Remuneration

118 Letter from the Chair of the Remuneration Committee
122 Remuneration at a glance
123 Remuneration Policy
134 Annual Report on Remuneration

Remuneration Committee Report

Chair

Lisa Scenna
Chair of the Remuneration Committee

Members

Kevin Boyd
Non-Executive Chair

Shatish Dasani
Non-Executive Director

Louise Brooke-Smith
Non-Executive Director

Bronagh Kennedy
Non-Executive Director

"The Committee believes that this combination of short-term and longer-term metrics and targets will provide a fair and rounded assessment of Company performance."

Dear Shareholder

I am pleased to present the Directors' Remuneration Report (the Report) for the year ended 31 December 2023.

The Report is split into two sections in line with legislative reporting regulations:

- The proposed Remuneration Policy (the Policy) which contains details of the various components of the Policy, which will be subject to a binding shareholder vote at our 2024 Annual General Meeting (AGM) and will have effect from the date on which it is approved. Details of the key changes to the Policy are set out on page 124.
- The Annual Report on Remuneration which contains details of remuneration received by Directors in 2023 and also contains full details of how we intend to implement the Policy during 2024. The Annual Report on Remuneration will be subject to an advisory vote at the 2024 AGM. Further details are set out on pages 134 to 147.

This Directors' Remuneration Report is compliant with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013 (and subsequent amendments), the UK Listing Authority Listing Rules and the Companies Act 2006 and has been prepared on a 'comply or explain' basis with regard to the remuneration provisions included in the UK Corporate Governance Code (the Code).

Aligning remuneration with Company strategy

The Policy is designed to encourage achievement of our strategic goals and priorities, details of which are set out on pages 16 to 48, by rewarding Directors and senior management in line with underlying Company performance, whilst encouraging leadership behaviour which carries an appropriate level of risk. This is achieved by an annual bonus arrangement, which is linked to achieving financial and non-financial targets, as well as a long-term incentive plan, which rewards for shareholder value creation and delivery of long-term earnings growth.

Remuneration policy review

The 2024 AGM marks the third anniversary of the current remuneration policy and the Committee is therefore required to seek shareholder approval for an updated Policy at the 2024 AGM. As a result, the Committee undertook a detailed review of the current remuneration policy during the year.

In summary, the review concluded that the current remuneration policy is generally working effectively and is well aligned with institutional investors' best practice expectations. As a result, we do not propose substantial changes to the current arrangements. However, we are proposing a small number of changes to better align Executive Director remuneration with our medium-term financial targets (presented to the market in November 2023 and detailed on page 4 of the Strategic Report) and our overall focus on shareholder value creation.

Remuneration Committee Report continued

The changes we are proposing include:

1. Introduction of cash conversion as a performance measure in long-term incentive awards granted from 2024 to align with our published medium-term targets. Performance will be measured over three years and operate alongside EPS and sustainability targets.
2. Adoption of a relative TSR performance modifier that will result in higher or lower vesting than the outcome based solely on EPS, cash conversion and sustainability performance. This change increases the importance of TSR within the overall long-term incentive plan when compared to including TSR for only a proportion of the total award.
3. The introduction of a general financial underpin to future LTIP awards. This will require the Committee to consider our ROCE performance, along with our overall financial performance, in light of the Board's internal plans and the wider stakeholder experience across the three-year performance period. Should the performance not be considered consistent with the Board's expectations, the Committee will have the ability to reduce the formula-based vesting (including to zero) if it considered appropriate to do so.
4. Introduction of a new exceptional circumstances limit to be included within the long-term incentive plan. As our long-term incentive plan rules require renewal at the 2024 AGM, we are proposing to include a maximum award limit of 250% of salary to provide greater flexibility in recruitment buyout situations. To align with this intent, we have introduced an exceptional circumstances award limit of 250% of salary into the Policy, with the normal annual grant limit remaining at 200% of salary.

The proposed changes are refinements which will better reflect our current medium to long-term objectives, resulting in an executive remuneration structure that is better aligned with the pathway to shareholder value creation and provides the necessary flexibility to compete for the executive talent required to deliver our strategy. In line with best practice, the Committee, in operating the Policy, will retain the ability to adjust remuneration outcomes so that payments appropriately recognise the employee and wider stakeholder experience during the relevant performance periods.

These proposals were subject to an extensive consultation process with the Company's top shareholders and the leading shareholder advisory bodies. The Committee also took into account the feedback from executives that will participate in the LTIP, with the feedback being positive in that executives understand the structure and will be motivated by it, given the alignment to the Company's medium-term targets and shareholder value creation. Overall, the Committee received positive feedback from investors consulted, and where further clarification was sought, this related primarily to the rationale for the introduction of the TSR multiplier, the choice of performance metrics in light of our stated medium-term targets, and the circumstances in which the exceptional circumstances limit under the long-term incentive plan would be used. The introduction of the general financial underpin, that includes having regard to ROCE, was as an amendment made to our original proposals based on investor feedback. As set out above and in further detail on pages 123 to 133 of this Report, we consider the Policy to be effective and aligned with our strategy.

Outside of the Policy review, the most substantial issues considered by the Committee during the year are set out below.

Board changes

Matt Pullen, Chief Operating Officer, stepped down from the Board on 28 April 2023 and remained an employee of the Company until 30 June 2023. Mr Pullen had mutually agreed with the Board that he would step down as a result of the business restructuring that had been undertaken to simplify the business which effectively made the role of Chief Operating Officer redundant. As a result, the Committee determined that Mr Pullen would, for the purposes of the awards granted to him under the Company's LTIP, be deemed a good leaver and that these awards would therefore, subject to achievement of the relevant performance conditions, vest on their normal vesting dates. Mr Pullen remains subject to the Company's post-cessation of employment share ownership guidelines, and is therefore required to retain the shareholding held at 30 June 2023 for a period of two years. Further details of Mr Pullen's remuneration are set out later in this Report.

Paul James stepped down from the Board on 30 September 2023, and in accordance with the current Policy, Mr James was not eligible to receive a performance-related annual bonus in respect of 2023 and all outstanding LTIP awards lapsed on his termination date. The Deferred Share Bonus Plan (DSBP) awards granted to Mr James in 2022 and 2023 vest on the normal vesting dates and will be exercisable for a period of six months from the relevant vesting date.

2023 Key Achievements

- Review of Group-wide remuneration arrangements and policies
- Engagement with the wider workforce on executive remuneration and consideration of employee views during the remuneration policy review process
- Detailed review of remuneration policy and drafting of proposed changes
- First stage consultation on proposed changes to remuneration policy with shareholders and shareholder advisory bodies
- Review of short-term and Long-Term Incentive Plan targets to ensure ongoing suitability

Areas of focus for 2024

- Second stage consultation on proposed changes to remuneration policy with shareholders and shareholder advisory bodies
- Finalisation of targets for 2024 short-term and Long-Term Incentive Plans
- Review of performance against targets set for the 2023 annual bonus and 2021 Long-Term Incentive Plan awards and confirmation of achievement
- Review and update of Long-Term Incentive Plan, Deferred Share Bonus Plan and Save as You Earn Plan in light of impending expiry of current plans

Remuneration Committee Report continued

On 1 November 2023, Tim Pullen was appointed permanent Chief Financial Officer (CFO) and Executive Director. His base salary on appointment was £370,000, set at the same rate as his salary in the role he left earlier in FY 2023 and considered by the Committee to be the market rate for the role. In line with the current Policy, he receives a pension contribution of 5% of salary. Mr Pullen was entitled, subject to achievement of the relevant performance targets, to receive a performance-related bonus of up to 125% of his pro-rated salary for FY 2023. He did not receive an LTIP award in 2023 and there was no buyout award on appointment. Further details of Mr Pullen's remuneration are set out later in this Report.

Shatish Dasani was appointed as Non-Executive Director on 1 March 2023 and Audit Committee Chair on 7 March 2023 and Bronagh Kennedy was appointed as Non-Executive Director on 3 July 2023. Mark Hammond retired from the Board on 31 October 2023, after completing his nine-year tenure on the Board and remaining on the Board for an additional six months to assist with an orderly handover. Details of their fees are set out on page 137 of this Report.

Executive remuneration in 2023

Our performance was resilient in the face of ongoing softness in the UK construction market, with successful product launches, balanced price and cost management, ongoing business simplification and growth in our international revenues helping to offset this volume decline. Further details are set out in the Chief Executive Officer (CEO) and CFO Reviews on pages 8 to 11 and 59 to 64 respectively. In 2023, we achieved an underlying operating profit of £94.1m and an underlying basic earnings per share (EPS) of 25.2 pence.

Despite the difficult market conditions, we delivered a solid performance. This included exceeding the maximum operating cash flow conversion target set at the start of the year, delivering an EBIT margin towards the maximum target and partially achieving our EBIT target, as well as making strong strategic progress through the year. As a result, the Committee determined that, in respect of 2023 performance, Joe Vorih and Tim Pullen each earned a bonus of 65.38% of the maximum potential annual bonus. The bonus earned by Tim Pullen was pro-rated for the part year of his employment. In accordance with the Policy, one third of this bonus will be deferred into shares.

The same approach was used to determine the annual bonus outcome across the Group. The Committee is comfortable that the formulaic outcome of the bonus reflects the wider performance of the business, and therefore no adjustments to the payouts are required. Paul James stepped down from the Board on 30 September 2023. As a result, his 2021 LTIP award lapsed. As none of the other Executive Directors received a 2021 LTIP award, no LTIPs were eligible to vest based on performance to 31 December 2023.

The Committee is comfortable that the current Policy operated as intended during the year.

2023 LTIP awards

In April 2023, the Committee approved the grant of LTIP awards to the Executive Directors and other senior management. Award levels were 150% of annual salary for Joe Vorih and Paul James. These award levels are below the maximum of 200% of annual salary permitted under the current Policy.

The Committee considered a number of possible performance measures, and concluded that it was appropriate that a combination of stretching earnings per share (EPS) growth targets, relative Total Shareholder Return (TSR) targets, and sustainability targets aligned with key elements of the Company's sustainability strategy, provided an appropriate basis for rewarding the successful delivery of longer-term strategic priorities, Company growth and shareholder value.

In light of the prevailing share price at the time of grant, the Committee agreed the inclusion of a windfall provision in relation to the 2023 awards. The Committee will determine whether there has been a windfall gain at the time of vesting. In doing so, consideration will be given to the share price performance over the six months immediately following grant (i.e. is there any evidence of a short-term bounce in the share price) and any other factors it considers appropriate.

Committee evaluation

During the year, the Board undertook an internal evaluation of its performance, and the activities of the Committee were reviewed as part of this process. The results of this evaluation demonstrated that the Committee continued to operate effectively and in alignment with its Terms of Reference, and overall was agreed that the Committee was effectively Chaired and well supported by the external advisors and the Group HR team.

Further details of the evaluation process can be found in the Corporate Governance Report on page 90.

Key remuneration decisions for 2024

The proposed implementation of the Policy for our Executive Directors for 2024 is outlined on pages 134 to 137. Key decisions made by the Committee in relation to 2024 include:

- During the year the Committee reviewed the salary increases for the wider workforce, in the context of the wider approach to remuneration, taking into account the current cost of living challenges and the tiered approach adopted for 2023 salary increases for the wider workforce. As a result of the review, the Committee agreed that a tiered approach would not be adopted in 2024, and that an average increase in salary of 4% would apply to the wider workforce. Therefore, the Remuneration Committee determined that an increase of 3.5% would apply for Executive Directors.
- The maximum bonus opportunity in FY 2024 will be 150% of salary for Joe Vorih and 125% of salary for Tim Pullen. With regard to the LTIP quantum of FY 2024 awards, the Committee intends to continue making awards at 150% of salary to the Executive Directors with the awards then subject to a TSR modifier that can increase or reduce the number of shares vesting by up to 33% depending on the Company's relative TSR performance. In recognition of current share price volatility, the Committee intends to include the ability to adjust the number of shares vesting in the FY 2024 long-term incentive award in the event there is perceived to be a windfall gain on vesting.

Remuneration Committee Report continued

- During the year, the Committee reviewed the performance measures for the annual bonus and determined that these remained appropriate and effective, and therefore the weightings and performance measures for the 2024 annual bonus remain unchanged, with the total weighting on EBIT and EBIT margin at 65%, operating cash flow conversion at 15%, and strategic objectives at 20%. This continues to align the annual bonus with the in-year objectives that have been set to contribute towards the longer-term delivery of sustainable shareholder value. In addition, a health and safety and a compliance override will continue to be operated, in relation to which the Committee will have discretion to reduce any annual bonus payable in the event that certain circumstances arise.
- Following the review of the LTIP performance targets referred to earlier in this letter, the proportion of the LTIP subject to underlying diluted EPS will remain at 50%, with 25% subject to defined and measurable long-term sustainability targets and the remaining 25% subject to a cash conversion target. Cash conversion has been introduced as it directly aligns with the Company's published medium-term targets. 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. The introduction of the TSR multiplier 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%.
- The Committee intends to undertake a final review of the range of targets to apply to the 2024 LTIP awards prior to grant to ensure that any changes to the external environment can be taken into account. The current intention is that the underlying diluted EPS targets will require EPS to grow by at least 4% per annum for FY 2026 for threshold vesting to take place, with maximum vesting requiring EPS to be at least 10% per annum growth. The range of EPS targets has been set in light of both internal planning, the market's expectations for our future performance and current market conditions.

  The current intention in relation to cash conversion is that a threshold of 93% and a maximum target of 99% will operate, calculated on an underlying basis and defined as the sum of operating cash flow excluding non-underlying items and capital expenditure and payment of lease liabilities in 2024, 2025 and 2026 relative to EBITDA over the same three-year period. The definition of cash conversion has been set so that it does not impact the timing of investment decisions, or act as a disincentive to invest, with the basis of setting the target range consistent with the assumptions used in our medium-term published targets. These targets are considered similarly challenging to those set in prior years in this context.
- The sustainability targets are set to be similarly challenging to the EPS and cash conversion targets. The targets have been updated versus the sustainability targets set for the 2023 award to better reflect our current priorities. As a result, 12.5% of the 2024 award will vest based on achievement against challenging diversity targets that will require at least one-third of our early careers (i.e. apprenticeships and graduates) to have diverse characteristics in 2026 for the target to be met in full. Working from entry level up will ensure that our talent pipeline is diverse and aligned with our long-term aspirations. The final 12.5% of the 2024 award will vest based on the proportion of our suppliers that have science-based targets in place. Full vesting under this element will require the suppliers representing at least 83% of our carbon emissions within purchased goods and services to have science-based targets in place. This target is consistent with driving down our scope 3: category 1 emissions. The Committee is comfortable with the revised targets for the 2024 award given they are well structured and challenging with respect to our current baselines.

The Committee believes that this combination of short-term and longer-term metrics and targets will provide a fair and rounded assessment of Company performance, and that the introduction of the TSR modifier within the LTIP is reflective of the Board's overall focus on aligning management with the delivery of improved returns for our shareholders.

Context of Director pay within the Company

During the year, the Committee reviewed the analysis of the overall gender pay gap and equity of role-based pay within the Company. The Board and the Committee were satisfied appropriate actions were being taken and will continue to monitor the situation going forward.

As required by legislation we have included pay ratios between the CEO and our wider workforce using remuneration earned in 2023. As part of its discussions on this issue, the Committee noted that the ratio was consistent with the scope and responsibilities of the different roles undertaken by the individuals included in the analysis, and that the ratios were within the range disclosed by other FTSE 250 companies to date. Louise Brooke-Smith is the Company's appointed Non-Executive Director with responsibility for employee engagement which includes, where appropriate, engagement with employees on how executive remuneration aligns with wider Company pay policy.

Given that the remuneration structures were not raised as a material issue during the engagement with employees, it was not considered necessary to make any changes to the current remuneration structures. Further detail on this role is set out in the Governance Report on page 86. We have set out our compliance with Provision 40 of the Code in more detail on page 123.

Shareholder engagement

The Committee consults with its top shareholders on executive pay matters, where considered appropriate. In light of the proposed changes to the Policy, a formal consultation process with shareholders and the shareholder advisory bodies was carried out, and where requested, face-to-face meetings were held with the Committee Chair and Company Secretary. As detailed above, the feedback was gratefully received and resulted in a modification to our original proposals. I am always happy to make myself available to shareholders to discuss any concerns or feedback they may have, and I will be available to answer questions on the Policy and the Annual Report on Remuneration at the upcoming AGM.

I hope you will find this report to be clear and helpful in understanding our remuneration practices and that you will be supportive of the resolutions relating to remuneration at the AGM.

Lisa Scenna
Chair of the Remuneration Committee
12 March 2024

Remuneration at a glance

Executive Director remuneration for 2023 (£000's)

	Joe Vorih							Tim Pullen						
	Base salary	Benefits	Pension	Annual Bonus	LTIP	Other	Total	Base salary	Benefits	Pension	Annual Bonus	LTIP	Other	Total
2023 Total Remuneration	577	89	29	566	N/A	350	**1,611**	123	9	6	99	N/A	N/A	**237**

Full details are disclosed on page 138.

Fixed pay

Executive Directors

Base salary
To appropriately recognise skills, experience and responsibilities and attract and retain talent by ensuring salaries are market competitive.

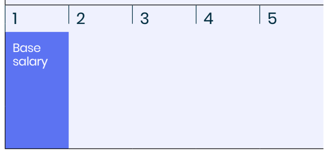
Pensions
To provide market-competitive retirement benefits.

Benefits
To provide market-competitive benefits as part of a competitive package to assist with recruitment and retention.

Salary
+3.5%
increase for Executive Directors for 2024
(average workforce increase +4.0%)

Benefits	Pension
No change	5% of salary

Element timeline (years)



Variable pay

	Joe Vorih	Tim Pullen

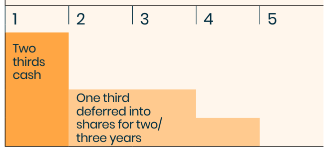
Annual Bonus
To link reward to key financial and operational targets for the forthcoming year.

Additional alignment with shareholders' interests through the operation of bonus deferral.

Joe Vorih	Tim Pullen
150% of salary	125% of salary

- Subject to underlying EBIT, EBIT margin, operating cash flow conversion targets and strategic objectives
- 33% deferred into shares. Half the shares vest two years from grant and half three years from grant

Element timeline (years)

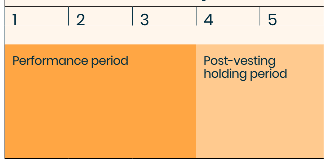


Long-Term Incentive Plan (LTIP)
To link reward to key strategic and business targets for the longer term and to align Executive Directors' interests with shareholders' interests.

Joe Vorih	Tim Pullen
150% of salary	150% of salary

- Awards subject to underlying diluted EPS, cash conversion and sustainability performance measures, overlaid with a TSR modifier
- Two year post-vesting holding period applies

Element timeline (years)



Share Ownership
200% of salary in employment share ownership guideline and a post-employment requirement to retain the lower of the shares held at cessation of employment and 200% of salary for two years. Additional alignment with shareholders' interests through the operation of bonus deferral.

Proposed changes to application of the Directors' Remuneration Policy

- In relation to the 2024 LTIP awards, the performance metrics used to determine vesting will be underlying diluted EPS (50%), cash conversion (25%) and sustainability targets (25%). The cash conversion measure replaces relative TSR which will in future be used to modify the vesting result based on performance achieved against the financial and sustainability metrics. 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.

Incentive Performance Snapshot for 2023

Annual Bonus

Performance measures	Achievement (%)
EBIT margin %	**85%**
Underlying EBIT target	**27%**
Operating cashflow	**100%**
Strategic targets	**92%**
Total	**65.38%**

LTIP
Neither of the current Executive Directors has a 2021 LTIP award as they joined the Company post 2021.

AGM
The Annual Report on Remuneration will be subject to an advisory shareholder vote and the Remuneration Policy will be subject to a binding shareholder vote at our AGM scheduled to be held on 28 May 2024.

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

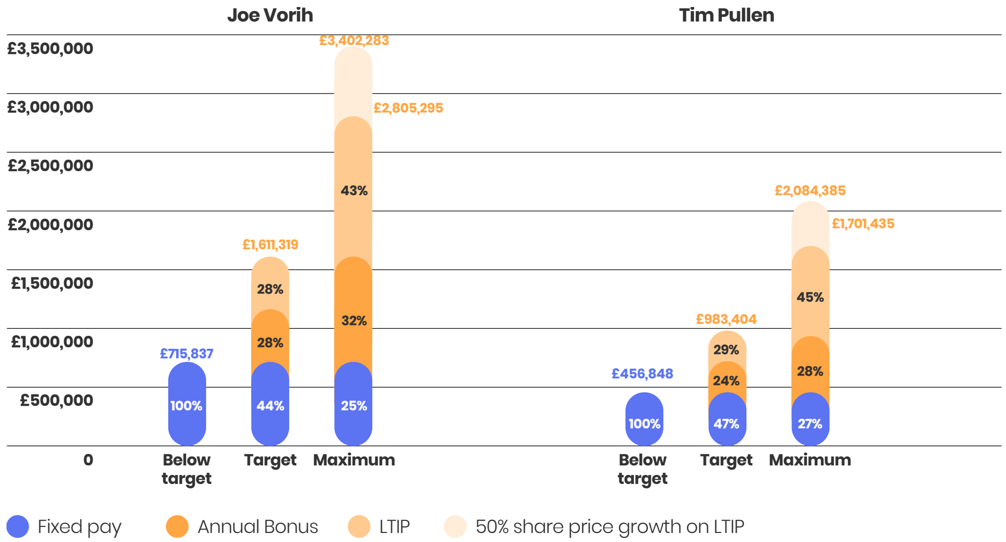
The 'Implementation of Remuneration Policy in 2024' section of the Annual Report on Remuneration details how the Committee intends to implement the Policy during 2024.

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.

Annual Report on Remuneration

Remuneration Committee Report

The Annual Report on Remuneration describes how the Directors' Remuneration Policy, approved by shareholders at the Annual General Meeting in May 2021 (the Policy), has been applied in the financial year ended 31 December 2023. This Annual Report on Remuneration will be put to an advisory shareholder vote at the Annual General Meeting (AGM) on 28 May 2024.

Role of the Committee

The role of the Committee is to determine all aspects of Executive Director pay, ensuring that the remuneration framework both attracts and retains leaders who are appropriately incentivised to deliver the Group's strategy, aligning with the interests of members and promoting the long-term success of the Company for the benefit of its stakeholders as a whole. The Committee also reviews workforce remuneration and related policies and ensures alignment of its rewards with culture. It also monitors pay arrangements for other senior executives and oversees the operation of all share plans.

Details about the role of the Committee are set out in its Terms of Reference which are reviewed annually and were last updated in October 2023. These can be found on the Company's website.

Committee membership and meetings

The Committee comprises all of the Non-Executive Directors, all of whom are considered to be independent, and their attendance at meetings during the year is set out on page 83. Lisa Scenna is Chair of the Committee and attended all seven meetings held during the year. Shatish Dasani joined the Committee on his appointment on 1 March 2023, Bronagh Kennedy joined on her appointment on 3 July 2023, and Mark Hammond stepped down as a member of the Committee on his retirement from the Board on 31 October 2023. Both new members attended all Committee meetings following their respective appointment. The remaining members of the Remuneration Committee, Kevin Boyd and Louise Brooke-Smith, attended all seven meetings during the year. The CEO, Joe Vorih, was also present at those meetings during 2023 by invitation, albeit he was not involved in any discussions in relation to his own remuneration. Tim Pullen also attended the Committee meetings held following his appointment as interim and subsequently permanent CFO, and was not involved in any discussions in relation to his own remuneration.

The Committee typically meets at least four times a year and thereafter as required, and in 2023, the Committee met seven times.

External advisers

Korn Ferry have been advisers to the Committee on executive remuneration matters since January 2020. During the year, the Committee received advice from Korn Ferry on market practice and key areas of investor focus, market updates and assistance with performance monitoring and benchmarking, as well as advice and support in relation to the Policy. Korn Ferry also provided other human capital-related services to the Group during the year, but these services were carried out by a team separate to the remuneration advisory team with an effective separation between the Committee advisory team and the wider Korn Ferry teams. As a result, the Committee was satisfied that the advice provided by Korn Ferry was objective and independent, having also noted their commitment to the Code of Conduct. During the year, the fees (charged on a time plus expenses basis) paid to Korn Ferry were £80,000 (2022: £46,565). Korn Ferry is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK.

Unaudited information

Implementation of Remuneration Policy in 2024

This section provides an overview of how the Committee is proposing to implement the Policy in 2024 for the Executive Directors, subject to shareholder approval at the 2024 AGM.

Base annual salary

During the year the Committee reviewed the salary increases for the wider workforce taking into account the lowering rate of inflation during the year, the recommendations of the Low Pay Commission and the ongoing cost of living challenges. As a result of the review, the Committee determined that, following the adoption of a tiered approach to salary increases in 2023, an average increase of 4% would apply for the wider workforce in 2024, with consideration also being given to the wider employee experience alongside this increase. On this basis, the Remuneration Committee were comfortable with a salary increase of 3.5% for 2024 for Executive Directors.

	Salary 1 January 2024	Salary 1 January 2023	% increase
Joe Vorih (CEO)	**£596,988**	£576,800	3.5%
Tim Pullen (CFO)[1]	**£382,950**	£370,000	3.5%
Paul James (CFO from 1 January to 30 September 2023)	**–**	£350,200	–
Matt Pullen (COO from 1 January to 30 June 2023)	**–**	£350,097	–

1. Tim Pullen was appointed on 1 November 2023. The 2023 salary for Tim Pullen represents his base salary on appointment.

Pension

In line with the Policy, Joe Vorih and Tim Pullen will receive a pension contribution of 5% of annual salary during 2024, which is in line with the wider workforce.

Other benefits

In 2024, the Executive Directors will receive a standard package of other benefits consistent with those received in 2023.

Annual Report on Remuneration continued

Annual Bonus

The annual bonus plan for 2024 will, subject to shareholder approval, be operated in accordance with the updated Policy.

Key features of the plan for 2024 are:

- There will be a maximum bonus opportunity of 150% of annual salary for Joe Vorih and 125% of annual salary for Tim Pullen.
- 33% of any bonus earned will be deferred into shares under the Deferred Share Bonus Plan (DSBP). Half of these shares will vest two years from the date of grant and the remaining half will vest three years from the date of grant.
- In the event that a material misstatement or miscalculation subsequently 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, a material health and safety breach or actions that subsequently gave rise to serious reputational damage or insolvency, then the Committee has the flexibility to withhold the value of shares granted under the DSBP and/or to require repayment of an appropriate portion of the annual bonus cash award in respect of the relevant bonus year.
- The Remuneration Committee has discretion, where it believes it to be appropriate, to override the formulaic outcome arising from the annual bonus plan.

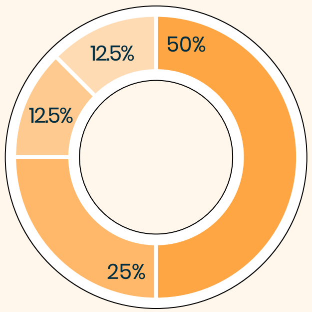
Following a review by the Committee, Executive Director bonuses for 2024 will remain subject to a challenging underlying EBIT target (40%), an underlying EBIT margin percentage target (25%), an operating cash flow conversion target (15%) and structured strategic targets relating to strategy deployment, talent management and climate strategy (20%). The plan will also be subject to a health and safety and a compliance override, in relation to which the Committee shall have discretion to reduce payouts in certain circumstances. It is intended that these objectives will then cascade down through the senior management team to continue to drive the right behaviours across the Group and to ensure that the Executive Directors and senior management teams have incentives that are aligned. These targets will be reviewed for ongoing suitability at the end of 2024.

The targets for these performance measures in relation to FY 2024 are deemed to be commercially sensitive. However, retrospective disclosure of the targets and performance against them will be provided in next year's Remuneration Report to the extent that they do not remain commercially sensitive at that time.

Long-Term Incentive Plan (LTIP)

Subject to shareholder approval of the Policy, it is expected that the Executive Directors will receive awards under the LTIP during 2024. As at the time of preparing this Remuneration Report the Committee's intention is to grant the awards on the basis described below. Should there be any change to the approach set out below, this would be detailed in the Stock Exchange announcement made at the time of granting the awards and detailed in next year's Remuneration Report.

- With regard to the quantum of FY 2024 awards, the Committee intends to make awards at 150% of salary to the Executive Directors. In recognition of current share price volatility, the Committee is to include the ability to adjust the number of shares vesting in the FY 2024 long-term incentive award in the event there is perceived to be a windfall gain on vesting.
- Subject to achievement of the performance targets, awards will become exercisable three years after grant.
- In the event that a material misstatement or miscalculation subsequently comes to light which results in too high a level of vesting under the LTIP, or if evidence comes to light of material misconduct by an individual, a material health and safety breach or actions that subsequently gave rise to serious reputational damage or insolvency, then the Committee has the flexibility to withhold or recover the value of shares granted under the LTIP.
- The Remuneration Committee has discretion, where it believes it to be appropriate, to override the formulaic outcome arising from the LTIP.
- Awards granted to Executive Directors will be subject to a two-year post-vesting holding requirement.
- Awards will be subject to a combination of underlying diluted EPS, cash conversion and sustainability targets, assessed over a three-year performance period as detailed below, with a TSR modifier applying to the vesting result at the end of the performance period, which will have the ability to increase total vesting by a further 33% or reduce total vesting by 33%. The TSR modifier is being introduced to raise the profile of shareholder returns across the executive team. The rationale for the introduction of a cash conversion target into the LTIP is that it aligns with the Company's focus on operational efficiency as set out previously in the November 2022 Capital Markets Day and the Strategy Progress Update in November 2023. The targets have been set to align with the Company's published medium-term targets.



Underlying diluted earnings per share	50.00%
Operating cash conversion	25.00%
Scope 3: category 1 emissions	12.50%
Sustainability (D&I)	12.50%
Total award	100.00%

Annual Report on Remuneration continued

Underlying Diluted Earnings per Share (EPS) (50% of the award)

The EPS targets have been set as a range of growth targets from the FY 2023 EPS result. The targets have been set with reference to both internal and external expectations for the Company's performance allowing for current market conditions and expected changes to the Group's corporate tax rate. The Committee retains discretion in line with the Policy when testing targets (e.g. in the event of material M&A, divestments, etc.). Any use of discretion to restate targets would ensure that the targets were no more or less challenging than when originally set but for the relevant event. The range of targets to apply is as follows:

Underlying Diluted Earnings per Share growth over the three-year period ending 31 December 2026	Vesting (% of this element of the award)
Below 4% p.a.	0%
4% p.a.	25%
10% p.a. or above	100%

Straight-line vesting will operate between these performance points.

Cash conversion (25% of the award)

Cash conversion	Vesting (% of this element of the award)
Below 93%	0%
93%	25%
99% or above	100%

Cash conversion is measured as an average over the three-year period ending 31 December 2026 and is calculated on an underlying basis, defined as operating cash flow excluding non-underlying items and capital expenditure and payment of lease liabilities relative to EBITDA. This definition of cash conversion has been set so that it does not impact the timing of investment decisions, or act as a disincentive to invest, with the basis of setting the target range consistent with the assumptions used in our medium-term published targets. This method of calculating cash conversion is more heavily weighted to operational efficiency and effective management of working capital over the long-term, which differs from the post capital expenditure operating cash flow conversion measure used in the annual bonus plan. Whilst the measures are connected, they aim to incentivise different outcomes over different time periods. On this basis, the Committee was comfortable with its choice of measures.

Sustainability Targets (25% of the award)

Sustainability targets align with the key elements of the Group's Sustainable Solutions For Growth strategy and its science-based targets. The first sustainability target directly aligns with the Group's science-based targets, whilst the second target aligns with our goal of creating a sustainable business culture through our commitment to The 5% Club and our continuing diversity and inclusion work. The 25% of the award subject to sustainability targets is split into two equal components as follows:

Scope 3: category 1 emissions (12.5% of the award)

Consistent with our SBT covering scope 3: Category 1 emissions, we will target that the suppliers representing 83% of our carbon emissions within purchased goods and services in 2026 have science-based targets in place. The target has been set to be a stretch target with the 2023 baseline being 32% and the range of targets consistent with our SBT planning.

FY 2026 scope 3: category 1 emissions (percentage of suppliers with science-based targets in place)	Vesting (% of this element of the award)
Below 70%	0%
70%	25%
83% or above	100%

Straight-line vesting will operate between these performance points.

Diversity and Inclusion (12.5% of the award)

Our 2026 objective is to have 1 in 3 early careers employees (apprenticeships and graduates) to have a diverse characteristic, as set out below:

FY 2026 Diversity in early careers employees	Vesting (% of this element of the award)
Below 27%	0%
27%	25%
33% or above	100%

Straight-line vesting will operate between these performance points.

The 2023 baseline from which the above targets were set is 27%. However, maintaining 27% is considered to be challenging given the growth in early careers over the period and the need to replace those already with diverse characteristics as they grow beyond early careers status. As a result, the above range, from 27% to 33%, is challenging and consistent with our objective of increased diversity throughout the Group which will build from our early careers employees.

Annual Report on Remuneration continued

TSR modifier – applicable to vesting outcome

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 (based on a 150% of salary award and if all performance targets and the modifier are achieved in full using the original grant price of shares awarded). 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%.

Summary

The range of targets for the 2024 LTIP awards have been set to be similarly challenging to those set in prior years. The targets were set with reference to both internal plans and external market expectations for future performance, both of which were influenced by market conditions such as current rates of inflation and interest rates. The Committee retains discretion to adjust vesting outcomes (e.g. if EPS vesting outcomes are impacted by relevant events such as material M&A or divestments, etc.). Any discretion applied by the Committee would be used to ensure that the performance targets fulfil their original intent and were not more or less challenging than intended when set but for the relevant events in the performance period. Furthermore, as set out in the Policy, awards are granted subject to malus and clawback provisions.

Sharesave Plan

Invitations to employees (including Executive Directors) to participate in the Sharesave Plan have been issued annually over the past three years and were issued to all eligible Group employees in 2023. The Board is proposing to continue to issue invitations to join the Sharesave Plan on an annual basis, and all eligible employees will therefore be invited to join the Sharesave Plan in 2024.

Non-Executive Director remuneration

During the year, Non-Executive Director fees were reviewed, following which it was agreed to increase the Non-Executive Director base fee by 4% in line with the wider workforce increase. There were no increases to the other fees.

The table below shows the fee structure for Non-Executive Directors with effect from 1 January 2024 with comparative figures for 2023. Non-Executive Director fees are determined by the full Board except for the fee for the Chair of the Board, which is determined by the Committee.

	2024 Fees	2023 Fees
Chair of the Board all-inclusive fee	**£208,000**	£200,000
Basic Non-Executive Director fee	**£55,120**	£53,000
Senior Independent Director additional fee	**£10,000**	£10,000
Chair of Audit Committee additional fee	**£10,000**	£10,000
Chair of Remuneration Committee additional fee	**£10,000**	£10,000
Employee engagement NED fee	**£10,000**	£8,000

Annual Report on Remuneration continued

Audited information

The information provided in this section of the Remuneration Report up until the 'Unaudited information' heading on page 146 is subject to audit.

Single total figure of remuneration

The following tables set out the total remuneration for Executive Directors and Non-Executive Directors for 2023 with comparative figures for 2022.

2023									
All figures shown in £'000	Salary and fees[1]	Benefits[2]	Pension[3]	Total fixed	Annual bonus[4]	LTIP[5]	Total variable	Other[6]	Total remuneration[12]
Executive Directors									
Joe Vorih	**577**	**89**	**29**	**695**	**566**	**–**	**566**	**350**	**1,611**
Tim Pullen[7]	**123**	**9**	**6**	**138**	**99**	**–**	**99**	**–**	**237**
Paul James[8]	**263**	**36**	**13**	**312**	**–**	**–**	**–**	**–**	**312**
Matt Pullen[9]	**175**	**7**	**9**	**191**	**142**	**–**	**142**	**328**	**661**
Non-Executive Directors									
Kevin Boyd	**200**	–	–	–	–	–	–	–	**200**
Lisa Scenna[10]	**71**	–	–	–	–	–	–	–	**71**
Louise Brooke-Smith	**61**	–	–	–	–	–	–	–	**61**
Shatish Dasani[11]	**52**	–	–	–	–	–	–	–	**52**
Bronagh Kennedy[12]	**27**	–	–	–	–	–	–	–	**27**
Mark Hammond[13]	**46**	–	–	–	–	–	–	–	**46**

2022									
All figures shown in £'000	Salary and fees[1]	Benefits[2]	Pension[3]	Total fixed	Annual bonus[4]	LTIP[5]	Total variable	Other[6]	Total remuneration[12]
Executive Directors									
Joe Vorih	469	80	23	572	94	–	94	–	666
Martin Payne[14]	81	3	12	96	39	–	39	–	135
Paul James	340	50	51	441	57	–	57	–	498
Matt Pullen	340	14	17	371	57	–	57	231	659
Non-Executive Directors									
Ron Marsh[15]	159	–	–	–	–	–	–	–	159
Kevin Boyd[16]	85	–	–	–	–	–	–	–	85
Mark Hammond	62	–	–	–	–	–	–	–	62
Lisa Scenna	54	–	–	–	–	–	–	–	54
Louise Brooke-Smith	60	–	–	–	–	–	–	–	60
Louise Hardy[17]	46	–	–	–	–	–	–	–	46

Annual Report on Remuneration continued

Notes to the table – methodology

1. Salary and fees – as disclosed in the 2022 Annual Report, Joe Vorih, Paul James and Matt Pullen received a 3% salary increase with effect from 1 January 2023, in line with the wider workforce. The Non-Executive Director base fee was increased by 1.9% and the Chair fee was unchanged following review of the fee on Kevin Boyd's appointment in November 2022.
2. Benefits – this represents the taxable value of all benefits. Executive Directors receive benefits including car allowance, private family medical insurance and life assurance of four times annual salary. For 2023, the benefits value for Joe Vorih includes £39,067 which relates to temporary accommodation and travel expenses (including reimbursement of tax) which was agreed in connection with his recruitment for the first two years of his employment. The benefits value for Paul James includes £25,426 which relates to his contractual entitlements to temporary accommodation and travel expenses (including reimbursement of tax) for a transitionary period following a change in Genuit's corporate Head Office which relocated from Doncaster to Leeds.
3. Pension – the pension provision in the form of a cash allowance in 2022 for Martin Payne and Paul James, was 15% of salary. Mr James received a pension provision of 5% of salary from 1 January 2023. The pension provision for Mr Vorih, Mr M Pullen and Mr T Pullen is 5% of salary.
4. Annual bonus – the bonus is typically paid 66.67% in cash and 33.33% deferred into shares under the DSBP.
5. LTIP – Paul James stepped down from the Board on 30 September 2023. As a result, his 2021 LTIP award lapsed. As none of the other Executive Directors received an 2021 LTIP award, no LTIPs were eligible to vest based on performance to 31 December 2023.
6. Other – for 2023, Joe Vorih's 2020 Spectris LTIP replacement award vested in March 2023. The value shown in the table is based on the share price on vesting of £2.715. The awards were granted at a share price of £5.38, so none of the value of the awards is attributable to share price appreciation.

   Other – for 2023, Matt Pullen received PILON and holiday pay of £328,191.

   Other – for 2022, Matt Pullen was eligible to receive replacement share awards for awards that were forfeited on joining Genuit. Further details are set out in the 2022 Directors' Remuneration Report.
7. Tim Pullen was appointed to the Board as Chief Financial Officer on 1 November 2023.
8. Paul James stepped down from the Board on 30 September 2023.
9. Matt Pullen stepped down from the Board on 28 April 2023 and left the Company on 30 June 2023.
10. Lisa Scenna was appointed as Senior Independent Director on 7 March 2023.
11. Shatish Dasani joined the Board on 1 March 2023.
12. Bronagh Kennedy joined the Board on 3 July 2023.
13. Mark Hammond stepped down as Senior Independent Director on 6 March 2023 and retired from the Board on 31 October 2023.
14. Martin Payne stepped down from the Board on 28 February 2022 and left the Company on 20 May 2022. The salary, benefits and pension included in the table represent his pay until he stepped down from the Board on 28 February 2022. The annual bonus included in the table represents the bonus for the period 1 January 2022 to 20 May 2022.
15. Ron Marsh stepped down as Chair on 1 November 2022 and retired from the Board on 31 December 2022. Further details are provided in the 2022 Annual Report and Accounts.
16. Kevin Boyd was appointed as Chair of the Board on 1 November 2022.
17. Louise Hardy stepped down from the Board on 30 September 2022.
18. Total remuneration paid to Directors in respect of 2023 was £3,278,000 (2022: £2,424,000).

Annual Report on Remuneration continued

Annual bonus

The maximum annual bonus opportunity for the Executive Directors in 2023 was as follows:

– 150% of annual salary for Joe Vorih.

– 125% of annual salary for the other Executive Directors.

– Tim Pullen is entitled to receive a pro-rated bonus for the period from 4 September 2023 (date of appointment as Interim CFO) to 31 December 2023.

– Matt Pullen is entitled to receive a pro-rated bonus for the period from 1 January 2023 to 30 June 2023.

– Paul James is not eligible to receive a performance-related annual bonus in respect of 2023.

For all Executive Directors, two thirds of the bonus earned will be paid in cash and one third will be deferred into shares under the DSBP. Half of these shares will vest two years from the date of grant and half will vest three years from the date of grant. Malus and clawback provisions apply to the bonuses of all of the aforementioned Directors. The performance measures and targets that applied to the 2023 annual bonus are set out below. This reflects the same approach used to determine the bonus outcome for the senior management team.

Performance measure		Proportion of bonus determined by measure	Threshold performance	Target performance	Maximum performance	Actual performance	% of maximum bonus payable
Group underlying EBIT	65%	EBIT margin 25%	14.5% 25% earned	15.0% 50% earned	16.5% 100% earned	16.0%	85%
		EBIT 40%	£93.8m 25% earned	£97.2m 50% earned	£106.9m 100% earned	£94.1m	27%
Operating cash flow conversion		15%	65.6% 25% earned	68.0% 50% earned	74.8% 100% earned	87.7%	100%
Strategic objectives		Strategy deployment 6.66%	Execution of business restructuring and cost savings target Deliver lean lighthouse projects at 3 sites Drive GLT engagement and communication Embed culture and refined purpose across the Group			Execution of bushiness restructuring cost savings target achieved with £7m of annualised savings Lean lighthouse projects underway at two sites, third started. Two GLT leadership events with positive feedback and outcomes. Training on culture and purpose across GLT commenced during the year	75%
		Talent management 6.66%	Active development plans, succession planning for critical roles, retention of high performers/future talent			Development plans and succession plans in place for 100% of roles identified as talent and high retention at 100%	100%
		Pathway to Net-Zero 6.66%	4% reduction in scopes 1, 2 & 3: category 1 emissions versus 2022			33% reduction*	100%

* The 33% reduction was met in part through lower production volumes and improved data reporting as we transitioned to science-based targets. However, notwithstanding the above, the target was significantly exceeded on an underlying basis with the volume adjusted reduction being 23.4%.

Annual Report on Remuneration continued

The total bonus payable to each Executive Director based on the assessment of performance against the targets set out above is shown below:

	Total bonus payable % of maximum	Total bonus payable £'000 and % of salary
Joe Vorih	65.38%	£565,697 (98%)
Tim Pullen[1]	65.38%	£98,590 (82%)
Matt Pullen[2]	65.38%	£141,890 (82%)

1. Tim Pullen joined the Company as Interim CFO on 4 September 2023 and as permanent CFO on 1 November 2023. The bonus payable has therefore been pro-rated for the period 4 September to 31 December 2023.
2. Matt Pullen left the Company on 30 June 2023. Bonus payable has therefore been pro-rated for the period from 1 January to 30 June 2023.

The Committee has confirmed that it is comfortable with the outcome of the annual bonus scheme in light of the Company's financial performance in the wider macroeconomic environment and health and safety and compliance requirements over the period.

LTIP vesting

The LTIP award granted in May 2021 is due to vest in May 2024, based 25% on relative TSR performance, 50% on EPS growth, and 25% on sustainability targets split into three equal components of 8.33% for carbon reduction targets, 8.33% for use of recycled plastics and 8.33% for The 5% Club assessed over the three financial years ended on 31 December 2023. The vested value of the award is therefore required to be included in the 2023 single figure table.

Performance measure		Threshold (25% of award vests)	Maximum (100% of award vests)	Actual Performance	% of total award vesting	Vested shares	Estimated value of vested shares
2023 underlying diluted EPS		26.4 pence per share	31.3 pence per share	25.1 pence per share	0%	No vested awards for current Executive Directors	
TSR performance relative to comparator group		Median	Upper quartile	Below median	0%		
Sustainability targets	Carbon reduction targets 8.33% of award	0.167 emissions intensity	0.141 emissions intensity	0.140	8.33%		
	Use of recycled plastics 8.33% of award	51.4% recycled materials used	61.2% recycled materials used	49.2%	0%		
	The 5% Club 8.33% of award	4.2% progress towards The 5% Club	5% progress towards The 5% Club	8.2%	8.33%		

Total vesting under the 2021 LTIP award is 16.7% of maximum. Paul James stepped down from the Board on 30 September 2023. As a result, his 2021 LTIP award lapsed. As none of the other Executive Directors received an 2021 LTIP award, no LTIPs were eligible to vest based on performance to 31 December 2023. For completeness, part of the CEO's buyout award that was granted in 2022 in connection with his recruitment from Spectris will vest based on the proportion of the 2021 LTIP targets met, subject to ongoing employment to 17 March 2024.

Annual Report on Remuneration continued

Buyout awards vesting

As set out in the 2021 and 2022 Annual Reports, Matt Pullen and Joe Vorih received buyout awards on joining the Company to compensate for awards forfeited on leaving employment at Saint Gobain and Spectris, respectively, to join the Company. Details of the buyout awards that vested during the year are set out in the table below.

For Joe Vorih's vested 2020 Spectris LTIP replacement awards, the number of shares eligible to vest was determined by the proportion of the 2020 Spectris LTIP that vested. The award was subject to EPS, Return on Gross Capital Employed and TSR targets measured from 1 January 2020 to 31 December 2022. The targets are set out on page 90 of the Spectris 2020 Annual Report, available on their Company website. The structure of this award mirrors what was forfeited on leaving Spectris, albeit the conversion into Genuit shares on joining provides alignment with Genuit shareholders. Based on information provided by Spectris, the award vesting level was 71.46%, and this vesting level was applied to the replacement award granted to Joe Vorih.

For Matt Pullen's buyout award for share awards he had earned that were forfeited on joining the Company, the quantum of this award was structured to replicate the Saint-Gobain awards forfeited and could be adjusted by the Committee to ensure that in the event there would be any performance-related clawback, then this could then be replicated in what ultimately vested.

Executive	Grant date	Number of shares granted[1]	Vesting date	Vested shares	Face value of the award at vesting date[2]
Joe Vorih	22 March 2022	175,081	25 March[3] 2023	128,921 (including 3,809 dividend shares)	£350,021
Matt Pullen	22 March 2022	30,640	22 March 2023	31,665 (including 1,025 dividend shares)	£85,496

1. Shares were granted in the form of deferred shares as a nil-cost option.
2. Share price at the date of vesting was £2.715 for Joe Vorih and £2.70 for Matt Pullen.
3. The vesting date for this award mirrored the Spectris award, with vesting taking place at the later of the above date and the date of determining the extent to which the performance conditions had been met. There was an expectation at grant that a minimum proportion of any vested shares would be retained towards satisfying the Company's share ownership guidelines. As disclosed in the 2021 Directors' Remuneration Report, Joe Vorih's buyout award granted in connection with his recruitment from Spectris also included an additional element due to vest on 17 March 2024 based on the proportion of the Company's 2021 LTIP vesting. The vesting of this part of his award will be included in the 2024 Directors' Remuneration Report.

Scheme interests awarded during the financial year

LTIP awards

An award was granted under the LTIP to selected members of senior management, including the Executive Directors, in April 2023. This award is subject to the performance conditions described below and will become exercisable in April 2026.

	Type of award	Date of grant	Award as % of salary	Maximum number of shares	Face value (£)*	Threshold vesting	End of performance period
Joe Vorih	Nil-cost option**	21 April 2023	150%	312,534	£865,094	25% of award	31 December 2025
Paul James***	Nil-cost option**	21 April 2023	150%	189,753	£525,236	25% of award	31 December 2025

* The maximum number of shares that could be awarded has been calculated using the share price of £2.768 (average closing share price for 18 to 20 April 2023) and is stated before the impact of reinvestment of the dividends paid since grant.
** In line with the 2022 awards, awards were granted as nil-cost options with an exercise date of three years from the grant date. Therefore, there has been no change in exercise price or date.
*** Paul James stepped down from the Board on 30 September 2023 and his award lapsed on this date.

Vesting of the awards is subject to satisfaction of the performance conditions set out below, measured over a three-year performance period ending 31 December 2025. Vesting is calculated on a straight-line basis.

As set out in the Remuneration Committee Chair's letter on page 120, in light of the prevailing share price at the time of grant, the Committee also agreed the inclusion of a windfall provision in relation to the 2023 awards.

Underlying Diluted Earnings per Share (EPS) (50% of the award)

The EPS targets are a range around FY 2025 EPS. Setting the targets with reference to the final year of the three-year performance period mirrors standard market practice and reduces the impact on the condition of the near-term uncertainties caused by external factors. The range of targets to apply is as follows:

FY 2025 Underlying Diluted EPS	Vesting (% of this element of the award)
Below 30.1 pence	0%
30.1 pence	25%
35.6 pence or above	100%

Straight-line vesting will operate between performance points.

Annual Report on Remuneration continued

Relative Total Shareholder Return Targets (25% of the award)

The relative TSR targets remain unchanged from those operated in prior years with our performance compared against those companies included in the FTSE 250 Index that are classified as 'Industrials' (c.40 comparator companies). This group remains the most appropriate set of comparator companies as it includes those companies that are the most similar in terms of size and business type to Genuit, and so it is likely to be management actions that drive out-performance as opposed to external market factors. The targets that apply are as follows:

Relative TSR versus FTSE 250 Industrials	Vesting (% of this element of the award)
Below median	0%
Median	25%
Upper quartile (or better)	100%

Straight-line vesting will operate between performance points.

Sustainability Targets (25% of the award)

Sustainability targets align with the key elements of Genuit's sustainability strategy and require delivery in line with the Company's published 2025 targets. The 25% of the award subject to sustainability targets is split into three equal components as follows:

Carbon Reduction Targets (8.33% of the total award)

The range of targets is set based on our emissions intensity which is defined as scopes 1 & 2 tonnes of CO_2e per tonne of output.

FY 2025 Emissions Intensity	Vesting (% of this element of the award)
Above 0.093	0%
0.093	25%
0.086 or below	100%

Straight-line vesting will operate between these performance points.

The 2022 baseline from which the above targets were set is 0.136 and so the above targets are considered stretching and in line with our 2025 targeted reductions.

Use of Recycled Plastics (8.33% of the total award)

The range of targets relates to the proportion of our products that are manufactured from recycled products.

FY 2025 % Recycled materials used	Vesting (% of this element of the award)
Below 57.4%	0%
57.4%	25%
62.0% or above	100%

Straight-line vesting will operate between these performance points.

The 2022 baseline from which the above targets were set is 48.7% and so the above targets are considered stretching and in line with our 2025 target.

The 5% Club (8.33% of the total award)

The first two sustainability targets directly align with Genuit's focus on improvements in the way we work with the third target, aligning with creating a sustainable business culture through our commitment to The 5% Club. This initiative, to which we fully subscribe, focuses on the development of greater skills and training through Earn and Learn programmes. Our 2025 objective is to achieve 5% of our workforce in Earn and Learn positions with our FY 2025 target set out below:

Progress towards The 5% Club	Vesting (% of this element of the award)
Below 4.6%	0%
4.6%	25%
5% or above	100%

Straight-line vesting will operate between these performance points.

The 2022 baseline from which the above targets were set is 3.5% and so the above targets are considered stretching.

Annual Report on Remuneration continued

Deferred Share Bonus Plan awards

On 21 April 2023, the Executive Directors received an award of shares under the Deferred Share Bonus Plan relating to the 2022 annual bonus. The value of these shares was included in the annual bonus figure in the 2022 single total figure of remuneration. No further performance conditions apply to these shares.

	Type of award	Maximum number of shares	Face value (£)*	Vesting date
Joe Vorih	Deferred shares	11,367	£31,463	50% vests in each of April 2025 and April 2026
Paul James**	Deferred shares	6,838	£18,927	
Matt Pullen**	Deferred shares	6,836	£18,922	

* The award was made in the form of a nil-cost option. The maximum number of shares awarded was calculated using the average closing share price for the three dealing days prior to grant of £2.768.

** Paul James and Matt Pullen left the Company on 30 September 2023 and 30 June 2023, respectively, and therefore their 2023 awards will vest on the normal vesting date.

Payments for loss of office and to past Directors

Matt Pullen stepped down from the Board on 28 April 2023, and left the Company on 30 June 2023. Mr Pullen had mutually agreed with the Board that he would step down as a result of the restructuring that had been undertaken to simplify the business which effectively made the role of Chief Operating Officer redundant. Mr Pullen therefore received salary, pension and benefits during the period from 1 January 2023 to 30 June 2023 totalling £190,847. As outlined in the Remuneration Committee Chair's letter, the Committee determined that Mr Pullen should be treated as a good leaver for the purposes of his awards under the Long-Term Incentive Plan (LTIP). In addition, he will receive a pro-rated annual bonus for the period from 1 January 2023 to 30 June 2023, as set out in the table on page 140. His bonus will be payable on the normal payment date in 2024 and is subject to malus and clawback provisions. Mr Pullen remained eligible to receive Deferred Share Bonus Plan (DSBP) awards earned in relation to prior years' bonuses. With regards to outstanding LTIP awards, he was granted options over 92,632 ordinary shares on 22 April 2022. The award will remain eligible to vest in line with its normal vesting date subject to a pro-rated reduction for the period of time in employment and subject to the achievement of the relevant performance criteria. His awards granted under the DSBP on 22 April 2022 and 21 April 2023 over 4,648 and 6,836 shares, respectively, vest in two tranches on 22 April 2024 and 22 April 2025, and 21 April 2025 and 21 April 2026, respectively. In accordance with the DSBP rules, he will also receive the value of dividends paid in respect of the vested shares between grant and vesting. Mr Pullen received a payment in lieu of notice comprising salary plus benefits for the period from 30 June 2023 to 28 April 2024 of £328,191. Paul James stepped down from the Board on 30 September 2023 and ceased employment on this date. Mr James therefore received salary, pension and benefits during the period from 1 January 2023 to 30 September 2023 totalling £311,785. Mr James is not entitled to receive a pro-rated annual bonus in respect of this period. Mr James remained eligible to receive Deferred Share Bonus Plan (DSBP) awards earned in relation to prior years' bonuses. With regards to outstanding share awards granted under LTIP, he was granted options over 68,032, 92,659, and 189,753 ordinary shares on 20 May 2021, 22 April 2022 and 21 April 2023 respectively. These options lapsed on 30 September 2023. His awards granted under the DSBP on 22 April 2022 and 21 April 2023 over 25,852 and 6,838 shares, respectively, vest in two tranches on 22 April 2024 and 22 April 2025, and 21 April 2025 and 21 April 2026, respectively. In accordance with the DSBP rules, he will also receive the value of dividends paid in respect of the vested shares between grant and vesting. Paul James did not receive any payment in lieu of notice.

All payments that have or will be received will be made within the terms of the termination policy as set out in the Policy.

Under the Company's post-cessation of employment shareholding policy, Matt Pullen and Paul James are required to retain the lower of the shares held at cessation of employment and shares to the value of 200% of salary for two years post-employment. As a result, Matt Pullen and Paul James will be required to retain their current shareholding for the period.

Mark Hammond retired from the Board on 31 October 2023 and received fees for the period from 1 January 2023 to 31 October 2023 totalling £46,015. There were no other payments made in connection with Mr Hammond's retirement.

Annual Report on Remuneration continued

Statement of Directors' shareholdings and share interests

Executive Directors are expected to achieve the shareholding requirement of 200% of salary within five years of becoming subject to the requirement. The Committee reviews ongoing individual performance against the shareholding requirement at the end of each financial year. Joe Vorih joined the Board in February 2022 and Tim Pullen joined the Board in November 2023, and both will build up their shareholding in line with the aforementioned five-year timescale. Matt Pullen and Paul James had not met the requirement at the date of cessation of their employment, therefore they are required to retain their current shareholding for two years post-employment in line with the Company's policy.

The number of shares held by Directors as at 31 December 2023 is set out in the table below:

	Shares owned outright(13)	Interests in share incentive schemes, subject to performance conditions	Interests in share incentive schemes, awarded without performance conditions		Vested but unexercised options
		LTIP(1)	DSBP(2)	Sharesave(3)	
Joe Vorih(4)(5)(11)	114,828 (80% of salary)	495,673	11,367	8,144	–
Tim Pullen(5)(6)	7,000 (8% of salary)	–	–	–	–
Kevin Boyd	60,825	–	–	–	–
Lisa Scenna	14,966	–	–	–	–
Louise Brooke-Smith	–	–	–	–	–
Shatish Dasani(7)	27,500	–	–	–	–
Bronagh Kennedy(8)	950	–	–	–	–
Mark Hammond(12)	17,247	–	–	–	–
Paul James(9)	72,832 (69% of salary)	–	32,690	–	–
Matt Pullen(10)	29,652 (25% of salary)	92,632	11,484	–	–

Notes to the table

1. This relates to shares awarded under the LTIP.
2. This relates to shares awarded under the DSBP.
3. This relates to share options granted under the Sharesave Plan.
4. Joe Vorih joined the Board on 28 February 2022.
5. For the purposes of determining the value of Executive Director shareholdings for Joe Vorih and Tim Pullen, the annual salary for 2023 and the share price as at 29 December 2023 has been used (£4.04 per share).
6. Tim Pullen joined the Board on 1 November 2023.
7. Shatish Dasani joined the Board on 1 March 2023.
8. Bronagh Kennedy joined the Board on 3 July 2023.
9. The shareholding for Paul James is only considered until 30 September 2023, when he stepped down from the Board and the shareholding is calculated using the share price on that date (£3.30 per share). During the year, Paul James exercised nil-cost options over 34,781 LTIP shares and 11,724 DSBP shares. These were exercised in advance of his leave date of 30 September 2023, and therefore these shares are included in the 'Shares owned outright' column. The aggregate gain for Paul James in the year from the exercise of these options was £127,079, based on the market price on the relevant date of exercise.
10. The shareholding for Matt Pullen is only considered until 30 June 2023, when he left the Company, and the shareholding is calculated using the share price on that date (£2.94 per share). During the year, Matt Pullen exercised nil-cost options over 44,012 buyout awards. These were exercised in advance of his leave date of 30 June 2023, and therefore these shares are included in the 'Shares owned outright' column. The aggregate gain for Matt Pullen in the year from the exercise of his buyout awards was £131,816, based on the market price on the date of exercise.
11. During the year, Joe Vorih exercised nil-cost options relating to his 2020 Spectris replacement awards over 128,921 buyout awards. These shares are included in the 'Shares owned outright' column. The aggregate gain for Joe Vorih in the year from the exercise of his buyout awards was £374,516, based on the market price on the date of exercise.
12. Mark Hammond retired from the Board on 31 October 2023.
13. All shares within the 'Shares owned outright' column include those held by connected persons.
14. Note – all outstanding scheme interests are in the form of nil-cost options.

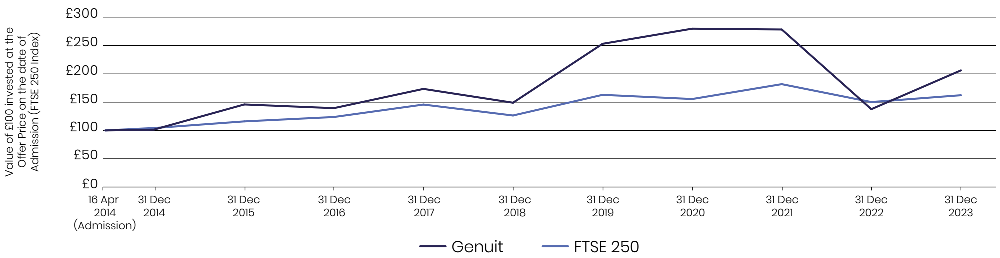
Annual Report on Remuneration continued

Unaudited information

The information provided in this section of the Directors' Remuneration Report is not subject to audit.

Performance graph and CEO remuneration table

The chart below compares the Total Shareholder Return performance of the Company over the period from Admission to 31 December 2023 to the performance of the FTSE 250 Index. This index has been chosen because it is a recognised equity market index of which the Company is a member. The base point in the chart for the Company equates to the Offer Price of £2.45 per share. The table below summarises the CEO single figure for total remuneration, annual bonus payouts and long-term incentive vesting levels as a percentage of maximum opportunity over this period.



The table below summarises the CEO single figure total remuneration, annual bonus payouts and long-term incentive vesting levels as a percentage of maximum opportunity over this period.

	2014	2015	2016	2017[1]	2017[2]	2018[3]	2019[3]	2020[3]	2021[3]	2022[6]	2022[4][5]	**2023**
CEO single figure of remuneration £'000	955	919	948	717	218	1,014	944	717	1,390	666	135	**1,611**
Annual bonus payout (as a % of maximum opportunity)	88.7%	68.2%	69.4%	66.8%	66.8%	48.9%	24.8%	n/a	93%	13.36%	13.36%	**65.38%**
LTIP vesting outturn (as a % of maximum opportunity)	n/a	n/a	n/a	n/a	n/a	87.8%	54.5%	25%	25%	n/a	0%	**n/a**

1. This reflects the remuneration received by David Hall, CEO for the period from 1 January 2017 to 1 October 2017.
2. This reflects the remuneration received by Martin Payne who was appointed as CEO on 2 October 2017 following the retirement of David Hall.
3. The first LTIP award was granted in 2014 and so no LTIPs were due to vest between 2014 and 2017.
4. The LTIP vesting out-turn percentages show the payout as a percentage of maximum of the LTIP award for which the three financial years over which performance is measured ends on 31 December of the year being reported on. Therefore, the 2022 figure shows the payout for the 2020 LTIP award.
5. This reflects the remuneration received by Martin Payne, CEO from 1 January 2022 to 28 February 2022.
6. This reflects the remuneration received by Joe Vorih, CEO from 28 February 2022.
7. Joe Vorih received his first grant under the LTIP in April 2022. Therefore, no LTIP awards were eligible to vest in 2022 and 2023.

Average percentage change in the remuneration of the Directors (audited)

The table below sets out the percentage change in base salary, value of taxable benefits and bonus for all the Directors compared with the average percentage change for employees.

	Average percentage change 2022/23			Average percentage change 2021/22			Average percentage change 2020/21			Average percentage change 2019/20		
	Salary/ fees	Taxable benefits	Annual bonus	Salary/ fees	Taxable benefits	Annual bonus[2]	Salary/ fees	Taxable benefits	Annual bonus[2]	Salary/ fees	Taxable benefits	Annual bonus[2]
Executive Directors												
Joe Vorih	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Paul James	n/a	n/a	n/a	11.10%[4]	285%[4]	-84%	2.2%[1]	0%	100%	3.0%[1]	0%	-100%
Matt Pullen	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-Executive Directors												
Kevin Boyd	135.3%[6]	n/a	n/a	49.1%[6]	n/a	n/a	2.2%[1]	n/a	n/a	n/a	n/a	n/a
Mark Hammond	n/a	n/a	n/a	5.10%	n/a	n/a	2.2%[1]	n/a	n/a	3.0%[1]	n/a	n/a
Lisa Scenna	31.5%[5]	n/a	n/a	10.2%[5]	n/a	n/a	2.2%[1]	n/a	n/a	3.0%[1]	n/a	n/a
Shatish Dasani	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bronagh Kennedy	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Louise Brooke-Smith	2.2%	n/a	n/a	5.30%	n/a	n/a	2.2%[1]	n/a	n/a	3.0%[1]	n/a	n/a
Employee average	5.7%	0%	100%	3.0%	0%	-4.4%	2.2%	0%	100%	3.0%	0%	2.4%[1]

Notes:
1. The 2.2% increase in 2020/2021 reflects the salary increase following the decrease after the response to the Covid-19 pandemic. The 3.0% figure in 2019/2020 excludes the impact of the voluntary salary reduction during the year.
2. The Annual Bonus Plan for Executive Directors was not operated during 2020.
3. Where an incumbent has not served a full year in 2022 or 2023, the change has not been included as it would not be representative.
4. As disclosed in the 2021 Annual Report, Paul James received an increase of 10.56% in salary from 1 January 2022, consistent with the rate of increase detailed to institutional investors during the Policy review process. In addition, Paul James received benefits for his contractual entitlements to temporary accommodation and travel expenses (including reimbursement of tax) for a transitionary period following a change in Genuit's corporate Head Office which relocated from Doncaster to Leeds.
5. Lisa Scenna became Remuneration Committee Chair on 30 September 2022 and Senior Independent Director on 7 March 2023, resulting in an increase in fees received.
6. In November 2022, Kevin Boyd was appointed as Chair resulting in an increase in fees received.

Annual Report on Remuneration continued

CEO pay ratio

The table below illustrates the ratio between CEO pay for 2023 (as shown in the single figure table on page 138) and the indicative full-time equivalent total remuneration for employees ranked at the lower quartile, median and upper quartile.

CEO pay ratio	2019	2020	2021	2022	**2023**
Method	A	B	B	B	**B**
Upper quartile	28:1	19:1	40:1	21:1	**41:1**
Median	37:1	24:1	54:1	29:1	**55:1**
Lower quartile	44:1	29:1	65:1	36:1	**61:1**

For 2023, in line with the relevant legislation, the analysis has been completed using Option B, given the availability of data and in order that a direct comparison can be shown against last year. Gender pay has been calculated in line with the guidance, and details can be found in the Gender Pay Gap Report published on our website.

In determining the quartile figures, the hourly rates were annualised using the same number of contracted hours as the CEO. One UK employee with the relevant annual salary was then chosen for each quartile and the single total remuneration figure was calculated to compare to the CEO. Using gender pay data ensures that these individuals are reasonably representative of pay levels at the 25th, 50th and 75th percentile as the single total remuneration figure for these individuals is similar to other employees with a similar annual salary. Pay has been calculated for the period 1 January 2023 to 31 December 2023.

In FY 2020, the CEO voluntarily waived 20% of salary between the months of April and August due to the impact of the Covid-19 pandemic. In addition, the Committee made the decision not to operate the annual bonus plan for the Executive Directors in 2020. This resulted in a drop in the CEO pay ratio. As the CEO received his full salary in FY 2021, the bonus was reinstated and the LTIP vested, this resulted in a subsequent increase in the CEO pay ratio. In FY 2022, no LTIP vested and the bonuses were lower than the prior year, resulting in a decrease in the ratio. For FY 2022 the ratio included the remuneration for Joe Vorih and Martin Payne during the periods that these individuals undertook the role of CEO. In FY 2023, the CEO received his full salary and the bonus was higher than in the prior year. In addition, Joe received buyout awards on joining the Company to compensate for awards forfeited on leaving employment at Spectris. As a result, the pay ratio increased.

The ratio is considered within the expected range for the Company and is consistent with the pay and reward policies for our UK employees overall.

The salary and total pay for the individuals identified at the Lower quartile, Median and Upper quartile positions in 2023 are set out below:

	Salary	Total Pay
CEO single figure	£576,800	£1,611,000
Upper quartile	£37,844	£39,712
Median	£28,225	£29,072
Lower quartile	£25,664	£26,434

Relative importance of the spend on pay

The charts below illustrate the total expenditure on pay for all of the Company's employees compared to dividends payable to shareholders.

Employee remuneration costs £m

Dividends £m

Shareholder voting on remuneration resolutions

Details of the votes cast in relation to our remuneration resolutions in 2021 and 2023 are summarised below:

	Votes for	Votes against	Votes withheld
Approval of the Remuneration Policy – 2021 AGM	198,146,521 (96.32%)	7,576,774 (3.68%)	5,526
Approval of the Annual Report on Remuneration – 2023 AGM	204,887,663 (95.51%)	9,631,778 (4.49%)	1,539

External board appointments

Executive Directors are not normally entitled to accept a Non-Executive Director appointment outside the Company without the prior approval of the Board. Following Board approval, Joe Vorih was appointed as a Non-Executive Director of Senior plc on 1 January 2024, and retains the fees from that appointment.

Annual General Meeting

This Annual Report on Remuneration will be subject to an advisory shareholder vote at our AGM scheduled to be held on 28 May 2024.

By order of the Board.

Lisa Scenna
Chair of the Remuneration Committee
12 March 2024