Remuneration Committee report continued

Directors' Remuneration Policy

The Policy set out below will be subject to a binding vote at the AGM to be held on 20 November 2023. If approved, it will be effective for three years from the date of approval.

Policy principles

The Group's approach for all employees, including executives, is to set remuneration that is closely aligned with our underlying Group strategy, takes account of market practice, economic conditions, the performance of the Group and of teams or individuals, recognising any collective agreements that may apply as well as any legal or regulatory requirements in jurisdictions where it operates. Our Policy aims to attract, motivate and retain suitably effective employees.

The Committee follows the following broad principles when considering the design, implementation and assessment of remuneration in line with the recommendations set out in Provision 40 of the 2018 UK Corporate Governance Code:

Clarity	The Committee is committed to being transparent in respect to the elements of remuneration, quantum, the rationale for targets set and performance outcomes. The Committee engages with shareholders and is keen to understand their views and priorities when considering key remuneration issues and any major changes.
Simplicity	The Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. The Committee is confident that the remuneration structure and its operation is understood by participants and supports the overall strategic objectives.
Risk	Targets are reviewed to ensure they reflect the overall risk appetite set by the Board and do not encourage inappropriate behaviours or excessive risk-taking. Mitigation is provided through the clawback provisions (which are in line with current best practice expectations) and through the discretion the Committee has to override the vesting result in exceptional circumstances. In addition, holding periods are in place for awards under the RSU plan and the LTIP and at least 30% of any annual bonus is deferred for three years under the Deferred Bonus Plan.
Predictability	The Committee assesses the potential outcome of future reward by reference to potential pay-outs that can be received at a range of outcomes (minimum, mid-point and maximum). Individual caps apply to participation in our incentive plans.
Proportionality	The Committee seeks to ensure that targets for annual bonus and long-term incentives are aligned with the Group's strategy and the long-term sustainable development of the business. The focus of our remuneration strategy is on rewarding performance – the majority of executive remuneration is performance-based and only payable if demanding performance targets are met. The majority of variable pay is delivered in the form of shares. When setting targets for variable elements of pay, the Committee carefully considers the targets to minimise the risk of excessive reward by reference to the maximum potential award that could be achieved. When assessing performance against annual bonus and LTIP, the Committee also considers: • the overall performance of the business; • the quality of earnings when assessing the achievement of financial targets; and • the market in which the Company operates. Both annual bonus and LTIP payments are at the ultimate discretion of the Committee. The Committee retains discretion to override formulaic outcomes produced by the assessment of performance against predetermined performance conditions and scale back awards where, in the Committee's view, the pay-out levels do not reflect the performance of the wider business over the period, individual performance or where events happen that cause the Committee to determine that the conditions are unable to fulfil their original intended role. Any exercise of discretion will be fully disclosed to shareholders. Notwithstanding that the Restricted Share Units (RSUs), which are an element of our fixed pay, are not subject to performance conditions, the Committee is mindful of the potential for windfall gains when awards vest and downward discretion may also be applied to the actual number of shares to be granted and the vesting of RSU awards where exceptional circumstances exist.
Alignment to culture	The Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. The Committee is confident that the remuneration structure and its operation is understood by participants and supports the overall strategic objectives.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Policy table

The following table summarises each element of our Policy for the Executive Directors, explaining how each element operates.

Element: Executive Director base salary	
Purpose and link to strategy	• To ensure the Group is able to recruit and retain high-calibre executives.
Operation	• Salaries are set by the Committee taking into account individual experience, performance, skills and responsibilities, prevailing market conditions (by reference to companies of a similar size and complexity and other companies in the same industry) and internal relativities. • Salaries are paid monthly in arrears by bank transfer and are normally reviewed annually with any changes effective from January.
Maximum	• Details of current salaries of the Executive Directors are detailed on page 131. • Salaries are normally reviewed annually and may be increased each year. There is no maximum, but increases will generally be in line with those awarded to the Group's workforce, as well as reflective of the overall financial performance of the Group. • Increases beyond this may be awarded in limited circumstances, such as where there is a change in responsibility, experience or a significant change in the scale of the role and/or size, value and/or complexity of the Group.
Performance measures	• Not applicable.
Changes from previous policy	• No change.

Element: RSUs	
Purpose and link to strategy	• To ensure the Group is able to recruit and retain high-calibre executives. • To provide enhanced alignment to shareholders.
Operation	• Annual awards, as part of fixed pay. • Awards will normally vest three years from the date of grant subject to continued employment. • Awards will be subject to a two-year post-vesting holding period, less any shares required to be sold to cover withholding tax. • Not pensionable, or 'salary', for the purposes of bonus, LTI or payments for loss of office. • A 'dividend equivalent' provision is also available on the Deferred Annual Bonus Plan (DBP) shares at the discretion of the Committee, enabling dividend equivalent payments to be paid, in cash or shares, on any shares that vest. • Subject to malus and clawback(1).
Maximum	• Awards of up to 30% of salary may be granted annually.
Performance measures	• Not applicable.
Changes from previous policy	• Increase in maximum from 15% to 30% of salary.

(1) Malus and clawback apply in the event of an error in calculation, a material misstatement of the financial results, serious misconduct by a participant, corporate failure or reputational damage.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Policy table continued

Element: benefits	
Purpose and link to strategy	• To provide market-competitive benefits, in line with those provided to other Group employees.
Operation	• Benefits may include private medical insurance, sick pay, a fully expensed car (or equivalent cash allowance), disability and life assurance cover. • Some benefits may be provided in the case of relocation, such as removal expenses, and in the case of international relocation might also include such items as cost of accommodation, children's schooling, home leave, tax equalisation and professional advice etc. • The Company has the ability to reimburse the tax payable (grossed up) on any business expenses captured as taxable benefits.
Maximum	• The benefit provision is reviewed periodically. No maximum level is set on the value or cost of benefits provided.
Performance measures	• Not applicable.
Changes from previous policy	• No change.

Element: pension	
Purpose and link to strategy	• Retirement benefits are regarded as an important element of the Group's basic benefits package to attract and retain talent.
Operation	• Membership of the Company's defined contribution, or similar, pension scheme, or in agreed circumstances, a cash allowance in lieu of pension.
Maximum	• Up to 8% of base salary, or such other amount in line with that available to the majority of the UK general workforce, from time to time.
Performance measures	• Not applicable.
Changes from previous policy	• No change.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Policy table continued

Element: annual bonus	
Purpose and link to strategy	• The purpose of the annual bonus is to incentivise delivery of the Group's financial and non-financial objectives and to ensure that Executive Directors and senior executives are fairly rewarded for their contribution to the success of the Group. • To provide alignment of Directors' interests to the interests of shareholders through enhanced shareholdings.
Operation	• Performance conditions are set independently by the Committee at the start of each year. • Performance criteria include the financial targets of the Group as agreed by the Board and specific targets based on clear and measurable objectives that underpin, and are key to achievement of, the Group's strategy. • Personal objectives are reviewed by the Committee to ensure they contribute to the strategic aims of the Group. • To further align the interests of Directors with shareholders, 30% of the bonus is paid via the DBP. • Executive Directors can voluntarily invest any remaining bonus, up to a maximum of 70% of salary, into the DBP. Invested sums will be matched with additional shares on a 1:2 ratio. • Awards granted under the DBP vest after three years and are normally subject to the Director remaining employed by the Group at the end of that period. • A 'dividend equivalent' provision is also available on the DBP shares at the discretion of the Committee, enabling dividend equivalent payments to be paid, in cash or shares, on any shares that vest. • All bonus payments are at the ultimate discretion of the Committee and the Committee retains an overriding ability to ensure that overall bonus payments reflect its view of corporate performance during the year when determining the final bonus amount to be awarded. • Both the cash and deferred share elements of the annual bonus are subject to malus and clawback[1].
Maximum	• 100% of base salary.
Performance measures	• At least 80% of the bonus will be assessed against a sliding scale of challenging and stretching financial performance targets, with no more than 20% of the bonus being based on the achievement of specific and measurable personal targets. Irrespective of achievement against the personal targets, no bonus is payable unless a minimum level of financial performance is achieved. Targets are set taking into account our financial and strategic plans for the business. • The Committee retains the ability, in exceptional circumstances, to adjust the targets and/or set different measures and alter weightings for the annual bonus if certain events occur, such as a material divestment of a Group business, which cause it to determine they are no longer appropriate and a change is required to ensure that they achieve their original purpose and are not materially less difficult to satisfy.
Changes from previous policy	• No change.

(1) Malus and clawback apply in the event of an error in calculation, a material misstatement of the financial results, serious misconduct by a participant, corporate failure or reputational damage.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Policy table continued

Element: LTIP	
Purpose and link to strategy	• The objectives of the LTIP are to align the long-term interests of shareholders and management and reward achievement of long-term, stretching targets. • Awards are made to Executive Directors and to senior executives who have a significant influence over the Group's ability to meet its strategic objectives. Whilst it is not a requirement of the LTIP, senior executives are encouraged to use the scheme to increase their share ownership in the Company.
Operation	• Annual awards are granted, subject to individual performance and Committee discretion. The awards vest after three years subject to continued employment and the satisfaction of challenging performance conditions. A two-year post-vesting holding period applies to all shares (less any shares required to be sold to cover withholding tax) that vest. • LTIP awards are subject to malus and clawback(1). • A 'dividend equivalent' provision is also available on the LTIP shares at the discretion of the Committee, enabling dividend equivalent payments to be paid, in cash or shares, on any shares that vest. • The Committee will operate the LTIP according to its respective rules and in accordance with the Listing Rules and HMRC rules, where relevant.
Maximum	• 100% of salary for the Chief Executive Officer and 90% of salary for the Chief Financial Officer and any other Executive Director in any financial year. The Committee reviews the quantum of awards annually to ensure they are in line with market levels and appropriate given the performance of the individual and the Company. • Actual award levels to Executive Directors are set out in the Annual Report on Remuneration.
Performance measures	• Vesting of awards would normally be based on key financial measures of performance (such as, but not limited to, earnings per share (EPS), ROCE), selected by the Committee and measured over a period of no less than three financial years. EPS is a measure of the Company's overall financial success and ROCE is a key performance indicator for the Group. In the first year of operation of the policy, it is intended that half of the award will be subject to an EPS performance condition and the remaining half subject to a ROCE performance condition. • Different performance measures and/or weightings may be used for future awards to help drive the strategy of the business. • Targets are set by the Committee for each award on a sliding scale basis. No more than 25% of awards will vest for threshold performance, with full vesting taking place for equalling or exceeding maximum performance conditions. Targets are set taking into account the prevailing strategy and long-term plans. • The Committee retains the ability, in exceptional circumstances, to adjust the targets and/or set different measures and alter weightings for the LTIP if events occur, such as a material divestment of a Group business, which cause it to determine they are no longer appropriate and a change is required to ensure that they achieve their original purpose and are not materially less difficult to satisfy.
Changes from previous policy	• Reduction in maximum from 125% to 100% of salary for the CEO and from 110% to 90% of salary for the CFO.

(1) Malus and clawback apply in the event of an error in calculation, a material misstatement of the financial results, serious misconduct by a participant, corporate failure or reputational damage.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Policy table continued

Element: Non-Executive Director fees	
Purpose and link to strategy	• To ensure the Group is able to attract and retain experienced and skilled Non-Executive Directors able to advise and assist with establishing and monitoring the strategic objectives of the Company.
Operation	• The remuneration of the Chairman and the Non-Executive Directors is payable in cash fees. • They are not eligible to participate in bonus or share incentive schemes. • Their services do not qualify for pension or other benefits. • Expenses incurred for advice in respect of UK tax returns for non-UK NEDs may be reimbursed. • Fees are paid monthly and reasonable expenses are reimbursed where appropriate. Tax may be reimbursed if these expenses are determined to be a taxable benefit. • Fee levels are determined by the full Board with reference to those paid by other companies of similar size and complexity, and to reflect the amount of time they are expected to devote to the Group's activities during the year (and may include additional ad-hoc payments to reflect increased time commitments over a short period). • A supplementary fee is also paid to Committee Chairs and to the Senior Independent Director to reflect their additional responsibilities. • An additional allowance of up to £50,000 p.a. may be payable to the Chairman to compensate for the additional time commitment involved in travelling both to attend Board meetings and to generally carry out the duties as Chairman. • An additional allowance of up to £15,000 p.a. may be paid to NEDs based overseas for any additional time commitment involved in travelling both to attend Board meetings and to generally carry out the duties as a NED.
Maximum	• Details of the current fees for the Chairman and Non-Executive Directors are set out on page 137. The aggregate annual sum for Non-Executive Director fees cannot exceed £600,000 p.a. The Company does not intend to seek shareholder approval for any increase to this maximum in the short to medium term.
Performance measures	• No element of the Chairman's nor Non-Executive Directors' fees is performance related.

(1) Malus and clawback apply in the event of an error in calculation, a material misstatement of the financial results, serious misconduct by a participant, corporate failure or reputational damage.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Policy table continued

Element: share ownership guidelines/requirements	
Purpose and link to strategy	• Executive Directors and other senior executives are required to build and maintain a shareholding in the Company as this represents the best way to align their interests with those of shareholders. Levels are set in relation to earnings and according to the post held in the Company. • Non-Executive Directors are encouraged to build and maintain a shareholding.
Operation	• The expectation is that executives will build up to these levels over a period of time, through retaining shares received under the Company's incentive arrangements, net of sales to settle tax and/or shares purchased in their own right. • Vested but unexercised LTIP awards, unvested RSU awards and deferred shares will count towards this requirement, on a net of tax basis. • The Executive Directors are also required to maintain their shareholding requirement or the actual shareholding on departure, if lower, for a minimum of 24 months after cessation of employment. The post-cessation shareholding obligation will apply to shares acquired (net of tax) under awards granted under this and future policies. Shares purchased from the executives' own funds would not be included.
Maximum	• There is no maximum; however, Executive Directors are required to build and maintain a shareholding equivalent to 200% of salary, 300% for the CEO and 50% of salary for other senior executives. • Newly appointed Executive Directors would normally be required to achieve the required shareholding within a five-year period of appointment to the Board. • The guideline for NEDs is to hold shares equivalent to 100% of their annual fee.
Performance measures	• Not applicable.
Changes from previous policy	• Increase in the length of the post-cessation shareholding obligation from twelve months to 24 months.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Policy table continued

Committee discretion in the operation of variable pay schemes

The Committee operates the Group's incentive plans according to their respective rules and in accordance with HMRC requirements and the Listing Rules, where relevant. The Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of the plans. The extent of such discretion is set out in the relevant plan rules and the Remuneration Policy table above. The Committee will apply certain operational discretions to ensure the efficient administration of the plans which include, but are not limited to:

- selecting the participants;
- timing;
- quantum of awards, including determining the actual number of shares granted, taking into account share price and wider factors;
- setting the performance criteria and respective weightings of performance measures;
- determining the extent of vesting based on the assessment of performance;
- determining 'good leaver' status;
- the form of payment; and
- making appropriate adjustments required in certain circumstances, including overriding formulaic outcomes and scaling back awards in respect of variable pay outturns.

The Committee may vary the performance conditions applying to share-based awards if an event occurs which causes the Committee to consider it would be appropriate to amend the performance conditions, if the Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions.

Any use of such discretion would, where relevant, be explained in the Annual Report on Remuneration. Any proposed application of this discretion to make an upward adjustment would be the subject of consultation with shareholders.

Statement of consideration of shareholder views

The Committee considers the feedback from shareholders at the AGM each year and guidance from shareholder representative bodies more generally. In addition, the Committee consulted proactively with major shareholders in the development of the proposed Policy for approval and received support from the majority with whom it consulted.

Statement of consideration of employment conditions elsewhere in the Group

Workforce remuneration data is provided to the Committee on a regular basis by the Chief HR Officer. Recognising there are good reasons for the level and structure of executive pay to differ from that of the wider employee population, the Committee will continue to consider pay across McBride, reflecting on the appropriate alignment with the principles which guide executive remuneration across the wider employee population.

Differences in the Policy for executives relative to the broader employee population

The Policy for the Executive Directors is informed by the structure operated for the broader employee population. Pay levels and components vary by organisational level but the broad themes and philosophy remain consistent across the Group:

- salaries are reviewed annually with regard to the same factors as those set out in the Policy table for Executive Directors;
- members of the Executive Committee participate in an annual bonus plan aligned with that offered to the Executive Directors. Other members of senior management participate in the same plan, dependent on performance of the Group or performance of business division, according to their role and level;
- members of the senior management team can be considered for awards under the LTIP. This is intended to encourage share ownership in the Company and align the management team with the strategic business plan; and
- eligibility for and provision of benefits and allowances varies by level and local market practice.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Policy table continued

Element: recruitment remuneration	
Purpose and link to strategy	• To ensure the Group is able to recruit and retain high-calibre Executive and Non-Executive Directors.
Operation	• New Director remuneration arrangements will be based upon and within the limits of the various elements as set out on pages 143 and 144. In addition: • Executive Director buy-out payments may be made in exceptional circumstances, typically when these are considered to be in the best interests of the Company to facilitate the buy-out of value forfeited on joining the Company for an external appointment. These payments would typically be in the form of an enhanced LTIP award under the rules and maximums permitted under the Company's LTIP rules at that time or under the Restricted Share Plan. Listing Rule 9.4.2 may be used for this purpose if required. Such payment would take account of remuneration being relinquished, including the nature and time horizons attached to such remuneration and the impact of any performance conditions. In exceptional circumstances, payments could be made in the form of a cash payment which would normally be subject to clawback in certain situations, in line with other elements under the Company's Remuneration Policy. • Relocation packages, generally consisting of out-of-pocket expenses, together with any additional costs solely attributable to the relocation may be offered in situations deemed essential in order to carry out the relevant role successfully. Any package will be designed to ensure the new recruit becomes effective in their role as soon as possible, with minimal distractions from any relocation. • In respect of internal promotions, any remuneration commitments made before such promotion (whether or not they would fall within the principles of the Company's current Remuneration Policy) may form part of that Director's remuneration package, with the expectation that any such commitments would be phased out over time.
Maximum	• It is intended that the value of any element of normal remuneration will generally be on the same basis as the existing Directors (pro-rated where appropriate dependent on time of joining the Company) and elements such as buy-out payments being no higher than the expected value of the forfeited arrangements.

Element: Executive Director compensation on loss of office	
Purpose and link to strategy	• On termination of an Executive Director's service contract, the Committee will seek to provide the minimum compensation applicable to the individual's employment contract. • The Committee will take into account the departing Director's duty to mitigate their loss when determining the amount of compensation.
Operation	• In the event of an early termination, any compensation commitments will be within the principles of the Company's approved Remuneration Policy (or if an amendment to the Policy authorising the Company to make the payment has been approved by shareholders). • Directors' service contracts confirm that the Company may terminate the contract with immediate effect by making a payment equal to base salary for any unexpired period of notice. The Company also has the option to pay notice month by month that would reduce or cease if the departing Director obtained other employment. • There are no agreements between the Company and its Directors or employees providing for additional compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that may occur in the event of a takeover bid. It is also the Company's policy not to include liquidated damages clauses in service contracts, unless there is a clear explainable benefit for the Company in doing so. None of the Executive Director service contracts contain any such liquidated damages provision. • Statutory redundancy payments will be made as appropriate. • Costs attributable to outplacement and/or legal fees associated with the termination of an Executive Director's service contract may be paid by the Company, where appropriate. • Payments may be made by the Company where appropriate to settle claims brought against the Company, such as unfair dismissal.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Policy table continued

Element: Executive Director compensation on loss of office continued			
Maximum	In circumstances in which a leaving Director may be entitled to pursue a legal claim, the Company may negotiate settlement terms if it considers this to be in the best interests of the Company and, with the approval of the Committee on the remuneration elements therein, enter into a settlement agreement.		
	Normal exit (termination for reasons of resignation or dismissal where the Committee does not exercise discretion to treat the leaving Director as a good leaver).	**Good leaver** (termination for reasons of death, ill health, retirement, redundancy, or at the discretion of the Committee).	**Change of control** (excludes a reorganisation or reconstruction where ownership does not materially change).
Base salary, RSUs, pension and benefits	Base salary, pension and benefits will be paid/provided to the date employment ends or payment in lieu of notice made. Any untaken holiday is pro-rated to the leaving date. Unvested RSUs will lapse. Any vested RSUs will normally remain subject to the two-year post-vesting holding period.	Base salary, pension and benefits will be paid/provided to the date employment ends or payment in lieu of notice made. Any untaken holiday is pro-rated to the leaving date. Unvested RSUs (at Committee discretion) will vest at the normal vesting date unless the Committee determines they shall vest on an earlier date. Any vested RSUs will normally remain subject to the two-year post-vesting holding period.	If within twelve months of a change of control the individual is given notice or there is a material change to their duties precipitating departure, there would be an additional payment due of 18 months' salary for the CEO and twelve months' salary for the CFO and other Executive Directors. Any unvested RSUs will vest on the date of the relevant event, subject to pro-ration by reference to a twelve-month period from the grant date (as defined) and the two-year post-vesting holding period will end.
Annual bonus and DBP	No entitlement for year of exit. Payments in earlier years may be subject to clawback in certain circumstances. DBP awards lapse.	Annual bonus is pro-rated (based upon timing) and subject to performance for year of exit. Any DBP awards, which include compulsory and voluntary deferral and matching shares, (at Committee discretion) vest in full at either the normal vesting date or on cessation of employment.	Extent to which performance requirements are satisfied in year determines level of annual bonus. If within twelve months of a change of control the individual is given notice or there is a material change to their duties precipitating departure, there would be an additional payment due of 150% of target bonus for the CEO and 100% for the CFO and any other Executive Directors. Any unvested DBP awards will vest in full on the date of the relevant event.
LTIP	Unvested awards lapse. Vested awards may be subject to clawback in certain circumstances. Any vested awards will normally remain subject to the two-year post-vesting holding period.	Unvested awards may be pro-rated based upon the rules of the LTIP plan (at Committee discretion) and vest on either the normal vesting date or cessation of employment. Vested awards may be subject to clawback in certain circumstances. Any vested awards will normally remain subject to the two-year post-vesting holding period.	Unvested awards may be pro-rated based upon the rules of the LTIP plan (at Committee discretion) and vest on the date of the relevant event. Vested awards may be subject to clawback in certain circumstances and the two-year post-vesting holding period will end.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Executive Directors' service contracts

Service contracts stipulate that the Executive Directors will provide services to the Company on a full-time basis. Copies of the Executive Directors' service contracts are available for inspection at the Company's registered office.

Executive Director(1)	Date of service contract	Notice period
Chris Smith	11 June 2020	6 months
Mark Strickland	4 January 2021	6 months

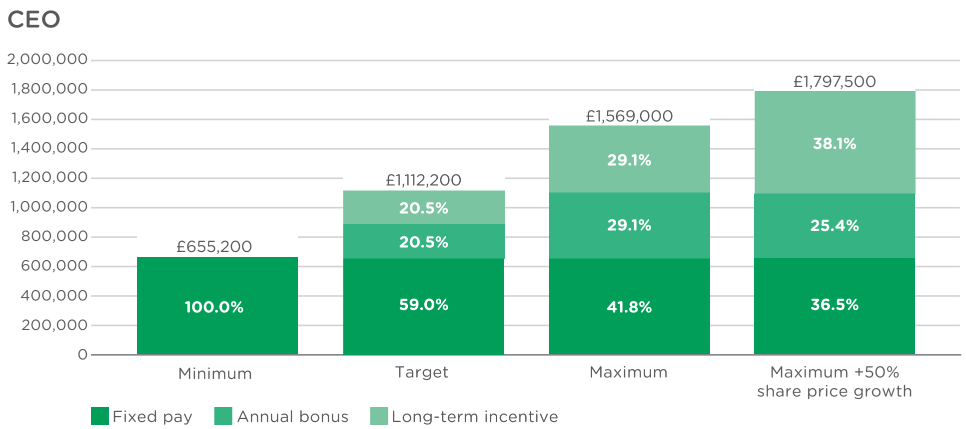
(1) Both Directors are re-elected on an annual basis by either the Company or the Executive Director. In exceptional circumstances, notice periods of up to a maximum of twelve months may be offered to newly recruited Directors. The service contract is of an unlimited duration.

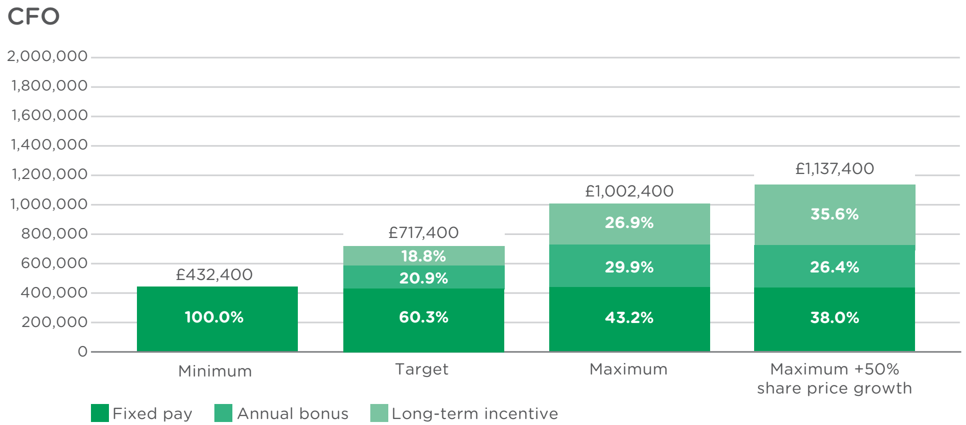
The contracts contain restrictive covenants for periods of up to six months post-employment relating to non-competition and non-solicitation of the Group's customers, suppliers and employees and indefinitely with respect to confidential information. In addition, they provide for the Group to own any intellectual property rights created by the Directors in the course of their employment.

The employment contracts for Executive Directors are structured on a similar basis to the US 'double trigger' in the event of a change of control. If the change of control is followed within twelve months by the Executive Director being given notice or there is a material change in their duties precipitating their departure, the Chief Executive Officer would receive an additional payment equivalent to 18 months' salary and 150% of target bonus for the relevant period. For the Chief Financial Officer and any other Executive Director, this payment will be by reference to twelve months' salary and 100% of target bonus.

Remuneration performance scenarios 2024

The Executive Directors' remuneration packages comprise both core fixed elements (base salary, RSUs, pension and benefits) and performance-based variable pay. The charts opposite illustrate the composition of the Chief Executive Officer's and Chief Financial Officer's remuneration packages (£'000) at minimum, target, maximum and maximum +50% share price growth for 2024 in line with policy.





(1) Fixed pay comprises salary for the financial year beginning 1 July 2023, RSUs, benefits and cash allowance in lieu of pension.

(2) Bonus includes both the cash element and the deferred share element but it is assumed that no voluntary deferral takes place and therefore no matching award is made.

(3) Assumptions when compiling the charts are:

- minimum = fixed pay only (i.e. salary, RSUs face value at grant (i.e. 30% of annual salary), benefits and pension);
- target = fixed pay plus 50% of annual bonus payable and 50% vesting of LTIP;
- maximum = fixed pay plus 100% of annual bonus payable and 100% of LTIP vesting; and
- maximum +50% share price growth = fixed pay plus 100% of annual bonus payable and 100% of LTIP vesting at a 50% higher share price than when the LTIP was awarded.

Remuneration Committee report continued

Directors' Remuneration Policy continued

External appointments

Executive Directors are permitted, where appropriate and with Board approval, to assume non-executive directorships of other organisations. Where the Company releases the Executive Directors to carry out non-executive duties, they will be required to disclose the fact that they retain any earnings and the amount of such remuneration. During the year ended 30 June 2023, neither Executive Director held any external non-executive directorships.

Non-Executive Directors' letters of appointment

Set out below is information regarding the dates of the letters of appointment and notice periods for the Chairman and the Non-Executive Directors.

Copies of the letters of appointment are available for inspection at the Company's registered office.

Director[1]	Latest letter of appointment	Date first appointed to the Board	Notice period[2]
Jeff Nodland	21/06/2019	26/06/2019	3 months
Steve Hannam[3]	03/09/2019	04/02/2013	3 months
Elizabeth McMeikan	14/11/2019	14/11/2019	3 months
Igor Kuzniar[4]	31/05/2019	03/06/2019	3 months
Alastair Murray	01/07/2021	02/08/2021	3 months
Regi Aalstad	17/02/2022	14/03/2022	3 months

(1) All Directors stand for re-election on an annual basis at the AGM.

(2) Terminable at the discretion of either party. Appointments may be terminated without compensation in the event of them not being re-elected by shareholders or otherwise in accordance with the Articles. Appointments are of an unlimited duration subject to note 1 above.

(3) Steve Hannam stepped down as a Non-Executive Director on 16 November 2022.

(4) Igor Kuzniar stepped down as a Non-Executive Director on 31 May 2023. The Board agreed to dispense with the requirement to provide three months' notice.

Any appointment for more than nine years in total will be subject to annual review by the Board, as well as shareholder approval. Consideration will be given to the importance of refreshing the membership of the Board and avoiding any undue reliance on any particular individual, whilst assessing the contribution made by that individual, together with the ongoing commitment required to the role and the benefit gained from any continuity of handover with newer members of the Board. Further information on the Board's assessment of independence and succession planning can be found in the Nomination Committee report on pages 102 and 104 to 105.