

## Directors' Remuneration Policy

This document sets out the Saga plc (the **Company**) Policy on remuneration for Executive and Non-Executive Directors (the **Policy**) which is due to be approved by shareholders at the 2025 Annual General Meeting (**AGM**) and take effect immediately afterwards. The Policy has been prepared in accordance with the requirements of the UK Companies Act 2006 (the **Act**), Schedule 8 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the **Regulations**), The Companies (Directors' Remuneration and Audit) (Amendment) Regulations 2025 and the UK Listing Rules. The Remuneration Committee (the **Committee**) has built in a degree of flexibility to ensure the practical application of the Policy. Where such discretion is reserved, the extent to which it may be applied is described. The Company's Policy retains, as its primary goal, the ability to attract, retain and motivate its leaders and to ensure they are focussed on delivering business priorities within a framework designed to promote the long-term success of Saga, aligned with shareholder interests.

The Board delegated its responsibility to the Committee to establish the Policy on the remuneration of the Executive Directors and the Chair. The Board has established the Policy on the remuneration of the other Non-Executive Directors.

### Summary of the Policy due to be approved at the 2025 AGM

Remuneration elements	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>Fixed pay</b> Salary	<b>Salary</b>						
<b>Fixed pay</b> Benefits and pension	<b>Benefits and pension</b>						
<b>Annual bonus</b> (Malus and clawback provisions apply)	<b>Maximum two-thirds cash</b>	<b>Minimum one-third shares Three-year deferral period subject to continued service</b>					
<b>Restricted Share Plan (RSP)</b> (Malus and clawback provisions apply)	<b>Up to 100% of salary Three-year performance</b>			<b>Two-year holding period</b>			
<b>Shareholding requirements</b>	<b>Executive Directors build and maintain a 200% of salary (250% of salary for Group Chief Executive Officer (CEO)) minimum shareholding requirement while in-employment and post-employment</b>						

### Changes made to the previous remuneration policy (Previous Policy)

Element	Changes to Policy	Rationale
<b>Long-term incentives – Saga Transformation Plan (STP)</b>	Removal of the STP, which provided participants with a portion of the value created above a stretching hurdle over a five-year period.	To simplify and de-leverage the executives' remuneration package. The highly geared nature of the STP is no longer aligned to the updated business strategy and is neither motivational nor retentive for the current executives.
<b>Long-term incentives – RSP</b>	Awards will be made at the levels approved and operated prior to the introduction of the STP. The 20% reduction applied to the RSP award levels upon STP introduction is being removed for future RSP awards.	<p>The RSP is highly retentive and supports executives in the delivery of the business strategy. Stability of leadership during the transaction with wholly owned UK subsidiaries of Ageas SA/NV is critical to the long-term success of the business.</p> <p>Additionally, the RSP maintains the link to shareholder experience through incentivisation of share price growth and the performance underpin is retained for the Committee to adjust vesting if business performance, individual performance or wider Company considerations mean, in their view, that an adjustment is required.</p>

## Directors' Remuneration Policy table

Base salary	
<b>Element and link to strategy</b>	Provides a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Group's strategy.
<b>Operation</b>	<p>An Executive Director's basic salary is set on appointment and reviewed annually, or when there is a change in position or responsibility. When determining an appropriate level of salary, the Committee considers:</p> <ul style="list-style-type: none"> <li>➔ pay increases to other colleagues;</li> <li>➔ remuneration practices within the Group;</li> <li>➔ any change in scope, role and responsibilities;</li> <li>➔ the general performance of the Group and each individual;</li> <li>➔ the experience of the relevant Director; and</li> <li>➔ the economic environment.</li> </ul> <p>Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases, subsequent increases in salary may be higher than the general rises for colleagues until the target positioning is achieved.</p>
<b>Maximum potential value</b>	<p>The Committee ensures that maximum salary levels are positioned in line with companies of a similar size and complexity to Saga and validated against an appropriate comparator group so that they are competitive against the market.</p> <p>The Committee continues to review the comparators each year and will add or remove companies from the comparator group as it considers appropriate.</p> <p>In general, salary increases for Executive Directors will be in line with the increase for colleagues. However, larger increases may be offered if there is a material change in the size and responsibilities of the role (which covers significant changes in Group size and/or complexity).</p> <p>The Company will set out the Executive Directors' salaries for the following financial year in each Directors' Remuneration Report.</p>
<b>Performance conditions and recovery provisions</b>	A broad assessment of individual and business performance is used as part of the salary review. No recovery provisions apply.
<b>Changes to Previous Policy</b>	No changes.
Pension	
<b>Element and link to strategy</b>	Provides a fair level of pension provision for all colleagues.
<b>Operation</b>	<p>The Company provides a pension contribution allowance that is fair, competitive and in line with governance best practice.</p> <p>Pension contributions will be a non-consolidated allowance and will not impact any incentive calculations.</p>
<b>Maximum potential value</b>	The maximum value of the pension contribution allowance for both current and newly appointed Executive Directors is aligned with the majority of colleagues, currently 6% of salary.
<b>Performance conditions and recovery provisions</b>	No performance or recovery provisions apply.
<b>Changes to Previous Policy</b>	No changes.
Benefits	
<b>Element and link to strategy</b>	Provides a market-standard level of benefits.
<b>Operation</b>	<p>Benefits may include family private health cover, death in service life assurance, car allowance, subsistence expenses and discounts, in line with other colleagues.</p> <p>The Committee recognises the need to maintain suitable flexibility in the benefits provided to ensure it is able to support the objective of attracting, and retaining, colleagues in order to deliver the Group strategy. Additional benefits which are available to other colleagues on broadly similar terms may, therefore, be offered, such as relocation allowances on recruitment.</p>
<b>Maximum potential value</b>	The maximum is the cost of providing the relevant benefits.
<b>Performance conditions and recovery provisions</b>	No performance or recovery provisions apply.
<b>Changes to Previous Policy</b>	No changes.

## Directors' Remuneration Policy continued

Annual bonus	
<b>Element and link to strategy</b>	<p>The annual bonus provides a significant incentive to the Executive Directors, linked to achievement of goals that are closely aligned with the Company's strategy and the creation of value for shareholders.</p> <p>In particular, the annual bonus supports the Company's objectives, allowing the setting of annual targets based on the business' strategic objectives at that time, meaning that a wider range of performance metrics can be used that are relevant and achievable.</p>
<b>Operation</b>	<p>The Committee will determine the maximum annual participation in the annual bonus for each year, which will not exceed 150% of salary.</p> <p>The Company will set out in the Directors' Remuneration Report, in the following financial year, the nature of the targets and their weighting for each year.</p> <p>Details of the performance conditions, targets and their level of satisfaction for the year being reported will be set out in the Annual Report on Remuneration.</p> <p>The Committee can determine that part of the bonus earned under the Annual Bonus Plan is provided as an award of shares under the Deferred Bonus Plan (DBP) element. The minimum level of deferral is one-third of the bonus; however, the Committee may determine that a greater portion, or in some cases the entire bonus, be paid in deferred shares. The main terms of these awards are:</p> <ul style="list-style-type: none"> <li>➤ minimum deferral period of three years; and</li> <li>➤ the participant's continued employment at the end of the deferral period, unless they are a good leaver.</li> </ul> <p>The Committee may award dividend equivalents on those shares to plan participants to the extent that they vest. The Committee has the discretion to apply a holding period of two years post-vesting for DBP shares.</p>
<b>Maximum potential value</b>	<p>The Committee will determine the maximum annual participation in the annual bonus for each year, which will not exceed 150% of salary. Percentage of bonus maximum earned for levels of performance:</p> <ul style="list-style-type: none"> <li>➤ Threshold: up to 20% of maximum opportunity</li> <li>➤ Target: 50% of maximum opportunity</li> <li>➤ Maximum: 100% of maximum opportunity</li> </ul>
<b>Performance conditions and recovery provisions</b>	<p>The annual bonus is based on a mix of financial and strategic/operational conditions and is measured over a period of one financial year. The financial measures will account for no less than 50% of the bonus opportunity.</p> <p>The Committee retains discretion, in exceptional circumstances, to change performance measures and targets and the weightings attached to performance measures part-way through a performance year if there is a significant and material event which causes the Committee to believe the original measures, weightings and targets are no longer appropriate. Discretion may also be exercised in cases where the Committee believes that the bonus outcome is not a fair and accurate reflection of business, individual or wider Company performance. The exercise of this discretion may result in a downward, or upward, movement in the amount of bonus earned resulting from the application of the performance measures.</p> <p>Any adjustments or discretion applied by the Committee will be fully disclosed in the following year's Directors' Remuneration Report. The Committee is of the opinion that, given the commercial sensitivity in relation to the detailed financial targets used for the annual bonus, disclosing precise targets for the annual bonus in advance would not be in shareholder interests. Actual targets, performance achieved, and awards made will be published at the end of the performance period so shareholders can fully assess the basis for any payouts under the annual bonus.</p> <p>Both the annual bonus and the DBP contain malus and clawback provisions.</p>
<b>Changes to Previous Policy</b>	No changes.

RSP	
<b>Element and link to strategy</b>	Awards are designed to incentivise the Executive Directors over the longer term to successfully implement the Company's strategy.
<b>Operation</b>	<p>Awards are granted annually to Executive Directors in the form of Restricted Shares. Restricted Shares vest at the end of a three-year period subject to:</p> <ul style="list-style-type: none"> <li>➔ the Executive Director's continued employment at the date of vesting; and</li> <li>➔ the satisfaction of an underpin as determined by the Committee, whereby the Committee can adjust vesting for business, individual and wider Company performance.</li> </ul> <p>A two-year holding period will apply following the three-year vesting period for all awards granted to the Executive Directors.</p> <p>Upon vesting, sufficient shares may be sold to pay tax on the shares.</p> <p>The Committee may award dividend equivalents on awards to the extent that they vest.</p>
<b>Maximum potential value</b>	Maximum value of 100% of salary per annum based on the market value at the date of grant set in accordance with the rules of the plan.
<b>Performance conditions and recovery provisions</b>	<p>No specific performance conditions are required for the vesting of Restricted Shares but there will be an underpin in that the Committee will have the discretion to adjust vesting, taking into account business, individual and wider Company performance.</p> <p>The Committee will take into account the following factors (among others) when determining whether to exercise its discretion to adjust the number of shares vesting:</p> <ul style="list-style-type: none"> <li>➔ Whether threshold performance levels have been achieved for the performance conditions for the annual bonus for each of the three years covered by the vesting period for the Restricted Shares.</li> <li>➔ Whether there have been any sanctions or fines issued by a regulatory body; participant responsibility may be allocated collectively or individually.</li> <li>➔ Whether there has been material damage to the reputation of the Company; participant responsibility may be allocated collectively or individually.</li> <li>➔ The potential for windfall gains.</li> <li>➔ The level of colleague and customer engagement over the period.</li> </ul> <p>The RSP is subject to malus and clawback provisions.</p>
<b>Changes to Previous Policy</b>	Awards will be made at the levels approved and operated prior to the introduction of the STP. The 20% reduction applied to the RSP award levels upon STP introduction is being removed for future RSP awards.

## Shareholding requirement

The Committee already had in place strong shareholding requirements (as a percentage of base salary) that encourage Executive Directors to build up their holdings over a five-year period. Adherence to these guidelines is a condition of continued participation in the equity incentive arrangements. This Policy ensures that the interests of Executive Directors and those of shareholders are closely aligned.

In addition, Executive Directors will be required to retain 50% of the post-tax amount of vested shares from the Company incentive plans until the minimum shareholding requirement is met and maintained. The following table sets out the minimum shareholding requirements:

Role	Shareholding requirement (percentage of salary)
Group CEO	250%
Other Executive Directors	200%

The Committee retains the discretion to increase the shareholding requirements.

The Committee has introduced a post-cessation shareholding requirement of the full in-employment requirement as listed above (or the Executive's actual shareholding on cessation, if lower) for two years following cessation.

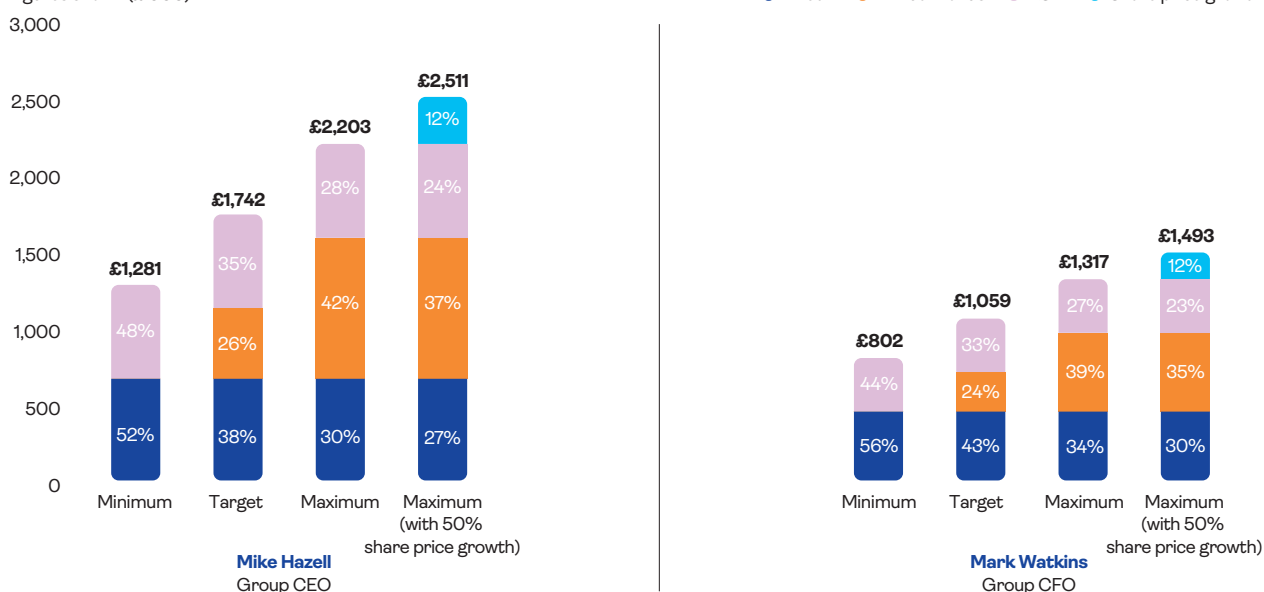
## Directors' Remuneration Policy continued

Chair and Non-Executive Director fees	
<b>Purpose</b>	Provides a level of fees to support recruitment and retention of a Non-Executive Chairman and Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives.
<b>Operation</b>	<p>The Board is responsible for setting the remuneration of the Non-Executive Directors. The Committee is responsible for setting the Non-Executive Chairman's fees.</p> <p>Non-Executive Directors are paid an annual fee and additional fees for chairing committees. The Company retains the flexibility to pay fees for the membership of committees. Non-Executive Directors will be entitled to an additional fee if they are required to perform any specific and additional services.</p> <p>Chair and membership fees may be introduced for any new committees.</p> <p>The Non-Executive Chairman does not receive any additional fees for membership of committees.</p> <p>Fees are reviewed annually, taking into account time commitment, responsibilities and equivalent roles in the comparator group used to review salaries paid to the Executive Directors. Non-Executive Directors and the Non-Executive Chairman do not participate in any variable remuneration or benefits arrangements.</p>
<b>Maximum potential value</b>	<p>The fees for Non-Executive Directors are broadly set at a competitive level against the comparator group.</p> <p>In general, the level of fee increase for the Non-Executive Directors and the Non-Executive Chairman will be set taking account of any change in responsibility and the general rise in salaries across the UK workforce. The aggregate fee for the Non-Executive Directors and the Non-Executive Chairman will not exceed £2.0m.</p> <p>The Company will pay reasonable expenses incurred by the Non-Executive Directors and Non-Executive Chairman and may settle any tax incurred.</p>
<b>Performance metrics</b>	No performance or recovery provisions apply.

### Illustration of application of the Policy

The chart below shows an estimate of the remuneration that could be received by Executive Directors under the first year of the operation of the Policy set out in this report.

Figures shown (£'000)



Element	Minimum	Target	Maximum	Maximum with 50% share price growth
<b>Fixed elements</b>	Base salary for 2025/26. Benefits paid for 2024/25. Pension in line with policy at 6% of salary.			
<b>Annual bonus</b>	Nil.	50% of the maximum opportunity.	100% of the maximum opportunity.	100% of the maximum opportunity.
<b>Restricted Shares</b>	100% vesting of Restricted Shares. Award levels are 100% of salary for the Group CEO, 85% of salary for the Group CFO.	100% vesting of Restricted Shares. Award levels are 100% of salary for the Group CEO, 85% of salary for the Group CFO.	100% vesting of Restricted Shares. Award levels are 100% of salary for the Group CEO, 85% of salary for the Group CFO.	100% vesting of Restricted Shares plus 50% share price growth. Award levels are 100% of salary for the Group CEO, 85% of salary for the Group CFO.

Scenario charts show minimum, target and maximum scenarios in accordance with the Regulations, as well as the impact of a 50% share price growth on the long-term incentives for the maximum scenario. All scenarios do not account for dividend equivalents on DBP shares or RSP shares.

## Discretion within the Policy

The Committee has discretion in several areas of policy as set out in this report. The Committee may also exercise operational and administrative discretion under relevant plan rules as set out in those rules. In addition, the Committee has the discretion to amend the Policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

## Malus and clawback

Malus is the adjustment of the annual bonus payments or unvested RSP awards because of the occurrence of one or more of the circumstances listed below. The adjustment may result in the value being reduced to nil.

Clawback is the recovery of payments made under the annual bonus or vested RSP awards as a result of the occurrence of one or more of the circumstances listed below. Clawback may apply to all, or part, of a participant's payment under the annual bonus and RSP award and may be affected, among other means, by requiring the transfer of shares, payment of cash or reduction of awards or bonuses. The circumstances in which malus and clawback could apply are as follows:

- Discovery of a material misstatement resulting in an adjustment in the audited accounts of the Group, or any Group company.
- The discovery that any information used to determine the award was based on error, or inaccurate or misleading information.
- Action or conduct of a participant, which amounts to fraud or gross misconduct.
- Events, or the behaviour of a participant, which lead to the censure of a Group company by a regulatory authority or have a significant detrimental impact on the reputation of any Group company, provided that the Committee is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to the participant.
- Failure of risk management, including, but not limited to, a material breach of risk appetite and regulatory standards.
- Corporate failure.

Element	Annual bonus (cash)	Annual bonus (deferred shares)	Restricted Shares
Malus	Up to the date of the cash payment.	To the end of the three-year vesting period.	To the end of the three-year vesting period.
Clawback	Two years post the date of any cash payment.	n/a	Two years post vesting.

The Committee believes that the rules of the plans provide sufficient powers to enforce malus and clawback, where required and undertakes an annual review to assess if there are reasonable grounds for the malus and clawback provisions to be enforced.

## Loss of office policy

When considering compensation for loss of office, the Committee will always seek to minimise the cost to the Company, while applying the following philosophy:

Remuneration element	Treatment on cessation of employment
<b>General</b>	<p>The Committee will honour Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There are no contractual arrangements that would guarantee a pension with limited, or no, abatement on severance or early retirement. There is no agreement between the Company and its Directors, or other colleagues, providing for compensation for loss of office or employment that occurs because of a takeover bid.</p> <p>The Committee reserves the right to make additional payments, where such 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 settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.</p>
<b>Salary, benefits and pension</b>	These will be paid over the notice period. The Company has discretion to make a lump sum payment in lieu.

## Directors' Remuneration Policy continued

Element	Good leaver reason	Other reason	Discretion
<b>Bonus cash</b>	Performance conditions will be measured at the bonus measurement date.  Bonus will normally be pro-rated for the period worked during the financial year.	No bonus payable for year of cessation.	The Committee has the following elements of discretion: <ul style="list-style-type: none"> <li>➔ To determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case, which will be explained in full to shareholders.</li> <li>➔ To determine whether to pro-rate the bonus to time. The Committee's normal policy is that it will pro-rate bonus for time. It is the Committee's intention to use discretion to not pro-rate in circumstances where there is an appropriate business case, which will be explained in full to shareholders.</li> </ul>
<b>Bonus deferred share awards</b>	All subsisting deferred share awards will vest.	Lapse of any unvested deferred share awards.	The Committee has the following elements of discretion: <ul style="list-style-type: none"> <li>➔ To determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case, which will be explained in full to shareholders.</li> <li>➔ To vest deferred shares at the end of the original deferral period or at the date of cessation. The Committee will make this determination depending on the type of good leaver reason resulting in the cessation.</li> <li>➔ To determine whether to pro-rate the maximum number of shares to the time from the date of grant to the date of cessation. The Committee's normal policy is that it will not pro-rate awards for time. The Committee will determine whether or not to pro-rate based on the circumstances of the Executive Director's departure.</li> </ul>
<b>RSP for the year of cessation</b>	The award will normally be pro-rated for the period worked during the financial year.	No award for year of cessation.	The Committee has the following elements of discretion: <ul style="list-style-type: none"> <li>➔ To determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case, which will be explained in full to shareholders.</li> <li>➔ To determine whether to pro-rate the Company award to time. The Committee's normal policy is that it will pro-rate for time. It is the Committee's intention to use discretion to not pro-rate in circumstances where there is an appropriate business case, which will be explained in full to shareholders.</li> <li>➔ To determine whether the award will vest on the date of cessation or the original vesting date. The Committee will make its determination based, among other factors, on the reason for the cessation of employment.</li> </ul>
<b>RSP</b>	Awards will be pro-rated to time, will vest on their original vesting dates and remain subject to the holding period.	Unvested awards will be forfeited on cessation of employment. Vested awards will remain subject to the holding period.	The Committee has the following elements of discretion: <ul style="list-style-type: none"> <li>➔ To determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case, which will be explained in full to shareholders.</li> <li>➔ To determine whether to pro-rate the award to the date of cessation. The Committee's normal policy is that it will pro-rate. The Committee will determine whether to pro-rate based on the circumstances of the Executive Director's departure.</li> <li>➔ To determine whether the awards vest on the date of cessation or the original vesting date. The Committee will make its determination based, among other factors, on the reason for the cessation of employment.</li> <li>➔ To determine whether the holding period for awards applies in part or in full. The Committee will make its determination based, among other factors, on the reason for the cessation of employment.</li> </ul>

The following definition of leavers will apply to all of the above incentive plans. A good leaver reason is defined as cessation in the following circumstances:

- ➔ Death.
- ➔ Ill-health.
- ➔ Injury or disability.
- ➔ Retirement.
- ➔ Employing company ceasing to be a Group company.
- ➔ Transfer of employment to a company which is not a Group company.
- ➔ At the discretion of the Committee (as described above). The Committee retains the authority to exercise its discretion to determine good leaver treatment separately in respect of each element of remuneration.

Cessation of employment in circumstances other than those set out above is cessation for other reasons.



## Change of control policy

Name of incentive plan	Change of control	Discretion
<b>Bonus cash</b>	Pro-rated to time and performance to the date of the change of control.	The Committee has discretion regarding whether to pro-rate the bonus to time. The Committee's normal policy is that it will pro-rate the bonus for time. It is the Committee's intention to use its discretion to not pro-rate in circumstances only where there is an appropriate business case, which will be explained in full to shareholders.
<b>Bonus deferred share awards</b>	Subsisting deferred share awards will vest on a change of control.	The Committee has discretion regarding whether to pro-rate the award to time. The Committee's normal policy is that it will not pro-rate awards for time. The Committee will make this determination depending on the circumstances of the change of control.
<b>RSP</b>	The number of shares subject to subsisting RSPs will vest on a change of control pro-rated for time and performance against any underpins.	The Committee has discretion regarding whether to pro-rate the RSPs for time. The Committee's normal policy is that it will pro-rate the RSPs for time. It is the Committee's intention to use its discretion to not pro-rate in circumstances only where there is an appropriate business case, which will be explained in full to shareholders. The Committee also has discretion to consider attainment of any underpins.

## Recruitment and promotion policy

The Company's principle is that the remuneration of any new recruit will be assessed in line with the same principles as for the Executive Directors, as set out in the Policy table. The Committee is mindful that it wishes to avoid paying more than it considers necessary to secure a preferred candidate with the appropriate calibre and experience needed for the role. In setting the remuneration for new recruits, the Committee will have regard to guidelines and shareholder sentiment regarding one-off or enhanced short-term or long-term incentive payments, as well as giving consideration for the appropriateness of any performance measures associated with an award. The Company's policy when setting remuneration for the appointment of new Directors is summarised in the table below:

Remuneration element	Policy
<b>Salary, benefits and pension</b>	Salary and benefits will be set in line with the policy for existing Executive Directors. Maximum pension contribution will be aligned with that of the majority of colleagues.
<b>Annual bonus</b>	Maximum annual participation will be set in line with the Company's policy for existing Executive Directors and will not exceed 150% of salary.
<b>RSP</b>	Maximum annual participation will be set in line with the Company's policy for existing Executive Directors and will not exceed 100% of salary.
<b>Maximum variable remuneration</b>	The maximum variable remuneration which may be granted is the sum of the annual bonus and RSP (excluding the value of any buyouts).
<b>Buyout of incentives forfeited on cessation of employment</b>	<p>Forfeited on cessation of employment.</p> <p>Where the Committee determines that the individual circumstances of recruitment justify the provision of a buyout, the equivalent value of any incentives that will be forfeited on cessation of an Executive Director's previous employment will be calculated taking into account the following:</p> <ul style="list-style-type: none"> <li>➤ The proportion of the performance period completed on the date of the Executive Director's cessation of employment.</li> <li>➤ The performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied.</li> <li>➤ Any other terms and conditions having a material effect on their value (lapsed value). The Committee may then grant up to the same value as the lapsed value, where possible, under the Company's incentive plans. To the extent that it was not possible, or practical, to provide the buyout within the terms of the Company's existing incentive plans, a bespoke arrangement would be used.</li> </ul>
<b>Relocation policies</b>	In instances where the new Executive Director is required to relocate or spend significant time away from their normal residence, the Company may provide one-off compensation to reflect the cost of relocation for the Executive Director. The level of the relocation package will be assessed on a case-by-case basis but will take into consideration any cost-of-living differences/housing allowance and schooling, and will not exceed a period of two years from recruitment.

Where an existing colleague is promoted to the Board, the policy set out above would apply from the date of promotion but there would be no retrospective application of the policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing colleague would be honoured and form part of the ongoing remuneration of the person concerned. These would be disclosed to shareholders in the Directors' Remuneration Report for the relevant financial year.

The Company's policy, when setting fees for the appointment of a new Chairman or Non-Executive Director, is to apply the policy which applies to current Non-Executive Directors.



## Directors' Remuneration Policy continued

### Service contracts and letters of appointment

The Committee's policy for setting notice periods is that normally they will be a maximum of 12 months. The Committee may, in exceptional circumstances arising on recruitment, allow a longer period, which would in any event reduce to 12 months following the first year of employment. The Non-Executive Directors of the Company do not have service contracts and are appointed by letters of appointment. Each independent Non-Executive Director's term of office runs for a three-year period.

The Company follows the UK Corporate Governance Code 2024 (the **Code**) recommendation that all Directors be subject to annual re-appointment by shareholders.

Executive Director					
Name	Date appointed	Nature of contract	Notice periods		Compensation provisions for early termination
			From Company	From Director	
Mike Hazell	9 October 2023	Rolling	12 months	12 months	None
Mark Watkins	28 November 2023	Rolling	12 months	12 months	None

Non-Executive Director				
Name	Original appointment	Appointment of current term	Arrangement	Notice period/unexpired term at AGM
Julie Hopes	1 October 2018	1 October 2024	Letter of appointment	3 months/27 months
Gareth Hoskin	11 March 2019	11 March 2025	Letter of appointment	3 months/32 months
Gemma Godfrey	1 September 2022	1 September 2022	Letter of appointment	3 months/2 months
Anand Aithal	1 September 2022	1 September 2022	Letter of appointment	3 months/2 months

The Board allows Executive Directors to accept appropriate outside non-executive director appointments, provided the aggregate commitment is compatible with their duties as Executive Directors. The Executive Directors concerned may retain fees paid for these services, which will be subject to approval by the Board.

### Choice of performance measures and targets

#### Annual bonus

Performance for the annual bonus will be measured against financial and non-financial measures with respective targets for each measure set by the Committee each financial year. The Policy provides the Committee with the flexibility to choose measures that are strongly linked to the specific strategic and financial priorities in any given financial year.

For financial measures, the targets are set with reference to internal forecasts, external forecasts, and other circumstances, as appropriate, to ensure that targets are suitably stretching and motivational to Executives.

Non-financial targets are set each financial year with reference to the key strategic objectives of the Company and are linked to the long-term success of the business.

#### RSP

No specific performance conditions are required for the vesting of Restricted Shares but there will be an underpin in that the Committee will have the discretion to adjust vesting taking into account business, individual and wider Company performance.

### Consideration of employment conditions elsewhere in the Group

Each year, prior to reviewing the remuneration of the Executive Directors and the members of the Operating Board, the Committee considers a report prepared by the Chief People Officer, detailing base pay and share scheme practices across the Company. The report provides an overview of how colleague pay compares with the market, alongside any material changes during the year and includes detailed analysis of basic pay and variable pay changes within the UK.

While the Company does not directly consult with colleagues as part of the process of reviewing executive pay and formulating the Policy, the Company engages with colleagues via its People Committee, where the approach to Executive remuneration is also discussed. The Chair of the Remuneration Committee is the Non-Executive Director nominated as 'People Champion'. In addition, the Committee receives an update and feedback from the broader colleague population on an annual basis using an engagement survey which includes a number of questions relating to remuneration. The Company does not use remuneration comparison measurements.

The Group aims to provide a remuneration package for all colleagues that is market competitive and operates the same core structure as for the Executive Directors. The Group operates colleague share and variable pay plans, with pension provisions provided for all Executive Directors and colleagues. Any salary increases for Executive Directors are expected to be generally in line with those for UK-based colleagues. The Committee annually publishes a section on fairness, diversity and wider workforce considerations as part of the Directors' Remuneration Report.

Consideration of shareholder views

The Committee takes the views of the shareholders seriously and these views are taken into account in shaping remuneration policy and practice. Shareholder views are considered when evaluating and setting remuneration strategy and the Committee welcomes an open dialogue with its shareholders on all aspects of remuneration. The Committee consulted its major shareholders and the main shareholder representative bodies prior to proposing this Policy. The Committee is grateful for the time taken to consider the Committee proposals and provide feedback. At the end of the consultation, the majority of shareholders indicated they were supportive of this Policy.

Compliance with the Code

The following table sets out how the Policy aligns with the Code whose objective is to ensure the remuneration operated by the Company is aligned with all stakeholder interests, including those of shareholders:

Key remuneration element of the Code	Alignment with the Policy
Five-year period between the date of grant and realisation for equity incentives	The RSP meets this requirement through the implementation of the two-year post vesting holding period for the RSP.
Phased release of equity awards	The RSP meets this requirement as awards are made in an annual cycle.
Discretion to override formulaic outcomes	Included in the terms and conditions of the annual bonus and RSP.
Post-cessation shareholding requirement	The full in-employment requirement for two years following cessation of employment.
Pension alignment	The pension contribution for all Executive Directors is aligned with the majority of colleagues at 6%.
Extended malus and clawback	The malus and clawback provisions align with the Financial Reporting Council’s Board Effectiveness Guidance.



Julie Hopes  
Chair, Remuneration Committee  
20 May 2025