalents. Awards normally vest or become exercisable at the end of a period of at least three years following grant although may vest early on leaving employment or on a change of control (see later sections). Awards to Executive Directors that vest are subject to a two-year holding period (other than in exceptional circumstances such as death). An additional payment (in the form of cash or shares) may be made in respect of shares which vest under LTIP awards to reflect the value of dividends which would have been paid on those shares during the vesting period (this payment may assume that dividends had been reinvested in Company shares on a cumulative basis).
Maximum opportunity	The normal maximum annual award permitted under the LTIP is shares with a market value (as determined by the Committee) of 200% of salary. In exceptional circumstances, awards can be granted up to 250% of salary with the intention being to provide greater flexibility in recruitment situations where there is a need to buy out forfeited awards. Each year the Committee determines the actual award level for individual senior executives within these limits.
Performance conditions and provisions for recovery of sums paid[1]	All LTIP awards granted to Executive Directors must be subject to a performance condition. Vesting of Executive Directors' LTIP awards would be dependent on measures which could include Group earnings, return on capital employed, cash conversion, total shareholder return and sustainability, with the precise measures and weighting of the measures determined by the Committee ahead of each award. Performance will usually be measured over a performance period of at least three years. For achieving a 'threshold' level of performance against a performance measure, no more than 25% of the portion of the LTIP award determined by that measure will vest. Vesting then increases on a sliding scale to 100% for achieving a maximum performance target. Vesting outcomes may also be subject to a performance modifier which may increase or reduce the vesting outcome by up to one third. The maximum opportunities noted above are inclusive of the operation of any modifier. The Remuneration Committee has discretion, where it believes it to be appropriate, to override the formulaic outcome arising from the LTIP. Malus and clawback provisions apply. LTIP awards may be subject to withholding or recovery at the Committee's discretion in exceptional circumstances where, before the later of the vesting of an award and the second anniversary of the end of the performance period, a material misstatement or miscalculation comes to light, or evidence comes to light that during that performance period there was material misconduct by an individual or a material health and safety breach or actions that subsequently gave rise to serious reputational damage or insolvency.

Sharesave Plan[3]	
Purpose and link to strategy	To create staff alignment with the Group and promote a sense of ownership.
Operation	UK tax-approved monthly savings scheme facilitating the purchase of shares through share options at a discounted exercise price by all eligible employees. Executive Directors are eligible to participate on the same basis as other UK employees.
Maximum opportunity	Monthly savings limit of £500 (or such other limit as may be approved from time to time by HMRC) under all savings contracts held by an individual.
Performance conditions and provisions for recovery of sums paid	The Sharesave Plan is structured in accordance with HMRC requirements so has no performance conditions but requires participants to make regular contributions into a savings contract. Malus and clawback provisions do not apply.

Remuneration Policy continued

Share Ownership Guidelines	
Purpose and link to strategy	To create alignment between the long-term interests of Executive Directors and shareholders.
Operation	Executive Directors are required to build and maintain a shareholding as a percentage of salary in the form of shares in the Company. Executive Directors are expected to achieve the shareholding requirement within five years of an individual becoming subject to the requirement.
Maximum opportunity	Any Executive Director in employment is expected to achieve a shareholding with a value of 200% of salary. Any Executive Director leaving the Company will be expected to retain the lower of the shares held at cessation of employment and shares to the value of 200% of salary for a period of two years.
Performance conditions and provisions for recovery of sums paid	Not applicable.

Notes to table:

1. The Committee may amend or substitute any performance condition(s) if one or more events occur which cause it to determine that an amended or substituted performance condition would be more appropriate, provided that any such amended or substituted performance condition would not be materially less difficult to satisfy than the original condition (in its opinion). The Committee may also adjust the calculation of performance targets and vesting outcomes (for instance for material acquisitions, disposals or investments and events not foreseen at the time the targets were set) to ensure they remain a fair reflection of performance over the relevant period. In the event that the Committee was to make an adjustment of this sort, a full explanation would be provided in the next Directors' Remuneration Report.
2. Performance measures – annual bonus. The annual bonus measures are reviewed annually and chosen to focus executive rewards on delivery of key financial targets for the forthcoming year as well as key strategic or operational goals relevant to an individual. Specific targets for bonus measures are set at the start of each year by the Committee based on a range of relevant reference points, including, for Group financial targets, the Group's business plan and are designed to be appropriately stretching.
3. The Committee may: (a) in the event of a variation of the Company's share capital, demerger, special dividend or dividend in specie or any other corporate event which it reasonably determines justifies such an adjustment, adjust; and (b) amend the terms of awards granted under the share schemes referred to above in accordance with the rules of the relevant plans. Share awards may be settled by the issue of new shares or by the transfer of existing shares. In line with prevailing best practice at the time this Remuneration Policy was approved, any issuance of new shares is limited to 5% of share capital over a rolling ten-year period in relation to discretionary employee share schemes and 10% of share capital over a rolling ten-year period in relation to all-employee share schemes.
4. Performance measures – LTIP. The LTIP performance measures will be chosen to provide alignment with our longer-term strategy of growing the business in a sustainable manner that will be in the best interests of shareholders and other key stakeholders in the Company. Use of earnings and cash conversion measures would reward management for delivery of key financial measures of Company success that should result in sustainable value creation. Use of a total shareholder return measure would align management's interests with the interests of our shareholders. Use of sustainability measures will align management with the Company's long-term commitment to building a sustainable operating business. Targets are considered ahead of each grant of LTIP awards by the Committee, taking into account relevant external and internal reference points and are designed to be appropriately stretching.

Other notes:

- The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed: (i) before the policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder approved Remuneration Policy in force at the time they were agreed; or (ii) at a time when the relevant individual 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' includes 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.
- The Committee may make minor amendments to the Remuneration Policy for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation, without obtaining shareholder approval for that amendment.
- All historical awards that were granted under any current or previous share schemes operated by the Company and remain outstanding remain eligible to vest based on their original award terms.

Remuneration Policy continued

Non-Executive Director (NED) fees	
Purpose and link to strategy	To appropriately recognise responsibilities, skills and experience by ensuring fees are market competitive.
Operation	NED fees comprise payment of an annual basic fee and additional fees for further Board responsibilities such as: – Senior Independent Director – Chair of Audit Committee – Chair of Remuneration Committee – Employee Engagement NED The Chair of the Board receives an all-inclusive fee. No NED participates in the Group's incentive arrangements or pension plan or receives any other benefits other than where travel to the Company's registered office is recognised as a taxable benefit in which case a NED may receive the grossed-up costs of travel as a benefit. NEDs are entitled to reimbursement of reasonable expenses. Fees are reviewed annually. NEDs also have the benefit of a qualifying third-party indemnity from the Company as well as Directors' and Officers' liability insurance.
Maximum opportunity	Fees are set at an appropriate level that is market competitive and reflective of the responsibilities and time commitment associated with specific roles. No absolute maximum has been set for individual NED fees. Current fee levels are set out in the Annual Report on Remuneration section of this Remuneration Report. The Company's Articles of Association provide that the total aggregate fees paid to the Chair and NEDs will not exceed £2,000,000 per annum.

Remuneration Policy continued

Illustrations of application of the Policy

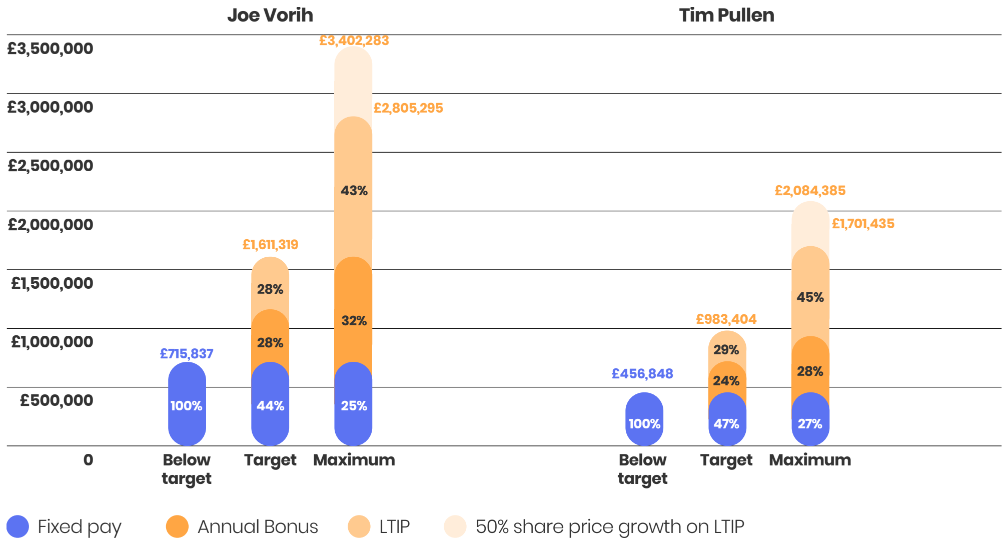
The 'Implementation of Remuneration Policy in 2024' section of the Annual Report on Remuneration details how the Committee intends to implement the Policy during 2024.

The charts to the right illustrate, in three assumed performance scenarios, the total value of the remuneration package potentially receivable by Joe Vorih and Tim Pullen in relation to 2024. This comprises salary and benefits plus an annual bonus of up to a maximum of 150% of salary for Joe Vorih, and 125% of salary for Tim Pullen, and an LTIP award of 150% of salary for Joe Vorih and Tim Pullen.

The charts are for illustrative purposes only and actual outcomes may differ from that shown. LTIP awards have been shown at face value and also allowing for a 50% increase in share price under the maximum performance scenario. All-employee share plans have been excluded. The totals shown in the charts relate to the potential value receivable by the current Executive Directors in relation to 2024.

Potential remuneration outcomes for the Executive Directors

Assumed performance	Assumptions used
All performance scenarios (Fixed pay) **Consists of total fixed pay, including base salary, benefits and pension**	– Base salary – salary effective for 2024 – Benefits – the value of benefits received in 2023 have been included (pro-rated for Tim Pullen to represent a full year) – Pension – 5% of salary
Minimum performance (Variable pay)	– No payout under the annual bonus – No vesting under the LTIP
Performance in line with expectations (Variable pay)	– 50% of the maximum payout under the annual bonus – 50% vesting under the LTIP
Maximum performance (Variable pay)	– 100% of the maximum payout under the annual bonus. – 100% vesting under the LTIP. The maximum scenario includes an additional element to represent 50% share price growth on the LTIP award from the date of grant to vesting. In addition, we have assumed that relative TSR performance is at or above the upper quartile, as a result the LTIP vesting would be increased by 33% (i.e. the vesting result will be multiplied by a factor of 1.33)



Approach to recruitment remuneration

Principles

In determining remuneration arrangements for new appointments to the Board (including internal promotions), the Committee will apply the following principles:

- The Committee will take into consideration all relevant factors, including the experience of the individual, market data and existing arrangements for other Executive Directors, with a view that any arrangements should be in the best interests of both the Company and our shareholders, without paying more than is necessary.
- Typically, the new appointment will have (or be transitioned onto) the same remuneration structure as the other Executive Directors, in line with the Policy.
- Upon appointment, the Committee may consider it appropriate to offer additional remuneration arrangements in order to secure the appointment. In particular, the Committee may consider it appropriate to 'buy out' terms or remuneration arrangements forfeited on leaving a previous employer (discussed below).
- The Committee may reimburse costs and provide support if the recruitment requires relocation of the individual.
- Where an Executive Director is an internal promotion, the normal policy of the Company is that any legacy arrangements would be honoured in line with the original terms and conditions. Similarly, if an Executive Director is appointed following the Company's acquisition of or merger with another company, legacy terms and conditions would be honoured.

Remuneration Policy continued

Components and approach

The remuneration package offered to new appointments may include any element within the Policy, or any other element which the Committee considers is appropriate given the particular circumstances, with due regard to the best interests of shareholders, subject to the limits on variable pay set out above in the Policy.

In considering which elements to include, and in determining the approach for all relevant elements, the Committee will take into account a number of different factors, including (but not limited to) market practice, existing arrangements for other Executive Directors and internal relativities. If appropriate, different measures and targets may be applied to a new appointee's annual bonus in their year of joining.

The Committee would seek to structure buyout and variable pay awards on recruitment to be in line with the Company's remuneration framework so far as practical, which may include granting awards at up to 250% of salary under the LTIP to facilitate the buyout of an award. However, if necessary, the Committee may also grant such awards outside of that framework as permitted under Listing Rule 9.4.2 subject to the limits on variable pay set out above. The exact terms of any such awards (e.g. the form of the award, time frame, performance conditions and leaver provisions) would vary depending upon the specific commercial circumstances, albeit the Committee would seek to mirror the value and timeline of any awards forfeited as far as practicable in constructing any buy-out award.

Maximum level of variable pay

The normal maximum level of variable remuneration which may be granted to new Executive Directors in respect of recruitment shall be limited to the normal maximum permitted under the Policy, namely 350% of their annual salary.

This limit excludes any payments or awards that may be made to buy out the Executive Director for terms, awards or other compensation forfeited from their previous employer (discussed below).

Buyouts

To facilitate recruitment, the Committee may make a one-off award to buy out compensation arrangements forfeited on leaving a previous employer. In doing so, the Committee will take account of all relevant factors, including any performance conditions attached to incentive awards, the likelihood of those conditions being met, the proportion of the vesting/performance period remaining and the form of the award (e.g. cash or shares). The overriding principle will be that any buyout award should be of comparable commercial value to the compensation which has been forfeited. However, such buyout awards would only be considered where there is a strong commercial rationale to do so.

Recruitment of Non-Executive Directors

In the event of the appointment of a new Non-Executive Director, remuneration arrangements will normally be in line with the Policy for Non-Executive Directors. However, the Committee (or the Board as appropriate) may include any element within the Policy, or any other element which the Committee considers is appropriate given the particular circumstances, with due regard to the best interests of shareholders. In particular, if the Chair or a Non-Executive Director takes on an executive function on a short-term basis, they would be able to receive any of the standard elements of Executive Director pay.

Service contracts and letters of appointment

Key terms of the current Executive Directors' service agreements and Non-Executive Directors' letters of appointment are summarised in the table below. It is envisaged that any future appointments would have equivalent contractual arrangements unless otherwise stated in this Report.

Provision	Policy
Notice period	Executive Directors – 12 months' notice by either the Company or the Executive Director.
	Non-Executive Directors – at the Company's discretion, Non-Executive Directors may have a notice period of up to three months.
Termination payment	Following the serving of notice by either party, the Company may terminate employment of an Executive Director with immediate effect by paying a sum equal to salary, benefits and pension with the payment subject to appropriate phasing and mitigation. Executive Directors are not contractually entitled to any bonus for the period of service in the year in which their employment ends.
	Non-Executive Directors are only entitled to receive any fee accruing in respect of the period up to termination.
Expiry date	Executive Directors have rolling 12-month notice periods so have no fixed expiry date.
	Non-Executive Directors' letters of appointment have no fixed expiry date.

Remuneration Policy continued

In accordance with the Code, each Director will retire annually and put themselves forward for election or re-election at each AGM of the Company.

All Executive Directors' service agreements and Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office at 4 Victoria Place, Holbeck, Leeds, LS11 5AE.

In the table below, we have set out details of the service contracts for the Executive Directors and letters of appointment for the Non-Executive Directors.

Executive Directors	Date of appointment	Date of current contract/letter of appointment	Notice from the Company and individual	Unexpired period of service contract
Joe Vorih	28 February 2022	28 February 2022	12 months	Rolling contract
Paul James*	5 March 2018	5 March 2018	12 months	Rolling contract
Matt Pullen**	1 November 2021	1 November 2021	12 months	Rolling contract
Tim Pullen***	1 November 2023	8 November 2023	12 months	Rolling contract
Non-Executive Directors				
Kevin Boyd	22 September 2020	1 November 2022	3 months	3 months
Mark Hammond^	16 April 2014	28 March 2014	None	To 16 April 2023
Lisa Scenna	24 September 2019	10 September 2019	1 month	1 month
Louise Brooke-Smith	24 September 2019	10 September 2019	1 month	1 month
Shatish Dasani^^	1 March 2023	24 February 2023	1 month	1 month
Bronagh Kennedy^^^	3 July 2023	6 June 2023	1 month	1 month

Notes
* Paul James stepped down from the Board and left the Company on 30 September 2023.
** Matt Pullen stepped down from the Board on 28 April 2023 and left the Company on 30 June 2023.
*** Tim Pullen joined the Board on 1 November 2023.
^ Mark Hammond joined the Board at IPO and had no notice period in his letter of appointment. His term therefore ran for a nine-year period, subject to annual re-election, as per the UK Corporate Governance Code. Mark retired from the Board on 31 October 2023.
^^ Shatish Dasani joined the Board on 1 March 2023.
^^^ Bronagh Kennedy joined the Board on 3 July 2023.

Policy on payment for loss of office

In relation to payments under non-contractual incentive schemes, the Committee would take the following factors into account:

Annual Bonus

– The Committee may determine that the Executive Director is eligible to receive a bonus in respect of the financial year in which they cease employment. This bonus would usually be time apportioned and may be settled wholly in cash. In determining the level of bonus to be paid, the Committee may, at its discretion, take into account performance up to the date of cessation or over the financial year as a whole based on appropriate performance measures as determined by the Committee. The treatment of outstanding share awards is governed by the relevant share plan rules as summarised below.

Deferred Share Bonus Plan

– On cessation of employment, unvested shares will vest immediately or at their normal vesting date at the discretion of the Committee.
– On a change of control, unvested shares will vest in full.
– If other corporate events occur, such as a demerger, delisting, special dividend, voluntary winding-up or other event which in the opinion of the Committee may affect the current or future value of shares, the Committee will determine whether unvested shares should vest.

LTIP

– On cessation of employment, unvested awards will lapse unless cessation is as a result of death, ill health, injury, disability, transfer of employing company or business to which an individual's employment relates out of the Group or any other scenario in which the Committee determines at its discretion that good leaver treatment is appropriate (other than circumstances justifying summary dismissal). In these scenarios, unvested awards will usually continue until the normal vesting date unless the Committee determines that the award should vest earlier and will vest to an extent that takes into account the performance conditions assessed at the date of vesting and, unless the Committee determines otherwise, to an extent that takes into account the period of time between grant of the award and cessation of employment.

– On a change of control, unvested LTIP awards will vest immediately to an extent that takes into account the performance conditions assessed at the change of control and, unless the Committee determines otherwise, to an extent that takes into account the period of time between grant of the award and the change of control. If other corporate events occur, such as a demerger, delisting, special dividend, voluntary winding-up or other event which in the opinion of the Committee may affect the current or future value of shares, the Committee will determine whether unvested LTIP awards should vest. If they do vest, they will vest immediately to an extent that takes into account the performance conditions assessed at the date of the event and, unless the Committee determines otherwise, to an extent that takes into account the period of time between grant of the award and the date of the event.

Remuneration Policy continued

Sharesave Plan
– Options become exercisable immediately on death, ceasing employment due to injury, disability, retirement, redundancy, sale of the employing company or business to which an individual's employment relates out of the Group or on a change of control/voluntary winding-up of the Company.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the 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 a compromise or settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include, but are not limited to, paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with his/her cessation of office or employment.

Consideration of employment conditions elsewhere in the Group

The Committee appreciates the importance of effective engagement with the wider workforce and so has a nominated Non-Executive Director responsible for employee engagement. Louise Brooke-Smith has held this role since June 2020 and has engaged regularly with employees during the course of the year through a structured employee engagement programme across the Group, which includes, where appropriate, engagement with employees on how executive remuneration aligns with the wider Company pay policy. This engagement involved various employees at different Company sites as well as virtually for employees based overseas, and covered a wide variety of topics. Louise reported regularly to the Committee and confirmed that there were no concerns raised regarding the alignment between executive remuneration and wider workforce pay. Further details on some of the activities Louise has undertaken during the year can be found in the Corporate Governance Report on page 86. Given that the remuneration structures were not raised as a material issue during the engagement with employees, no amendments to the remuneration policy were required.

The Committee reviews workforce remuneration and related policies on an annual basis, and is conscious of the importance of ensuring that its pay decisions for Executive Directors and the senior management team are regarded as fair and reasonable within the business.

As outlined in the Policy table, pay and conditions across the Group are one of the specific considerations taken into account when the Committee is considering changes in salaries for the Executive Directors and the senior management team.

Differences in policy from broader employee population

A greater proportion of Executive Directors' potential wealth is 'at risk', either through their existing shareholding or through LTIP awards than for our employees generally and a greater proportion is determined by performance than for our employees generally. However, common principles underlie the pay policy throughout the Group, including for the Executive Directors. In particular, we place great emphasis throughout the Group on reward being linked to performance (either Group performance or performance of an individual's business) and on encouraging share ownership (through participation in the LTIP or an all-employee share scheme).

Consideration of shareholders' views

The Company is mindful of general investor views on certain aspects of remuneration, and continues to take these views into account, where appropriate, when setting Executive Director remuneration. The Committee Chair is available to meet with any shareholders who wish to discuss any aspect of the Policy in more detail, and the Chair of the Company regularly offers the Company's largest shareholders the opportunity to meet with him to discuss remuneration-related and other matters.

As set out in the letter from the Remuneration Committee Chair, an extensive consultation process was undertaken in relation to the updated Policy to be presented for approval by shareholders at the 2024 AGM. The Chair of the Committee and the Company Secretary met with those shareholders who requested a meeting to discuss the proposed Policy in more detail and to answer specific queries. The feedback received from these meetings and the written responses was generally supportive and was discussed in detail by the Committee before finalising the Policy proposals, which included an amendment to the original proposals to reflect investor feedback.