Committee Chair introduction

Remuneration Committee Report

Lisa Scenna
Chair of the Remuneration Committee

2022 Key Achievements

- Management of key remuneration issues in a challenging inflationary environment
- Review of remuneration structure and targets for new CEO and for short and long-term incentives
- More formalised and improved process for wider workforce engagement in relation to remuneration, in conjunction with the Chief People Officer and designated NED

Areas of focus for 2023

- Review the Policy ahead of the 2024 AGM following a review of Group-wide remuneration arrangements
- Engagement with investors ahead of 2024 AGM
- Performance against the targets set will be reviewed regularly throughout the year
- Engagement with the wider workforce on Executive remuneration and consideration of employee views during the Policy review

Dear Shareholder

I am pleased to present the Directors' Remuneration Report (the Report) for the year ended 31 December 2022, having taken over as Chair of the Committee in September 2022 when Louise Hardy stepped down from the Board and as Committee Chair. On behalf of the Board, I wish to thank Louise for the work she undertook while Chair of the Committee.

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

– The Remuneration Policy (the Policy) contains details of the various components of the Policy, which was approved by shareholders at our 2021 Annual General Meeting (AGM) and had effect from that date.

– The Annual Report on Remuneration contains details of remuneration received by Directors in 2022 and also contains full details of how we intend to implement the Policy during 2023. The Annual Report on Remuneration will be subject to an advisory vote at the 2023 AGM. Further details are set out on pages 114 to 126.

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 2018 (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 105 to 113, by rewarding 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 only rewards for shareholder value creation and delivery of long-term earnings growth.

Executive remuneration in 2022

2022 was a challenging year with tough market conditions arising from a combination of double digit inflation and increases to interest rates. In this context, the Company delivered resilient performance, passing through rising costs where possible at the same time as continuing to offer competitive pricing to our valued customers. Further details are set out in the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) reviews on pages 7 to 10 and 50 to 54. In 2022, we achieved an underlying operating profit of £98.2m and an underlying basic earnings per share of 30.8 pence.

Despite the difficult market conditions detailed above, we delivered solid performance in partially achieving against our EBIT margin and working capital targets. As a result, the Committee determined that, in respect of 2022 performance, Joe Vorih, Paul James, and Matt Pullen each earned a bonus of 13% of the maximum potential annual bonus. 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.

With regards to performance over the longer term, the 2020 Long-Term Incentive Plan (LTIP) Awards were granted during the pandemic. As a result, the decision was taken to set a sole Total Shareholder Return (TSR) performance target, given the challenges with setting meaningful targets during 2020, and in light of the fact that financial guidance was suspended during the Covid-19 pandemic. The Company's TSR performance was assessed against FTSE 250 companies that are classified as Industrials by the Industry Classification Benchmark. Performance was assessed over the three financial years to 31 December 2022. As a result of below median TSR performance compared against our FTSE 250 industrials comparator group, the award will not vest and all options outstanding will lapse in June 2023.

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

2022 LTIP Awards

In April 2022, 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, Paul James and Matt Pullen. These award levels are below the maximum of 200% of annual salary permitted under the current Policy.

Remuneration Committee Report continued

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 the 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 2022 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.

Board changes

Martin Payne stepped down from the Board and his role as CEO in February 2022. In the context of his departure having been mutually agreed, he continued to receive his contractual entitlements through to his cessation of employment on 20 May 2022 and was treated as a good leaver in connection with his incentives. Mr Payne remains subject to the Company's post-cessation of employment share ownership guidelines. Page 123 provides further details of the terms of his cessation of employment.

Joe Vorih was appointed as CEO with effect from 28 February 2022, and was recruited on a base salary of £560,000, details of which were outlined in the 2021 Directors' Remuneration Report.

Both Joe Vorih and Matt Pullen (who was appointed on 1 November 2021) were eligible to receive replacement share awards for awards which lapsed in connection with joining Genuit. Further details are set out on pages 122 and 123 and on page 109 in the 2021 Annual Report.

Ron Marsh retired from the Board on 31 December 2022 after completing nearly nine years of service. After a full externally facilitated search process, Kevin Boyd was appointed as Ron Marsh's successor as the Company's Chair with effect from 1 November 2022. Ron Marsh remained on the Board until 31 December to assist with the handover of the Chair role.

As a part of the work undertaken in respect of the search for a successor to Ron Marsh, the Chair fee was reviewed. The market data suggested that the current fees payable were below market due to the growth in the size and complexity of the Company. Taking into account the market positioning and the time commitment for the role, the Chair fee was increased to £200,000, effective from 1 November 2022.

Louise Hardy stepped down from the Board and as the Committee Chair on 30 September 2022. I was appointed as Chair of the Committee with effect from the same date. I would like to thank Louise for her hard work and contribution as Committee Chair, and wish her every success for the future.

Key remuneration decisions for 2023

The implementation of the Policy for our Executive Directors for 2023 is outlined on pages 105 to 113. Key decisions made by the Committee in relation to 2023 include:

- During the year the Committee reviewed the salary increases for the wider workforce, taking into account high inflation and the increase in cost of living. As a result of the review, the Committee determined that there should be a tiered approach to salary increases, favouring the lowest paid. On this basis, salary increases for the wider workforce ranged from 3%-6%, with the higher increases focused on employees earning less than £35,000 per annum. Therefore, the Remuneration Committee were comfortable with an increase of 3% in salary for Executive Directors.
- Paul James's pension provision reduced from 15% of salary to 5% of salary with effect from 1 January 2023 to achieve alignment with the typical UK workforce provision.
- The maximum bonus opportunity in FY 2023 will be 150% of salary for Joe Vorih and 125% of salary for the other Executive Directors. With regard to the LTIP quantum of FY 2023 awards, the Committee intends to make awards at 150% of salary to the Executive Directors. In recognition of current share price volatility, the Committee intends to include the ability to adjust the number of shares vesting in the FY 2023 long-term incentive award in the event there is perceived to be a windfall gain on vesting.
- During the year, the Committee reviewed the performance measures for the annual bonus and determined that the working capital measure should be replaced by operating cash flow conversion, to encourage longer-term behaviours in relation to working capital. In addition, the total weighting on EBIT and EBIT margin was reduced from 75% to 65%, resulting in a corresponding increase in the weighting of the strategic objectives from 10% to 20% to better align the annual bonus with the in-year objectives that have been set to contribute towards the longer-term delivery of sustainable shareholder value. As a result of the review, the performance measures to be used to assess Company performance in 2023 will include Group underlying EBIT, Group EBIT margin and operating cash flow conversion targets, which determine 80% of the annual bonus. Specific strategic objectives, closely aligned to the Company's refreshed strategy outlined at the Capital Markets Day in November 2022, will operate for the remaining 20%. In addition, a health and safety and a compliance override will be operated for the first time, in relation to which the Committee will have discretion to reduce any annual bonus payable in the event that certain circumstances arise.
- In line with the weightings and measures for the 2022 LTIP, the proportion of the LTIP subject to underlying diluted EPS will be set at 50% of the 2023 awards, with relative TSR determining 25% of the vesting of the awards and the remaining 25% subject to defined and measurable long-term sustainability targets.

Remuneration Committee Report continued

- The Committee intends to undertake a final review of the range of targets to apply to the 2023 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 be at least 30.1 pence for FY 2025 for threshold vesting to take place, with maximum vesting requiring EPS to be at least 35.6 pence. 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 that include higher interest and corporate tax rates in the UK. Given the uncertainty around future corporate tax rates in the UK, it is the Committee's intention to restate the targets to the extent that there are material changes to the current published statutory corporate tax rates during the performance period, to ensure that there will be a strong relationship between performance and reward. The targets are considered similarly challenging to those set in prior years in this context. The TSR targets will require Group performance to be between median and upper quartile versus our FTSE 250 Industrial comparator companies for threshold to maximum vesting to take place.
- The sustainability targets are set to be similarly challenging to the EPS and TSR targets and include increasing the amount of recycled plastics in our products, reducing our emissions intensity and achieving Gold Membership of The 5% Club, which supports employees with acquiring the right skills to achieve future success. The sustainability targets directly align with the 2025 targets first set out to the market at our Capital Markets Event in November 2020.
- The range of financial targets set for the three years ending 31 December 2025 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 relatively high rates of inflation and interest rates.

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.

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 2022. 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 76. We have set out our compliance with Provision 40 of the Code in more detail on page 105.

Shareholder engagement

The Committee consults with its larger shareholders on executive pay matters, where considered appropriate. As there are no significant changes in the implementation of the Policy, we have not carried out a further formal consultation with shareholders in relation to the Policy or its operation in 2023. However, I am always happy to make myself available to shareholders to discuss any concerns or feedback they may have. We will consult with shareholders during the Policy review process ahead of the 2024 AGM, and I will be available to answer questions on the Policy and the Annual Report on Remuneration at the upcoming AGM.

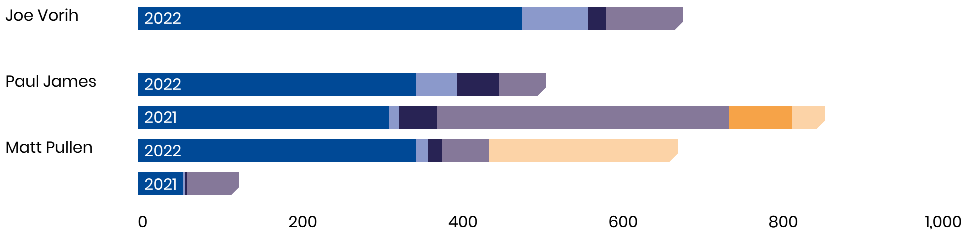
I hope you will find this report to be clear and helpful in understanding our remuneration practices and that you will be supportive of the resolution relating to remuneration at the AGM.

Lisa Scenna
Chair of the Remuneration Committee
14 March 2023

Remuneration at a glance

Total Remuneration (£'000s)

Key Salary · Benefits · Pension · Annual bonus · Long-term Incentive · Other



Full details are disclosed on page 117

Incentive Performance Snapshot 2022

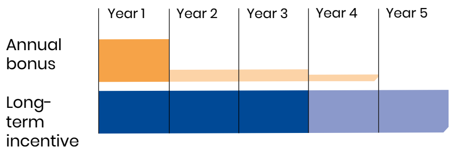
Long-Term Incentive Plan Performance

Performance	Achievement (% of max)
Below the median TSR performance relative to comparator group	**0%**

Annual bonus

Performance	Achievement (% of max)
Underlying EBIT target	**0%**
EBIT margin %	**9.56%**
Working capital target	**3.80%**
Strategic targets	**0%**

Incentive Timelines



Key

- Performance period
- Deferral/holding period

Annual General Meeting

The Annual Report on Remuneration will be subject to an advisory shareholder vote at our AGM scheduled to be held on 18 May 2023

Implementation for 2023

Fixed pay

Base salary

Increases for all Executive Directors (effective from 1 January):

Joe Vorih	Paul James	Matt Pullen
+3.0% TO £576,800	+3.0% TO £350,200	+3.0% TO £350,097

Benefits

No change

Pension

5% of salary for Joe Vorih, Paul James and Matt Pullen

Variable pay

Bonus

Joe Vorih	Paul James	Matt Pullen
150% OF SALARY	125% 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

LTIP

Joe Vorih	Paul James	Matt Pullen
150% OF SALARY	150% OF SALARY	150% OF SALARY

- Awards subject to underlying diluted EPS, relative TSR and sustainability performance measures
- Two year post-vesting holding period applies

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

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 following consultation with shareholders and the shareholder advisory bodies. This part of the Report sets out the Policy. Details of the changes to the previous policy can be found in the 2020 Annual Report and Accounts. This Policy applied from the date of approval and it is intended that it will apply for three years from approval, therefore the next remuneration policy will be put to shareholders for approval in 2024. The information provided in this section of the Directors' Remuneration Report is not subject to audit.

Our Policy and practices are designed to support strategy and promote long-term sustainable success. Executive remuneration is aligned to Company purpose and values, especially with the increased emphasis on sustainability in the application of Policy from 2021, and our overall Policy is clearly linked to the successful delivery of the Company's long-term strategy.

Corporate Governance Code Requirements

In its application of the Policy in line with the UK Corporate Governance Code (the Code), the Policy has been tested against the six factors listed in Provision 40 of the Code as follows:

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 105 to 113 and the implementation of the Policy is set out on pages 114 to 126. Before updating the Policy, extensive consultation with the Company's major shareholders and the leading advisory bodies took place. All feedback was carefully reviewed and considered, to ensure that the arrangements proposed were clear, understandable and transparent, and clearly aligned to stakeholder interests.

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.

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 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 and bonus deferral, recovery provisions, and shareholding requirements. 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. No Executive Director or other member of management is present when their own remuneration is under discussion.

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 how the 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.

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 Policy was updated in 2021 which 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. 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.

Alignment to culture

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

Variable incentive schemes, performance measures and underpins are designed to be consistent with the Company's purpose, values and strategy. In 2020 we refined our performance metrics to include sustainability 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.

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.
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	New joiners will receive a pension-related contribution in line with the wider workforce (currently 5% of salary). Incumbent Executive Directors receive a pension-related contribution of 5% of salary, the level of the wider workforce.
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 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. The 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 maximum annual award permitted under the LTIP is shares with a market value (as determined by the Committee) of 200% of salary. Under the Policy, for incumbent Directors, awards will be limited to 150% of salary. Each year the Committee determines the actual award level for individual senior executives within this limit.
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, 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. The Remuneration Committee has discretion, where it believes it to be appropriate, to override the formulaic outcome arising from the LTIP. 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 have been required to build and maintain a shareholding as a percentage of salary in the form of shares in the Company since Admission. 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 return on capital employed 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.
5. 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 2015 AGM (the date the Company's first shareholder-approved Directors' Remuneration Policy came into effect); (ii) 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 (iii) 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.
6. 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.

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 The Chairman 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 and 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 Chairman and NEDs will not exceed £2,000,000 per annum.

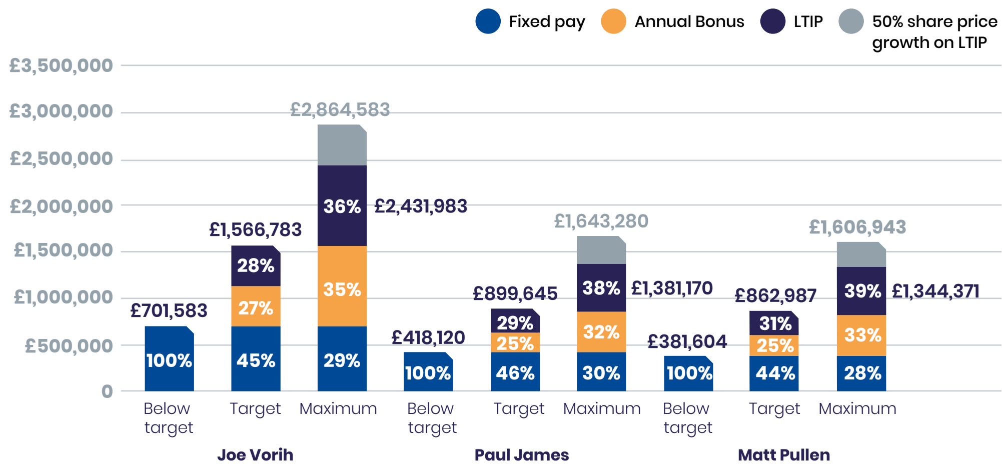
Remuneration Policy continued

Illustrations of application of the Policy

The 'Implementation of Remuneration Policy in 2023' section of the Annual Report on Remuneration details how the Committee intends to implement the Policy during 2023.

The charts to the right illustrate, in three assumed performance scenarios, the total value of the remuneration package potentially receivable by Joe Vorih, Paul James and Matt Pullen in relation to 2023. 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 Paul James and Matt Pullen, and an LTIP award of 150% of salary for Joe Vorih, Paul James and Matt 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 2023.



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 2023 – Benefits – the value of benefits received in 2022 have been included (pro-rated for Joe Vorih 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

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, 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.

Maximum level of variable pay
The maximum level of variable remuneration which may be granted to new Executive Directors in respect of recruitment shall be limited to the 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 Chairman 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. 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.

	Date of appointment	Date of current contract/letter of appointment	Notice from the Company and individual	Unexpired period of service contract
Executive Directors				
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
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

Notes

Martin Payne stepped down from the Board on 28 February 2022 and left the Company on 20 May 2022. Louise Hardy stepped down from the Board on 30 September 2022. Ron Marsh retired from the Board on 31 December 2022.

* 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.

** Shatish Dasani joined the Board on 1 March 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:

- 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 in full unless the Committee determines otherwise.
- 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 with employees during the course of the year through a structured employee engagement programme across the Group. This engagement involved various employees at different Company sites, 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 76.

The Committee reviews workforce remuneration and related policies, 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 Chairman of the Company offered the Company's largest shareholders the opportunity to meet with him following his appointment on 1 November 2022.

In relation to the updated Policy that was approved by shareholders at the 2021 AGM, a formal consultation with the Company's top 20 shareholders and the shareholder advisory bodies was carried out during 2020 and 2021. 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.

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 2022. This Annual Report on Remuneration will be put to an advisory shareholder vote at the 2023 AGM on 18 May 2023.

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 Group 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 November 2022. 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 in the table on page 74. Louise Hardy stepped down from the Board and as the Remuneration Committee Chair on 30 September 2022. Louise attended the two meetings held between 1 January 2022 and 30 September 2022. Lisa Scenna was then appointed as Committee Chair. She attended all four meetings held during the year; two as a member and two as Committee Chair. The remaining members of the Remuneration Committee, Mark Hammond, Louise Brooke-Smith and Kevin Boyd attended all four meetings during the year. The CEO, Joe Vorih, was also present at those meetings during 2022 by invitation, albeit he was not involved in any discussions in relation to his own remuneration.

The Committee typically meets at least three times a year and thereafter as required, and in 2022, the Committee met four 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. 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 £46,565 (2021: £71,318). 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 2023

This section provides an overview of how the Committee is proposing to implement the Policy in 2023 for the Executive Directors. Other than some minor changes to the performance measures for the annual bonus, there are no significant changes to the implementation of the Remuneration Policy in 2023.

Base annual salary

During the year the Committee reviewed the salary increases for the wider workforce taking into account high inflation and the increase in cost of living. As a result of the review, the Committee determined that there should be a tiered approach to salary increases, favouring the lowest paid. On this basis, salary increases for the wider workforce ranged from 3% to 6% with the higher increases focused on employees earning less than £35,000 per annum. Therefore, the Remuneration Committee were comfortable with an increase of 3% in salary for Executive Directors.

	Salary 1 January 2023	Salary 1 January 2022	% increase
Joe Vorih (CEO)*	**£576,800**	£560,000	3.0%
Paul James (CFO)	**£350,200**	£340,000	3.0%
Matt Pullen (COO)	**£350,097**	£339,900	3.0%

* Joe Vorih was appointed on 28 February 2022. The 2022 salary for Joe Vorih represents his base salary on appointment.

Pension

In line with the Policy and as outlined in the 2021 Remuneration Report, the Company contribution for Paul James has been reduced with effect from 1 January 2023, and therefore Joe Vorih, Paul James and Matt Pullen will receive a pension contribution of 5% of annual salary during 2023, which is in line with the wider workforce.

Other benefits

In 2023, the Executive Directors will receive a standard package of other benefits consistent with those received in 2022.

Annual Report on Remuneration continued

Annual bonus

The annual bonus plan for 2023 will be operated in accordance with the Policy. Key features of the plan for 2023 are:

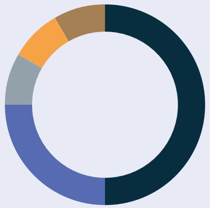
- There will be a maximum bonus opportunity of 150% of annual salary for Joe Vorih and 125% of annual salary for Paul James and Matt Pullen.
- 33% of any bonus earned will be deferred into shares under the Deferred Share Bonus Plan (DSBP). Half of these shares will vest two years from the date of grant 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.

During the year, the Committee reviewed the performance measures for the annual bonus and determined that the working capital measure should be replaced by operating cash flow conversion, to encourage longer-term behaviours in relation to working capital. In addition, the total weighting on EBIT and EBIT margin was reduced from 75% to 65% resulting in a corresponding increase in the weighting of the strategic objectives from 10% to 20% to better align the annual bonus with the in year objectives that have been set to contribute towards the longer-term delivery of sustainable shareholder value. Following a review by the Committee, Executive Director bonuses for 2023 will be subject to 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 pay outs 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 2023.

The targets for these performance measures in relation to FY 2023 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)

- It is expected that the Executive Directors will receive awards under the LTIP during 2023. 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 2023 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 2023 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, relative TSR performance measures, and sustainability targets, assessed over a three-year period as detailed below.



Underlying diluted earnings per share target	50.00%
Relative total shareholder return target	25.00%
Sustainability target (carbon reduction)	8.33%
Sustainability target (use of recycled plastics)	8.33%
Sustainability target (The 5% Club)	8.33%
Total award	100.00%

Annual Report on Remuneration continued

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 this performance condition of the near-term uncertainties caused by external factors. 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. Given the uncertainty around future corporate tax rates in the UK, it is the Committee's intention to restate the targets to the extent that there are material changes to the current published corporate tax rates during the performance period, to ensure that there will be a strong relationship between performance and reward. 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:

FY 2025 Underlying Diluted Earnings per Share	Vesting (% total award)
Below 30.1 pence	0%
30.1 pence	25%
35.6 pence	100%

Straight-line vesting will operate between these performance points.

Relative Total Shareholder Return (TSR) (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' (circa 35 comparator companies). The Committee reviewed the suitability of this group during 2022, and agreed that it remained the most appropriate comparator group as it includes those companies that are the most similar in terms of size and business type to the Company, and so it is likely to be management actions that drive out-performance as opposed to external market factors. The targets to apply are as follows:

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

Straight-line vesting will operate between these performance points.

Sustainability Targets (25% of the award)
Sustainability targets align with the key elements of the Group'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 and 2 tonnes of CO_2e per tonne of output.

FY 2025 Emissions Intensity	Vesting (% total award)
Above 0.093	0%
0.093	25%
0.086	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 % of Recycled materials used	Vesting (% total award)
Below 57.4%	0%
57.4%	25%
62.0%	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 the Group'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 2025 target set out below:

Progress towards The 5% Club	Vesting (% total award)
Below 4.6%	0%
4.6%	25%
5.0%	100%

Straight-line vesting will operate between these performance points.

Annual Report on Remuneration continued

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

The range of targets for these 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 relatively high rates of inflation and interest rates. The Committee retains discretion to adjust vesting outcomes (e.g. if TSR vesting is not considered aligned with the underlying financial performance of the Company or 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 fulfill 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 2022. 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 2023.

Non-Executive Director remuneration

After an externally facilitated search process, Kevin Boyd was appointed Company Chair with effect from 1 November 2022. As a part of the work undertaken in respect of the search for a successor to Ron Marsh, the Chair fee was reviewed. The market data suggested that the current fee payable was below market due to the growth in the size and complexity of the Group. Taking into account the market positioning and the time commitment for the role, the Chair fee was increased to £200,000, effective from 1 November 2022. During the year, Non-Executive Director fees were reviewed, following which it was agreed to increase the Non-Executive Director base fee by 1.9%. There were no increases to the other fees.

The table below shows the fee structure for Non-Executive Directors with effect from 1 January 2023 with comparative figures for 2022. 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.

	2023 Fees	2022 Fees
Chair of the Board all-inclusive fee	**£200,000**	£158,699
Basic Non-Executive Director fee	**£53,000**	£52,000
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	**£8,000**	£8,000

Audited information

The information provided in this section of the Remuneration Report up until the 'Unaudited information' heading on page 124 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 2022 with comparative figures for 2021.

	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[7]	**469**	**80**	**23**	**572**	**94**	**–**	**94**	**–**	**666**
Martin Payne[8]	**81**	**3**	**12**	**96**	**39**	**–**	**39**	**–**	**135**
Paul James	**340**	**50**	**51**	**441**	**57**	**–**	**57**	**–**	**498**
Matt Pullen [9]	**340**	**14**	**17**	**371**	**57**	**–**	**57**	**231**	**659**
Non-Executive Directors									
Ron Marsh[10]	**159**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**159**
Kevin Boyd[10]	**85**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**85**
Mark Hammond	**62**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**62**
Lisa Scenna	**54**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**54**
Louise Brooke-Smith	**60**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**60**
Louise Hardy[11]	**47**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**46**

Annual Report on Remuneration continued

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(10)
	2021								
Executive Directors									
Martin Payne	480	17	72	569	669	152	821	–	1,390
Paul James	306	13	46	365	356	78	434	40	839
Glen Sabin(13)	301	13	45	359	350	76	426	–	785
Matt Pullen	55	2	3	60	64	–	64	–	124
Non-Executive Directors									
Ron Marsh	153	–	–	–	–	–	–	–	153
Kevin Boyd	57	–	–	–	–	–	–	–	57
Mark Hammond	59	–	–	–	–	–	–	–	59
Lisa Scenna	49	–	–	–	–	–	–	–	49
Louise Brooke-Smith	57	–	–	–	–	–	–	–	57
Louise Hardy	57	–	–	–	–	–	–	–	57

Notes to the table – methodology

1. Salary and fees – as disclosed in the 2021 Annual Report, Matt Pullen and Martin Payne received a 3% salary increase with effect from 1 January 2022, in line with the wider workforce. Paul James received an increase of 10.56% from 1 January 2022, consistent with the rate of increase detailed to institutional investors during the Policy review process. The Non-Executive Director base fee and Chairman fee were also increase by 3%.
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 2022, the benefits value for Joe Vorih includes £27,788 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 £36,408 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 2021 and 2022 for Martin Payne and Paul James, and 2021 for Mr Sabin, is 15% of salary. The pension provision in 2022 for Mr Vorih and Mr Pullen is 5% of salary. Mr James will receive a pension provision of 5% of salary from 1 January 2023.
4. Annual bonus – the bonus is typically paid 66.67% in cash and 33.33% deferred into shares under the DSBP.
5. LTIP – for 2022, this relates to the estimated value of the 2020 LTIP award which was subject to a 100% relative TSR condition. Further details can be found on page 120 and 121. As the performance condition for this award has not been met, there is no value or share appreciation to be disclosed in relation to these awards.

   LTIP – for 2021, this relates to the value of the 2019 LTIP award which was subject to an EPS and TSR performance target over the three-year period ended on 31 December 2021. Further details can be found on page 111 of the 2021 Annual Report. The value of the 2019 award has been calculated using the Company's share price on the relevant vesting date of £4.52. The amount of the 2019 award that is attributable to share price appreciation is £8,771 for Martin Payne, £4,475 for Paul James and £4,405 for Glen Sabin. The Committee did not apply any discretion as a result of the share price appreciation.
6. Other – for 2022, Matt Pullen was eligible to receive replacement share awards for awards that were forfeited on joining Genuit. This comprises compensation for the 2021 bonus and replacement share awards. To compensate for forfeiting the 2021 bonus, a Deferred Share Award was granted on 22 March 2022 which vested immediately on grant. The value included in the table is based on the value of the award vested based on a share price of £5.38. The replacement share awards are included in this table based on the face value at grant using a share price of £5.38 (see page 123 for more details).

   Other – for 2021, this column comprises £40,226, being the value of 6,040 Sharesave options granted to Paul James in 2018, which vested on 1 November 2021. The shares have been valued at the share price when the award matured of £6.66.
7. Joe Vorih was appointed to the Board as Chief Executive Officer on 28 February 2022.
8. 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.
9. Matt Pullen joined the Board on 1 November 2021.
10. Kevin Boyd was appointed as Chair of the Board on 1 November 2022. Ron Marsh stepped down as Chair on 1 November 2022 and retired from the Board on 31 December 2022.
11. Louise Hardy stepped down from the Board on 30 September 2022.
12. Total remuneration paid to Directors in respect of 2022 was £2,424,000 (2021: £3,689,000).
13. Glen Sabin stepped down from the Board on 1 November 2021 and retired from the Company on 31 December 2021.

Annual Report on Remuneration continued

Annual bonus

The maximum annual bonus opportunity for the Executive Directors in 2022 was as follows:

- 150% of annual salary for Joe Vorih and Martin Payne. Martin Payne was entitled to receive a pro-rated bonus for the period from 1 January 2022 to 20 May 2022.
- 125% of annual salary for Paul James and Matt Pullen.

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 three 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 2022 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	75%	EBIT Margin 37.5%	15.75% 25% earned	16.57% 50% earned	18.23% 100% earned	15.79%	9.56%
		EBIT 37.5%	£100.241m 25% earned	£108.369m 50% earned	£119.206m 100% earned	£98.2m	0%
Working capital		15%	Net working capital position assessed at the end of each month relative to target. Maximum performance requires the monthly target to be met at the end of all 12 months.			Target achieved in 3 of 12 months	3.80%
Health & Safety targets		5%	91%, calculated on a hit/miss basis			89%	0%
Customer service targets		5%	2% improvement		5% improvement	Less than 2% improvement	0%

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	13.36%	£94,409 (20.04% of salary earned)
Paul James	13.36%	£56,790 (16.70% of salary earned)
Matt Pullen	13.36%	£56,774 (16.70% of salary earned)
Martin Payne[1]	13.36%	£38,913 (20.04% of salary earned)

1. Left the Company on 20 May 2022. The bonus outcome has therefore been pro-rated from 1 January 2022 to 20 May 2022.

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.

Annual Report on Remuneration continued

LTIP vesting

The LTIP award granted in June 2020 is due to vest in June 2023, based 100% on relative TSR performance over the three financial years ended on 31 December 2022. Based on TSR performance over the period, the awards will lapse.

Performance measure	Threshold (25% of award vests)	Maximum (100% of award vests)	Actual Performance	% of total award vesting	Vested shares	Value
TSR performance relative to comparator group	Median	Upper quartile	Below median	0%	0	£0

The Committee is comfortable that the formulaic outcome of the LTIP reflects wider business performance.

Buyout awards vesting

As discussed on page 109 of the 2021 Annual Report, Matt Pullen was eligible to receive compensation for the 2021 bonus of £82,230 that he forfeited on leaving employment with Saint-Gobain to join Genuit. Accordingly, he was granted an award of Genuit shares that vested immediately, further details are set out below.

Executive	Basis of the award [1]	Number of shares granted [2]	Face value of the award at grant date	Threshold vesting	Grant date	Vest date
Matt Pullen	£82,230	12,347	£66,427	N/A	22 March 2022	22 March 2022

1. The number of Genuit shares was calculated using the Genuit share price on the day Matt commenced employment with the Company on 1 November 2021 of £6.66. The share price at the time of grant was £5.38.
2. Shares were granted in the form of deferred shares as a nil-cost option.

Scheme interests awarded during the financial year

LTIP awards

An award was granted under the LTIP to selected senior executives, including the Executive Directors, in April 2022. This award is subject to the performance conditions described below and will become exercisable in April 2025.

	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**	22 April 2022	150%	183,139	£839,875	25% of award	31 December 2024
Paul James	Nil-cost option**	22 April 2022	150%	92,659	£424,934	25% of award	31 December 2024
Matt Pullen	Nil-cost option**	22 April 2022	150%	92,632	£424,810	25% of award	31 December 2024

* The maximum number of shares that could be awarded has been calculated using the share price of £4.586 (average closing share price for 19 to 21 April 2022) and is stated before the impact of reinvestment of the dividends paid since grant.

** In line with the 2021 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.

Vesting of the awards is subject to satisfaction of the following performance conditions measured over a three-year performance period. Vesting is calculated on a straight-line basis.

As discussed in the Remuneration Committee Chair's statement on page 102, 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 2022 awards.

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

The EPS targets are a range around FY 2024 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 2024 Underlying Diluted EPS	Vesting (% of total award)
Below 31.5p	0%
31.5p	25%
37.3p	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' (circa 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 (% total 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 and 2 tonnes of CO_2e per tonne of output.

FY 2024 Emissions Intensity	Vesting (% total award)
Above 0.108	0%
0.108	25%
0.086	100%

Straight-line vesting will operate between these performance points.

The 2021 baseline from which the above targets were set is 0.141 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 2024 % Recycled materials used	Vesting (% total award)
Below 54.4%	0%
54.4%	25%
62.0%	100%

Straight-line vesting will operate between these performance points.

The 2021 baseline from which the above targets were set is 49.4% 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 2024 target set out below:

Progress towards The 5% Club	Vesting (% total award)
Below 4.2%	0%
4.2%	25%
5%	100%

Straight-line vesting will operate between these performance points.

The 2021 baseline from which the above targets were set is 3.2% and so the above targets are considered stretching.

Annual Report on Remuneration continued

Deferred Share Bonus Plan awards

On 22 April 2022, the Executive Directors received an award of shares under the Deferred Share Bonus Plan relating to the 2021 annual bonus. The value of these shares was included in the annual bonus figure in the 2021 single total figure of remuneration. No further performance conditions apply to these shares.

	Type of award	Maximum number of shares	Face value (£)*	Vesting date
Paul James	Deferred shares	25,852	£118,577	50% vests in each of April 2024 and April 2025
Matt Pullen**	Deferred shares	4,648	£21,323	
Martin Payne***	Deferred shares	48,643	£223,112	

* 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 £4.586.

** Matt Pullen was appointed on 1 November 2021 and therefore his bonus was prorated for the period from appointment to 31 December 2021.

*** Martin Payne left the Company on 20 May 2022 and therefore his 2021 bonus was subject to the 33.67% deferral requirement.

Sharesave Plan

Details of the Executive Directors' Sharesave options are set out below. No performance conditions apply to these options.

	Type of award	Number of shares under option (year of grant)	Face value of the award at grant date	Number of shares exercised	Option price (£)	Options exercisable from	Market price on date of exercise (£)	Notional gain on exercise (£)
Joe Vorih	Share Option	8,144 (2022)	£23,495	–	£2.21	December 2025	–	–
Paul James	Share Option	8,144 (2022)	£23,495	–	£2.21	December 2025	–	–
Matt Pullen	Share Option	8,144 (2022)	£23,495	–	£2.21	December 2025	–	–

* The number of options included in the award was determined based on total savings during the three-year term, divided by the option price.. The face value of the awards has been calculated using the Company's share price on the relevant grant date of £2.885.

The option price represents a 20% discount to the average closing price of a share on the three dealing days prior to the relevant invitation date. The notional gain is the difference between the option price and the market price of the shares on the date of exercise.

Buyout awards

As set out on page 109 of the 2021 Annual Report, both Joe Vorih and Matt Pullen were eligible to receive replacement share awards for awards which lapsed in connection with joining Genuit.

The buyout arrangements for Joe Vorih comprise replacement share awards for both his 2020 and 2021 Spectris Long Term Incentive Plan (LTIP) awards, which lapsed in connection with his joining the Company, as follows:

Executive	Replace award	Number of shares granted (2)	Face value of the award based on share price on 28 Feb 2022	Face value of the award at grant date	Threshold (% of max)	Grant date	Expected vesting date
Joe Vorih	2020 Spectris LTIP award	175,081	£894,664	£941,936	20%	22 March 2022	25 March 2023
	2021 Spectris LTIP award	124,683	£637,130	£670,795	25%	22 March 2022	17 March 2024

1. Calculated based on the maximum number of Spectris shares eligible to vest converted to Genuit shares using the 28 February 2022 share price (£5.11), being the day Joe Vorih commenced employment with the Company. The share price on the date of grant was £5.38.
2. Shares were granted in the form of deferred shares as a nil-cost option.
3. Note – the vesting dates for each award mirror those in place at Spectris and there is an expectation that to the extent that the above awards vest, a minimum proportion is retained towards satisfying the Company's share ownership guidelines. Vesting will take place at the later of the above date and the date of determining the extent to which the performance conditions have been met.

For the 2020 Spectris LTIP replacement awards, the number of shares eligible to vest will be determined by the proportion of the 2020 Spectris LTIP that vests. The award is 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.

Whilst the performance period is complete, at the point of writing, Spectris has not published their Annual Report and so the vesting level is not known. Therefore, the vesting level for this award will be included in our 2023 Annual Report.

Annual Report on Remuneration continued

For the 2021 Spectris LTIP replacement award, the award will vest based on the performance condition applicable to the 2021 Genuit LTIP award. The award is subject to EPS, Relative TSR vs FTSE 250 Industrials and sustainability targets measured from 1 January 2021 to 31 December 2023. The targets are set out on pages 112 to 113 of the Genuit Group plc 2021 Annual Report, available on our Company website. This approach recognised that only a relatively short proportion of the performance period had run its course at the time the award was granted and so Genuit performance targets were set, as opposed to Spectris performance targets.

The buyout arrangements for Matt Pullen comprise replacement share awards in compensation for the 2021 bonus (details are set out on page 120) and the share awards he had earned that were forfeited on joining the Company, as follows:

Executive	Replace award	Number of shares granted	Face value of the award based on share price on 1 November 2021	Face value of the award at grant date	Threshold vesting	Grant date	Expected vesting date
Matt Pullen	Saint Gobain share awards forfeited	30,640	£204,062	£164,843	n/a	22 March 2022	22 March 2023

1. Calculated based on the maximum number of Saint-Gobain shares converted to Genuit shares using the 1 November 2021 share price (£6.66). The share price on the date of grant was £5.38.
2. Shares were granted in the form of deferred shares as a nil-cost option.

The quantum of this award was structured to replicate the Saint-Gobain awards forfeited and can be adjusted by the Committee to ensure that in the event there would be any performance related clawback, then this can be replicated in what ultimately vests.

Payments for loss of office and to past Directors

As outlined in the 2021 Annual Report and Accounts, Martin Payne stepped down from the Board on 28 February 2022, and ceased employment on 20 May 2022. Mr Payne therefore received salary, pension and benefits during the period until 20 May 2022 (totalling £230,000 over the period from 1 January 2022 to 20 May 2022). In addition, he received an annual bonus for the period to 20 May 2022, as set out in the table on page 117. As outlined in the Remuneration Committee Chair's statement, as a result of leaving employment by mutual agreement, and in accordance with the discretions included in the relevant plan rules, he was treated as a good leaver for incentive plan purposes. Mr Payne remained entitled to receive a pro rata annual bonus in respect of the period 1 January 2022 to 20 May 2022 which was subject to the achievement of the performance conditions detailed on page 119. His bonus was payable on the normal payment date in 2023 and is subject to malus and clawback provisions. As a good leaver, Mr Payne 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 the Long-Term Incentive Plan (LTIP), he was granted options over 134,421 ordinary shares on 30 April 2019, 132,660 ordinary shares on 22 June 2020 and 127,996 ordinary shares on 20 May 2021. The LTIP award granted in 2019, of which 33,605 vested in 2022 (as disclosed on page 111 of the 2021 Annual Report) was exercised on 9 May 2022. The awards will remain eligible to vest in line with their normal vesting dates subject to a pro-rata 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 June 2020 and 22 April 2022 over 7,996 and 48,643 shares, respectively, vest in two tranches on 22 June 2022 and 22 June 2023, and 22 April 2024 and 22 April 2025, 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. Martin Payne 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, Martin Payne is required to retain shares to the value of 200% of salary for two years post-employment.

Louise Hardy stepped down from the Board on 30 September 2022 and received fees to that date (£46,500). There were no additional payments.

Statement of Directors' shareholdings and share interests

Executive Directors are expected to achieve the shareholding requirement of 200% of salary within five years of an individual becoming subject to the requirement. The Committee reviews ongoing individual performance against the shareholding requirement at the end of each financial year. Joe Vorih commenced employment with the Company during 2022 and will build up his shareholding in line with the aforementioned five-year timescale. Martin Payne met this requirement at the date of cessation of his employment and is expected to retain shares to the value of 200% of salary for two years' post-employment in line with the Company's policy.

Annual Report on Remuneration continued

The number of shares held by Directors is set out in the table below:

	Number of shares at 31 December 2022				
	Shares owned outright [12]	Interests in share incentive schemes, subject to performance conditions	Interests in share incentive schemes, awarded without performance conditions		Vested but unexercised options
Director		LTIP[1]	DSBP[2]	Sharesave [3]	
Joe Vorih[4][5]	27,500 (14 % of salary)	183,139	–	8,144	–
Paul James[5][7]	42,059 (35% of salary)	263,163	37,415	8,144	44,336
Matt Pullen[5][6]	6,236 (5% of salary)	92,632	4,648	8,144	–
Kevin Boyd	54,325	–	–	–	–
Mark Hammond	17,247	–	–	–	–
Lisa Scenna	14,966	–	–	–	–
Louise Brooke-Smith	–	–	–	–	–
Martin Payne[5][8]	265,481 (273% of salary)	294,261	64,945	–	–
Louise Hardy[9]	–	–	–	–	–
Ron Marsh[10]	333,980	–	–	–	–

Notes to the table

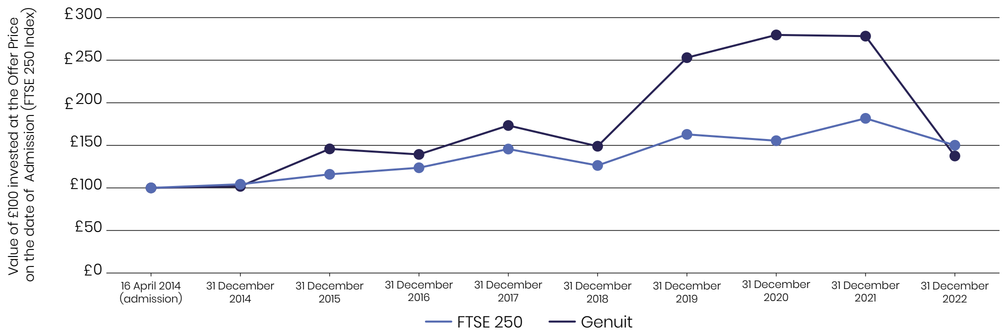
1. This relates to shares awarded under the LTIP.
2. This relates to shares awarded under the DSBP.
3. This relates to share options granted under the Sharesave Plan.
4. Joe Vorih joined the Board on 28 February 2022.
5. For the purposes of determining the value of Executive Director shareholdings for Joe Vorih, Paul James and Matt Pullen, the annual salary for 2022 and the share price as at 30 December 2022 has been used (£2.81 per share).
6. Matt Pullen joined the Board on 1 November 2021.
7. Paul James exercised 6,040 options granted under the Sharesave scheme on 3 May 2022 and 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 £8,154, based on the market price on the date of exercise of £4.33.
8. The shareholding for Martin Payne is only considered until 28 February 2022, when he stepped down from the Board, and the shareholding is calculated using the share price on that date. During the year, Martin Payne had: (a) 33,605 LTIP shares vest, retained net of shares sold to pay personal tax liability; (b) 8,197 DSBP shares (inclusive of 327 dividend shares) vest, retained net of shares sold to pay personal tax liability; and (c) 4,125 DSBP shares (inclusive of 127 dividend shares) vest, retained net of shares sold to pay personal tax liability. These were exercised post 28 February 2022 and are therefore included in the LTIP/DSBP columns above respectively. The aggregate gain for Martin Payne in the year from the exercise of awards granted under the LTIP was £136,100, based on the share price on the date of exercise of £4.05.
9. The shareholding for Louise Hardy is only considered until 30 September 2022, when she stepped down from the Board.
10. Ron Marsh retired from the Board on 31 December 2022.
11. Note – all outstanding scheme interests are in the form of nil cost options.
12. All shares within the 'Shares owned outright' column include those held by connected persons.

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 2022 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[4][6]	2022[5]
CEO single figure of remuneration £'000	955	919	948	717	218	1,014	944	717	1,390	**666**	**135**
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%**
LTIP vesting out-turn (as a % of maximum opportunity)	n/a	n/a	n/a	n/a	n/a	87.8%	54.5%	25%	25%	**0%**	**0%**

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.

Annual Report on Remuneration continued

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 2021/22			Average percentage change 2020/21			Average percentage change 2019/20		
	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
Martin Payne	n/a	n/a	n/a	+2.2%(1)	0%	+100%	+3.0%(1)	0%	-100%
Paul James	+11.1%	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
Non-Executive Directors									
Ron Marsh	+3.9%	n/a	n/a	+2.2%(1)	n/a	n/a	+3.0%(1)	n/a	n/a
Kevin Boyd	+49.1%(6)	n/a	n/a	+2.2%(1)	n/a	n/a	n/a	n/a	n/a
Mark Hammond	+5.1%	n/a	n/a	+2.2%(1)	n/a	n/a	+3.0%(1)	n/a	n/a
Louise Hardy	n/a	n/a	n/a	+2.2%(1)	n/a	n/a	+3.0%(1)	n/a	n/a
Lisa Scenna	+10.2%(5)	n/a	n/a	+2.2%(1)	n/a	n/a	+3.0%(1)	n/a	n/a
Louise Brooke-Smith	+5.3%	n/a	n/a	+2.2%(1)	n/a	n/a	+3.0%(1)	n/a	n/a
Employee average	+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 2021, 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, resulting in an increase in fees received.
6. During the year Kevin Boyd was appointed as Chairman resulting in an increase in fees received.

CEO pay ratio

The table below illustrates the ratio between CEO pay for 2022 (as shown in the single figure table on page 117) 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**
Method	A	B	B	**B**
Upper quartile	28:1	19:1	40:1	**21:1**
Median	37:1	24:1	54:1	**29:1**
Lower quartile	44:1	29:1	65:1	**36:1**

For 2022, 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 for 2022 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.

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 includes the remuneration for Joe Vorih and Martin Payne during the periods that these individuals undertook the role of CEO.

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 2022 are set out below:

	Salary	Total Pay
CEO single figure	£549,515	£801,676
Upper quartile	£38,897	£38,897
Median	£26,677	£27,906
Lower quartile	£22,237	£22,237

Note:

The CEO single figure used in this analysis is based on the total remuneration for Martin Payne and Joe Vorih.

Annual Report on Remuneration continued

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	£
2022	148.2m
2021	145.6m

DIVIDENDS	£
2022	30.5m
2021	30.2m

Shareholder voting on remuneration resolutions

Details of the votes cast in relation to our remuneration resolutions in 2021 and 2022 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 – 2022 AGM	196,818,094 (93.77%)	12,897,960 (6.14%)	3,699

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. Joe Vorih is a Non-Executive Director of Muth Mirrors, LLC, 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 18 May 2023.

By order of the Board.

Lisa Scenna
Chair of the Remuneration Committee
14 March 2023