# Remuneration Committee report

**NIGEL POCKLINGTON**
Remuneration Committee Chair

### Activity highlights

- Renewed our shareholders' approval for our Directors' Remuneration Policy at our 2024 AGM
- Tracked financial results/remuneration outcomes for Executive Directors and senior management
- Reviewed 2024 annual bonus/2022 LTIP out-turns for Executive Directors/senior management
- Reviewed the Chair's/Executive Directors'/senior managers' pay/benefits in 2024, in the context of their performance, the Company's performance and the Group's stakeholder experiences
- Considered and set targets and performance conditions for the 2025 annual bonus and the 2025 LTIP awards to be made to Executive Directors and senior management
- Ongoing remuneration environment/best practice review

For information on the primary role and key responsibilities of the Remuneration Committee, please visit: https://www.mobicogroup.com/about-us/corporate-governance/committees/

### Membership, meetings and attendance

| Committee member | Appointed | Meetings attended/held |
|---|---|---|
| Nigel Pocklington (Chair from 1 August 2024)[1] | 01/08/2023 | 4/4 |
| Karen Geary (Chair until 1 August 2024)[1] | 01/10/2019 | 4/4 |
| Ana de Pro Gonzalo[1,2] | 04/12/2021 | 2/4 |
| Helen Weir | 31/01/2023 | 4/4 |

1 Independent Non-Executive Director

2 Ana de Pro Gonzalo was unable to attend two of the scheduled Remuneration Committee meetings, as those meetings had to be re-arranged to dates when she was unavailable

Other attendees: Group General Counsel & Company Secretary (or their Deputy), Group CEO, Group CFO, Group HR & Communications Director, Group Employee Experience Director, Korn Ferry and FIT representatives (independent remuneration advisers). No individual was present when his/her own remuneration was discussed.

On behalf of the Board and as Chair of the Remuneration Committee, I am pleased to present the 2024 Annual Report on Remuneration. The report aims to set out simply and transparently how remuneration has operated across the Group in 2024, including the decisions made by the Committee on Chair, Executive Director and senior management remuneration, the associated rationale for these decisions, and how the Committee intends to operate the Directors' Remuneration Policy in the year ahead.

## 2024 AGM and renewal of our Directors' Remuneration Policy

As a Committee we were pleased that the votes at our 2024 AGM to approve the three-yearly renewal of our Directors' Remuneration Policy and to approve our 2023 Directors' Remuneration Report each received around 99% support from shareholders' voting.

We take these results to reflect ongoing support for the Group's remuneration structure and the Committee's approach to implementation of the Directors' Remuneration Policy in a challenging environment.

## 2024 business performance

As you will have read earlier, while it has been another challenging year for the Group, as our businesses transition through different stages of recovery, it is encouraging that we were able to announce FY24 profits in line with guidance at £187.7m, representing operating profit growth of 11.3%. Our cost-reduction initiatives have also delivered savings in line with expectations.

ALSA has once again delivered record results, underpinning the overall growth of the Group with good progress in North America, which has been achieved against the backdrop of the School Bus sales process and the separation of the businesses.

Our focus on balance sheet management continued, and with progress on debt and deleverage reduction, our key covenant gearing metric reduced to 2.8x.

Nonetheless we acknowledge that these results overall fall short of both our and our shareholders' ambitions and, during the year, our shareholder experience did not materially recover. Accordingly, this performance context and the steps being taken to restructure the Group, including via the sale of North America School Bus, have been a key background for all of the Committee's decisions on pay matters for both the 2024 financial year outcomes, and looking ahead to 2025. As we explain further below, there were nil bonus outcomes for Executive Directors in 2024.

Once again, the Group maintained its relentless focus on safety with a continuing commitment to innovation and the utilisation of latest technology to enhance performance. The Group's safety excellence continued to be recognised externally during 2024, with ALSA, the UK and Bahrain achieving external accreditation, the UK Coach and Bus divisions receiving 5* BSI safety audits and ALSA achieving the highest rating in the assessment of Workplace Road Safety from the regional authorities in Madrid. However, there was one preventable fatality during the year so although the safety targets for bonus (Group FWI index) would have been met, there would have been no bonus payment on the FWI metric for Executive Directors in any circumstances due to the policy which we apply in these cases.

Our ambitions for environmental leadership remain unchanged and we continue to support this via remuneration plans when it is appropriate to do so. Our ZEV portfolio continued to grow in 2024, and although the decision was made in 2024 to slow the rate of further ZEV orders in the short term, our 2024 out-turn on ZEVs was recognised via a partial LTIP vesting for our ZEV growth metric as explained further in the report. However, this experience showed the challenge of setting environmental metrics for LTIPs over a three-year period while the business is continuing to transition.

### Wider workforce context

The Committee's responsibilities in respect of overseeing remuneration across the business have once again been a major part of the Committee's activities during the year.

Mobico Group continues to be a real Living Wage accredited employer in the UK and the Committee is conscious that cost of living continues to pose challenges for our colleagues. Given the range of operations and geographies within the Group, salary increases differ. UK salary increases awarded to non-unionised colleagues will average 3%, with our other geographies following similar approaches.

The Group is also committed to supporting employees beyond this and operates a number of support packages for colleagues such as access to hardship loans, employee discounts and financial education webinars, in addition to wider health and wellbeing support through the provision of apps and seminars.

For more information on progress made in supporting colleagues, see pages 66 and 67 earlier in the report.

### 2024 activity and remuneration outcomes

When our 2024 LTIP award was made, in June 2024, we made an adjustment to the number of shares awarded to reflect the reduced share price of the Company. This adjustment scaled down the number of shares in the CEO's 2024 LTIP award by 30%, and this is the second consecutive year (following 2023) in which an adjustment to LTIP at this 30% level has been made.

In determining annual and long-term incentive outcomes for 2024, the Committee reviews not only the financial outcomes against targets set, but also considers wider performance. As an example, these factors include growth in passenger numbers, shareholder experience and wider stakeholder experience.

The Committee believes that the incentive plans continue to drive the desired behaviours to support the Company's values and strategy, are aligned with stakeholder experience and that the Directors' Remuneration Policy has operated as intended in 2024.

### 2024 Annual bonus

The formulaic out-turn of the annual bonus was nil for the CEO. At the start of the 2024 year a Group PBT gateway was set as part of the 2024 annual bonus. This gateway was not achieved and nil bonus is payable despite progress on certain bonus measures.

### LTIP vesting

Based on performance against the targets, the vesting outcome of the 2022 LTIP was assessed as providing vesting at 9.96% of maximum. This reflected partial vesting under the metric for growing our ZEV fleet which was partially achieved.

There was nil vesting under the remaining metrics for the 2022 LTIP (ROCE (25% weighting); EPS (25% weighting); relative TSR (25% weighting); reduction in $CO_2$ emissions per million passenger kilometres (12.5%)). Although the final ROCE figure was above the threshold vesting level for this measure, the Committee applied negative discretion and determined that a nil vesting was appropriate, considering wider financial performance.

## 2025 remuneration arrangements for the CEO

The Committee has, being mindful of the operating circumstances and the wider macroeconomic environment for the Company, determined that the following treatments should apply for the CEO's remuneration arrangements in 2025.

- **Base salary** – a 3% increase to the CEO's salary was applied from 1 January 2025 and the CEO's salary for 2025 will be £618,000 (£600,000). This level of increase aligns to the percentage salary increase applied in the UK.
- **Annual bonus** – the CEO's annual bonus for 2025 will operate in a framework that is largely consistent with the annual bonus for 2024:
  - Maximum opportunity – 200% of base salary (50% of outcomes to be deferred in shares for one year)
  - Measures and weightings will be as follows: 45% Group Adjusted Profit Before Tax; 25% Covenant Gearing; 15% Group Safety – Fatality and Weighted Injuries (FWI) index score; 15% specific personal, strategic and risk management targets. The metrics remain unchanged from those applied in 2024, although personal and strategic metrics have been upweighted to 15% (2024: 10%). This change reflects the importance of a number of longer-term strategic initiatives to be led by the CEO in 2025 while still retaining profits as the largest bonus component.
- **LTIP** – as for 2024, the maximum annual LTIP award will be over shares worth 200% of base salary.

One change has, however, been made for the 2025 LTIP awards where a single relative TSR measure replaces the mix of LTIP measures used in prior years (25% each weightings on EPS, ROCE, relative TSR and Environmental measures).

The Committee strongly favours the simplicity of this approach and, given recent challenges for shareholder returns for Mobico, believes it is appropriate for the 2025 LTIP to be fully measured on TSR, making our shareholders' experience a full focus for this element of our reward package.

TSR as an LTIP metric has the potential to capture all elements of business performance holistically (and in a way fully aligned to shareholders' experience) at a time when there are a range of competing business priorities for the management team – operational excellence and financial performance; capital allocation and investment; balance sheet and capital structure management; continued delivery on our net zero journey. Accordingly, it simplifies our approach compared to having a range of separate metrics with each looking to measure different aspects of our performance over the next three-year period, during which period these priorities may be reweighted by developing business circumstances.

TSR also enables targets to be set in a straightforward and market-aligned way. Consistent with past practice, our relative TSR metric will measure our TSR performance relative to the constituents of the FTSE 250 Index with no vesting below median and requiring at least an upper quintile ranking for full vesting. As we flagged in last year's Directors' Remuneration Report, the potential sale of our US School Bus division may require us to make adjustments to performance measures and the related target ranges to maintain the integrity of the metrics for 'inflight LTIPs' – a market-led assessment under TSR (which would not require such judgements and adjustments) is, we believe, a potentially more transparent safeguard for our investors.

Our TSR condition will remain subject to the underpin assessment which we have applied to all LTIP performance measures for a number of years and under which the Committee can reduce the LTIP vesting level if it is not reflective of the Company's overall corporate performance and/or the Company's shareholder experience. Examples of the circumstances in which such an adjustment could be made include:

- consideration of whether vesting levels represent windfall gains
- substantial mis-alignment between the Company's financial performance and the vesting level
- significant concerns in relation to safety

## Concluding thoughts

As this is the first Remuneration Committee Report since I have taken on the role of Chair of the Committee, I would like to thank my colleague Non-Executive Director Karen Geary for her work as the previous Remuneration Committee Chair and I am grateful that Karen continues to serve on the Committee.

At our 2025 AGM, shareholders will be asked to approve the Directors' Remuneration Report for 2024, which will be the normal annual advisory vote on such matters. In addition, as a further normal-course matter, we will be asking shareholders to renew the Company's 10-year authority to operate our LTIP as required under the UKLA Listing Rules. The rules of the LTIP were last approved by shareholders at our 2015 AGM and no material changes are being made to the updated LTIP rules which we will present at the 2025 AGM.

I hope that our shareholders will remain supportive of our approach to executive pay at Mobico and vote in favour of these resolutions at our 2025 AGM.

The Committee is always keen to hear the views of shareholders and their representative bodies and values their ongoing engagement on remuneration matters. I will be available to answer questions on the Directors' Remuneration Report at the AGM, and if any shareholder wishes to contact me in advance of that meeting to discuss any matters disclosed in the report, I can be reached via the Company Secretary.

Finally, as a Committee we wish to thank all of our colleagues throughout the business for their continued hard work and dedication.

**Nigel Pocklington**
**Remuneration Committee Chair**

28 April 2025

# Directors' Remuneration Policy at Mobico

The Directors' Remuneration Policy for Executive and Non-Executive Directors for the three-year period expiring at the Company's 2027 AGM was approved by shareholders at the 2024 AGM and can be found within the Company's Annual Report and Accounts for 2023, which is available on the Company's website at https://www.mobicogroup.com/about-us/corporate-governance/remuneration.

### Alignment to strategy and culture, ensuring risk mitigation and supporting clarity, simplicity, proportionality, and predictability

The table below explains how the Directors' Remuneration Policy, and the Committee's practice in applying it over the year under review, address the factors set out in Provision 40 of the UK Corporate Governance Code as that provision was required to be applied for financial year 2024:

| Clarity | Simplicity | Risk |
|---|---|---|
| • Clarity and transparency are achieved through a combination of explanations for decisions taken and disclosure of the nature and weighting of annual bonus targets and LTIP performance measures.<br>• The Remuneration Policy and its implementation looks to support the wider Mobico business strategy. | • Achieved by Directors' remuneration being composed of a limited number of elements designed to balance the retention and incentivisation of Directors with the delivery of strategy and shareholder returns.<br>• Executive Director remuneration is composed of only four elements: base salary, pension and other benefits, annual bonus and LTIP.<br>• The annual bonus and LTIP structure operated are market typical and are well understood by shareholders and executives alike. | • A range of features of Directors' remuneration assist in mitigating the risks of excessive rewards and inappropriate behaviour.<br>• Executives are expected to build a material shareholding that must be maintained for a period following departure, which aligns themselves to the long-term interests of Mobico.<br>• Additionally, variable remuneration is subject to malus and clawback provisions ensuring that there is long-term alignment of the executives to any risks the business may have been exposed to during their period as an executive. |

| Predictability | Proportionality | Alignment to culture |
|---|---|---|
| • Some of the same features of Directors' remuneration arrangements that mitigate risk also ensure that outcomes are within a predictable range.<br>• Shareholders are provided with potential values which can be awarded to Executive Directors under the annual bonus and LTIP. | • Achieved through the use of variable remuneration arrangements which links remuneration outcomes and the financial and non-financial performance of Mobico.<br>• The Remuneration Committee has the ability to apply discretion to variable remuneration to ensure it is proportionate and reflects the performance of the business. | • Achieved through strong links between Directors' remuneration and the Company's values.<br>• Mobico values are Safety, Excellence, Customers, People and Community & Environment.<br>• Elements of the Remuneration Policy for Executives are cascaded through the business. |

### Malus and clawback provisions

Executive Directors' annual bonus awards and LTIP awards are subject to malus and clawback provisions. Malus provisions enable the Committee to reduce the amount (including to nil) of any bonus prior to its award or payment and to reduce the number of shares (including to nil) under any unvested LTIP award prior to its vesting. Clawback provisions enable any bonus amount awarded and paid, and either the number of shares that vested under an LTIP award and/or an amount equal to their market value sale proceeds and/or any other benefits derived from them, to be recovered (in whole or in part, but net of tax) during the period of two years after they have been so awarded or vested, in each case in the following circumstances:

- the discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company for a period that was wholly or partly before the end of the period over which the performance target applicable to an award was assessed (or was due to be assessed);
- the discovery that the assessment of any performance target, measure or condition in respect of an award was based on error, or inaccurate or misleading information;
- the discovery that any information used to determine any performance target, measure or condition in respect of an award (or to determine the number of shares over which an award was granted) was based on error, or inaccurate or misleading information;
- there is action, inaction or conduct of an award holder that, in the reasonable opinion of the Committee, amounts to fraud or gross misconduct;
- there is action, inaction or conduct of an award holder that has had a significant detrimental impact on the reputation of the Company; or
- the Company becomes insolvent or otherwise suffers a corporate failure in connection with which the value of the Company's shares is materially reduced, provided the Committee is satisfied after due investigation that the award holder should be held responsible (in whole or in part) for that insolvency or corporate failure.

# Annual Report on Remuneration

## 1. Statement of implementation of current Directors' Remuneration Policy in 2025

### (a) Executive Directors' fixed remuneration

As set out in the Chair's letter, Ignacio Garat's salary is £618,000 for 2025 (£600,000 in 2024, 3% increase).

| | |
|---|---|
| Ignacio Garat, Group Chief Executive Officer | £618,000 |

The CEO's pension contribution level is 3%, in line with that of the UK workforce. Benefits available for the CEO include family private healthcare, car allowance and assistance on preparation of UK and Spanish tax returns.

### (b) Executive Directors' annual bonus

Executive Directors' annual bonuses for the 2025 financial year will provide a maximum opportunity of 200% of salary for the CEO.

Performance will be assessed by reference to the following performance measures, with weightings indicated in brackets:

- Financial, Group Profit before Tax (45%)
- Financial, Group Covenant Gearing (25%)
- Group Safety, Fatalities Weighed Injuries (FWI) index score (15%)
- Personal objectives, strategic and risk (15%)

A zero preventable fatality underpin will also apply to the full 15% safety element and a minimum level of Group Profit Before Tax will underpin the whole bonus.

When considering the bonus structure and setting the bonus targets for 2025, the Committee has taken into account:

- The need to continue to set robust and stretching targets.
- The need to ensure that annual bonus measures and targets fully align to the business strategy.
- That both Profit Before Tax and Covenant Gearing are key financial measures of overall financial performance of the business and directly link to our financial KPIs – see pages 19 and 20.
- The importance of safety to the Group and all stakeholders. On-target FWI index performance has been set as equal to or better than the Group's last three-year average FWI index, with maximum payout requiring performance that is equal to or better than the Group's best FWI index score in the last three years.
- Personal objectives have been specifically selected to drive delivery of the Evolve strategy and position future growth.

The Committee will disclose the exact targets, the threshold to maximum performance ranges and the strategic and risk management objectives (which are considered commercially sensitive), and relevant performance against these financial targets and the non-financial bonus objectives, in next year's report.

### (c) Executive Directors' 2025 Long-Term Incentive Plan (LTIP) awards

Executive Directors' LTIP grants for the 2025 financial year will provide a maximum opportunity of 200% of salary for the CEO. The Committee will consider scaling back grants depending on the number of shares to be awarded at the time of grant.

As explained in the Chair's introductory statement to this report, for the CEO's LTIP award in 2025, a single relative TSR metric will be applied as follows:

| Performance condition | Weighting | Threshold (25% vesting) | Target (50% vesting) | Maximum (100% vesting) |
|---|---|---|---|---|
| TSR versus FTSE 250 constituents | 25% | Median | – | Upper quintile |

The TSR condition is also subject to the underpin assessment under which the Committee can reduce the LTIP vesting level if it is not reflective of the Company's overall corporate performance and/or the Company's shareholder experience. Examples of circumstances in which such an adjustment could be made include:

- consideration of whether vesting levels represent windfall gains
- substantial mis-alignment between the Company's financial performance and the vesting level
- significant concerns in relation to safety

The performance conditions will be measured over the three-year financial period ending 31 December 2027, awards will be subject to a two-year holding period post vesting and malus and clawback will apply for two years from the date of vesting, including post termination of employment. Dividend equivalent entitlements will attach to any vested shares over the vesting period and during the holding period while options remain unexercised and will be satisfied in shares rather than cash.

### (d) Chair's and Non-Executive Directors' 2025 fees

Non-Executive Director fees will operate in line with Directors' Remuneration Policy.

With effect from 1 January 2025 levels were as follows:

| Role | Fees (gross) |
|---|---|
| Chair | £259,325 |
| Senior Independent Director (additional fee) | £11,000 |
| Non-Executive Director (base fee) | £56,000 |
| Committee Chair (additional fee) | £12,000 |

From 1 April 2025, the Non-Executive Directors' base fee increased by 2.8% (reflecting employee salary inflation) to £57,568.

The letters of appointment for the Chair and the Non-Executive Directors, together with the service agreements for the Executive Directors, are available for inspection at the Company's registered office.

## Annual Report on Remuneration

## 2. Single total figure of remuneration for Executive Directors (Audited Information)

The table directly below sets out the single total figure of remuneration and breakdown for each Executive Director who served during the financial year ended 31 December 2024 (with comparative figures provided for 2023). The subsequent information and tables in this section give more detail on various elements of the Executive Directors' remuneration.

| £'000 | | Base salary | Benefits[2] | Pension allowance | Total fixed remuneration | Annual bonus[3] | Vested LTIPs[4] | Total variable remuneration | Total |
|---|---|---|---|---|---|---|---|---|---|
| Ignacio Garat | **2024** | **600** | **26** | **18** | **644** | **0** | **37** | **37** | **681** |
| | 2023 | 575 | 24 | 17 | 616 | 0 | 0 | 0 | 616 |
| James Stamp[1] | **2024** | **187** | **1** | **6** | **194** | **0** | **14** | **14** | **208** |
| | 2023 | 425 | 13 | 13 | 451 | 0 | 0 | 0 | 451 |

1 Mr Stamp was the Group's CFO until 11 June 2024 and the 2024 base salary, benefits and pension amounts shown above reflects the period served as a Director in 2024. The terms of all payments made to Mr Stamp in connection with his loss of office are shown in section 4.

2 Benefits comprise the gross of tax value of car allowance and private medical insurance. Benefits for Mr Garat also include the reimbursement of the cost of preparation of Mr Garat's UK and Spanish tax returns

3 Full disclosure of the annual bonus amounts and delivery mechanism are set out in section 2(a) Annual bonus below.

4 The 2024 Vested LTIPs values reflect the performance vesting of 2022 LTIP awards made to Mr Garat and Mr Stamp, the performance conditions for which were measured to the end of 2024. These performance conditions were met as to 9.96% and the values reflect the numbers of shares subject to awards that vested (47,638 for Mr Garat and 18,401 for Mr Stamp) multiplied by 77.56p per share (being the three-month average share price to 31.12.2024). The Vested LTIPs values shown for 2024 do not include any element in respect of share price growth (share price at the date of award (21.03.22) was 223.6p).

### (a) Annual bonus

For the 2024 annual bonus the following metrics applied, with weightings indicated in brackets:

- Financial, Group Profit before Tax (50%)
- Financial, Group Covenant Gearing (25%)
- Group Safety, Fatalities Weighed Injuries (FWI) index score (15%)
- Personal objectives, strategic and risk (10%)

A zero preventable fatality underpin also applied to the full 15% safety element and a minimum level of Group Profit Before Tax underpinned the whole bonus. The scales for each metric allowed 10% of each element to vest at threshold performance and 50% of each element to vest at on-target performance.

50% of any bonus earned is subject to mandatory deferral into shares for one year from award as per the Remuneration Policy.

#### (i) 2024 bonus out-turn

The formulaic out-turn of Executive Directors' bonuses was 0% of maximum for the CEO. This same percentage was applied to the bonus outcome for the former CFO. The nil outcome resulted from a Group PBT underpin not being achieved.

#### (ii) 2024 bonus performance conditions

The following table sets out performance conditions that were attached to Executive Directors' 2024 bonus and the associated outcomes. Bonus achieved is nil for all metrics as the PBT underpin was not achieved.

| Category | Measure | Threshold | Target | Max | Weighting | Outcome achieved | Bonus Achieved |
|---|---|---|---|---|---|---|---|
| Financial[1] | Group profit before tax (£m) | 106.4 | 118.3 | 130.1 | 50% | 101.1 | 0% |
| | Covenant gearing (multiple) | 2.8x | 2.7x | 2.6x | 25% | 2.8x | 0% |
| Safety | FWI | Zero Responsible Fatality | 0.0047 | 0.0026 | 15% | 0.0031 | 0%[2] |
| Personal (CEO) | | | | | 10% | n/a | 0%[3] |
| Personal (former CFO) | | | | | 10% | n/a | 0%[3] |
| | | CEO formulaic 2024 bonus outcome (% of maximum) | | | | 0% | |
| | | CFO formulaic 2024 bonus outcome (% of maximum) | | | | 0% | |

1 Consistent with previous years and associated disclosures, the Group Adjusted Profit Before Tax targets are adjusted to align the method of calculation to the basis on which the performance out-turn is calculated. The original Group Adjusted Profit Before Tax target was set at £123.9m. After adjustment to reflect foreign exchange movements and variances in acquisition investment (compared to budgeted levels), the revised target was £118.3m, with the threshold and maximum amounts adjusted accordingly

2 Although the FWI target was achieved, there was one preventable fatality meaning the safety underpin resulted in zero bonus under this element

3 There was no payout against personal objectives for 2024; accordingly the details of the personal objectives set for 2024 are not disclosed as these remain commercially sensitive

Taking in to account the performance of the Company, the Remuneration Committee determined that the formulaic outcomes for 2024 should be applied without further adjustment.

### (b) Long-Term Incentive Plan (LTIP) vesting and awards
### (i) LTIP awards vesting in 2025

The three-year LTIP awards granted to Executive Directors in 2022 are due to vest in March 2025 (as the measurement period relating to them ended on 31 December 2024). The formulaic out-turn was 9.96% of maximum.

Details of the performance conditions attaching to the 2022 LTIP awards, which were granted as nil cost options, and the extent to which they have been met, are set out in the table below:

| Performance condition | Weighting | Threshold (25% vesting for TSR and EPS, 0% for ROCE) | Target | Maximum (100% vesting) | Actual | Percentage vesting |
|---|---|---|---|---|---|---|
| TSR[1] versus FTSE 250 Index | 25% | Median | – | Upper Quintile | Below Median | 0% |
| | | | | | | |
| EPS[2, 3] | 25% | 21.7p | 24.9p | 26.5p | 4.8p | 0% |
| ROCE[2, 4] | 25% | 9% | 10.5% | 12% | 10.2% | 0% |
| $tCO_2e$/million passenger km | 12.5% | 8.4% reduction in $tCO_2e$/ million passenger km by 2024 relative to 2019 base year | 9% reduction in $tCO_2e$/ million passenger km by 2024 relative to 2019 base year | 9.6% reduction in $tCO_2e$/ million passenger km by 2024 relative to 2019 base year | Below threshold | 0% |
| Fleet transition[5] | 12.5% | 400 additional zero emission vehicles in service or on order by 31 December 2024 | 500 additional zero emission vehicles in service or on order by 31 December 2024 | 800 additional zero emission vehicles in service or on order by 31 December 2024 | 678 | 9.96% |
| Total vesting | | | | | | 9.96% |

1 For TSR performance measures, straight-line vesting occurs between threshold and maximum performance

2 For EPS and ROCE performance measures, straight-line vesting occurs between threshold and target performance, and between target and maximum performance

3 Actual EPS is the fully diluted adjusted earnings per share in the last year of the performance period

4 Actual ROCE is the average return on capital employed in the last year of the performance period. Negative discretion was applied, resulting in nil vesting on this metric

5 Due to a freeze on ZEV orders in H2 2024 and a Board mandated suspension of ZEV orders scheduled for that period, it was judged appropriate to adjust the originally set Fleet Transition targets to reflect the potential for progress over a reduced period only to the end of H1 2024. The originally set targets required 600 additional ZEVs in service or on order at target and 1,000 additional ZEVs in service or on order at maximum and the revised targets shown above maintained the integrity and stretch of the original target over a reduced period for attainment. The achieved outcome of 678 additional vehicles (out of a total 1,100 ZEVs in service or on order at 31 December 2024) reflects good progress by the management team while able to take actions in the period towards this important long-term environmental goal.

### (ii) LTIP awards granted in 2024

Details of LTIP awards granted to Executive Directors in 2024 are set out in the table below:

| Executive Director | Grant date | Number of shares awarded[1] | Award type | Award amount | Face value of award £'000[2] | Performance period | Performance conditions |
|---|---|---|---|---|---|---|---|
| Ignacio Garat | 20/06/2024 | 1,781,170 | Nil cost option | 140% of base salary | 840 | 01/01/2024–31/12/2026 | See below |

1 The number of shares subject to the LTIP awards was determined by dividing the award amount, being the relevant multiple of the Executive Directors' base salaries, by the Company's MMQ share price on the last business day preceding the date of grant, being 47.16p on 19 July 2024. Award sizes were then scaled back by the Committee by 30% reflecting the significant share price fall from the grant of the 2023 awards

2 The face value of the LTIP awards is the number of (adjusted) Company shares over which awards were made multiplied by the Company's MMQ share price on the last business day preceding the date of grant, being 47.16p on 19 July 2024

### (iii) Performance conditions attaching to 2024 LTIP awards

| Performance condition | Weighting | Threshold (25% vesting for TSR and EPS, 0% for others) | Target (50% vesting) | Maximum (100% vesting) |
|---|---|---|---|---|
| TSR[1] versus FTSE 250 Index | 25% | Median | – | Upper quintile |
| EPS[2] | 25% | 17.3p | 19.2p | 21.1p |
| ROCE[2] | 25% | 10% | 11% | 12% |
| $tCO_2e$/million passenger km[2] | 25% | 12.5% reduction in $tCO_2e$/ million passenger km by 2026 relative to 2022 base year | 15% reduction in $tCO_2e$/ million passenger km by 2026 relative to 2022 base year | 17.5% reduction in $tCO_2e$/ million passenger km by 2026 relative to 2022 base year |

1 For TSR performance measures, straight-line vesting occurs between threshold and maximum performance

2 For EPS, ROCE and ESG performance measures, straight-line vesting occurs between threshold and target performance, and between target and maximum performance

Vested shares will be subject to a two-year holding period and malus and clawback will apply for two years from the date of vesting, including post termination of employment. Dividend equivalents are payable on vested shares over the vesting period.

## 3. Single total figure of remuneration for Non-Executive Directors (Audited Information)

The table below sets out the single total figure of remuneration (fees) for the Non-Executive Directors who served during the financial year ended 31 December 2024 (with comparative figures provided for 2023):

| Non-Executive Director | 2024 fees £'000 | 2023 fees £'000 |
|---|---|---|
| Helen Weir (Chair) | **259** | 259 |
| Jorge Cosmen (Deputy Chair and Nominations Committee Chair) | **68** | 68 |
| Mike McKeon (Audit Committee Chair until 11 June 2024)[1] | **30** | 68 |
| Ana de Pro Gonzalo (Independent Non-Executive Director) | **56** | 56 |
| Carolyn Flowers (Independent Non-Executive Director)[2] | **74** | 73 |
| Karen Geary (Remuneration Committee Chair until 1 August 2024 and Senior Independent Director) | **74** | 73 |
| Nigel Pocklington (Remuneration Committee Chair from 1 August 2024)[3] | **61** | 23 |
| Enrique Dupuy de Lome Chávarri (Audit Committee Chair from 11 June 2024)[4] | **63** | 9 |

1 Mike McKeon stepped down as a Director on 11 June 2024, at the conclusion of the 2024 AGM.

2 A travel allowance is also paid to Carolyn Flowers for each Board meeting or other Board-related matter she attends outside the North American continent, in an amount per such meeting or matter of £1,000. For 2024, Ms Flowers received £6,000 in respect of this allowance in addition to her base fee, included in the figure above.

3 Nigel Pocklington joined the Board on 1 August 2023, so his 2023 fee reflects the pro-rated proportion of his annual fee for the year.

4 Enrique Dupuy de Lome Chávarri joined the Board on 1 November 2023, so his 2023 fee reflects the pro-rated proportion of his annual fee for the year.

### 4. Payments to past Directors and payments for loss of office (Audited Information)

James Stamp stepped down as a Director of the Company from the conclusion of the Company's 2024 Annual General Meeting on 11 June 2024. The following summarises the terms of all payments made to Mr Stamp in connection with his loss of office. All payments are made in accordance with his service agreement and the Directors' Remuneration Policy and after applicable tax and social security deductions:

1. Mr Stamp was on garden leave and therefore paid his monthly salary and any other contractual benefits to 31 December 2024.
2. Mr Stamp was then paid monthly instalments in respect of fixed pay for the remainder of the unexpired portion of his notice period. Continued payment of those instalments will be subject to the requirement to take reasonable steps to mitigate with the maximum amount of £187,196.83 to be paid.
3. Mr Stamp was treated as a good leaver for the purposes of his awards granted under the Company's Long-Term Incentive Plan and therefore, he had unvested awards over a maximum of: (i) 184,783 shares in respect of his 2022 LTIP award and 11,439 shares in respect of his associated CSOP award due to vest on 21 March 2025 and (ii) 221,543 shares in respect of his 2023 LTIP award due to vest on 27 March 2026. Vesting will be determined in accordance with the performance conditions relating to the LTIP awards in question and pro-rated for time. As noted above, the 2022 LTIP award vested as to 9.96% and the value of the vested 2022 LTIP awards is disclosed in the single figure table on page 125.
4. Mr Stamp was entitled to receive a pro-rated bonus for the period for which he worked in 2024, the amount of which was determined by the Company's Remuneration Committee in accordance with the Annual Bonus Plan Rules and the Directors' Remuneration Policy. The amount of bonus payable to Mr Stamp was £nil as disclosed in the single figure table on page 125.

### 5. Statement of Directors' shareholdings and share interests (Audited Information)

#### (a) Executive Directors' interests in shares

Details of the Executive Directors' and their connected persons' beneficial interests in the Company's shares, and of the Executive Directors' other interests in shares, as at 31 December 2024 are shown in the table below:

| | Shares held directly | | | Other share interests | | |
|---|---|---|---|---|---|---|
| Executive Director | Shareholding target (% salary) | Shareholding value (% salary)[1] | Beneficially owned | Forfeitable shares held under the EDBP not subject to performance conditions | Outstanding LTIP share option awards subject to performance conditions | Vested but unexercised LTIP share option awards |
| Ignacio Garat | 200%[2] | 36.3% | 274,659 | 0 | 2,974,433 | n/a |

1 The Company's closing share price of 79.3p as at 31 December 2024 has been used for the purposes of this calculation and has been applied to the beneficially owned shares in arriving at the shareholding value as at 31 December 2024

2 Mr Garat's current shareholding requirement applies to the five-year period commencing on his date of appointment and therefore Mr Garat has until 12 May 2026 to reach his shareholding requirement

The following table provides more information about current Executive Directors' interests in shares under outstanding LTIP awards.

### Share interests

The table below sets out the share awards granted to Executive Directors under the rules of the Company's 2015 LTIP which either vested or lapsed during 2024 or remain outstanding as at 31 December 2024:

| | During 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| LTIP award year/type | Date of grant | Awards held at 01/01/2024 | Granted | Exercised/ Eligible for exercise | Lapsed | Awards held at 31/12/2024 | Vesting date | Latest exercise date[1] |
| Ignacio Garat | | | | | | | | |
| LTIP 3–year | 22/03/2021 | 366,943 | – | – | 366,943 | – | 22/03/2024 | – |
| LTIP 3–year (Approved CSOP)[2] | 22/03/2021 | 9,572[3] | – | – | 9,572[3] | – | 22/03/2024 | – |
| LTIP 3–year | 21/03/2022 | 478,369 | – | – | – | 478,369 | 21/03/2025 | 21/03/2027 |
| LTIP 3–year | 27/03/2023 | 714,894 | – | | – | 714,894 | 27/03/2026 | 27/03/2028 |
| LTIP 3–year | 20/06/2024 | – | 1,781,170 | | – | 1,781,170 | 20/06/2027 | 20/06/2029 |
| LTIP 3–year (Approved CSOP)[3] | 20/06/2024 | – | 127,226[3] | – | – | 127,226[3] | 20/06/2027 | 20/06/2029 |
| | | 1,560,206 | 1,781,170 | – | 366,943 | 2,974,433 | | |
| James Stamp | | | | | | | | |
| LTIP 3–year | 12/03/2020 | 14,278[4] | – | 14,278[4] | – | 14,278[4] | 12/03/2023 | 12/03/2025 |
| LTIP 3–year | 22/03/2021 | 154,627 | – | – | 154,627 | – | 22/03/2024 | – |
| LTIP 3–year | 21/03/2022 | 201,581 | – | – | 16,798 | 184,783 | 21/03/2025 | 21/03/2027 |
| LTIP 3–year (Approved CSOP)[2] | 21/03/2022 | 12,479[3] | | – | 1,040[3] | 11,439[3] | 21/03/2025 | 21/03/2027 |
| LTIP 3–year | 27/03/2023 | 379,787 | – | – | 158,244 | 221,543 | 27/03/2026 | 27/03/2028 |
| | | 750,273 | – | 14,278 | 329,669 | 420,604 | | |

1 Awards vesting under the 2015 LTIP are subject to a two-year exercise period and holding period which run concurrently, save for Mr Stamp's LTIP awards between 2018 and 2022, which are not subject to any holding period as these were granted prior to him being appointed as an Executive Director. Latest exercise dates are shown only for those LTIP awards which have either yet to vest, or which have vested and are yet to be exercised

2 All LTIP awards are granted in the form of nil-cost options, save for LTIP approved CSOP awards which are granted as market value share options with an exercise price per share equal to the share price at grant. LTIP approved CSOP awards comply with the requirements of Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 and can be exercised by way of effective set-off against any shares vesting under the corresponding LTIP award

3 Due to the effective set-off arrangements explained in the note above, the number of shares subject to LTIP approved CSOP awards are not counted in the total number of awards held as this would result in a double-count

4 Mr Stamp's 2020 LTIP vested on 12 March 2023 and the latest exercise date is 12 March 2025 as per the approved rules. The table reflects the position as at 31 December 2024, but Mr Stamp exercised his option on 6 February 2025 prior to them lapsing

5 Mr Stamp stepped down as a Director on 11 June 2024. He was treated as a good leaver for the purpose of his awards granted under the Company's Long-Term Incentive Plan and therefore awards were pro-rated, as set out in the table above

### (b) Non-Executive Directors' interests in shares

The details of the Non-Executive Directors' and their connected persons' interests in shares, for current Non-Executive Directors as at 31 December 2024 (or if earlier, the date they ceased to be a Director of the Company), all of which are held beneficially, are shown in the table below:

| Non-Executive Director | Beneficially owned |
|---|---|
| Helen Weir | 126,000 |
| Jorge Cosmen[1] | 47,826 |
| Enrique Dupuy de Lome Chávarri | – |
| Carolyn Flowers | 10,000 |
| Karen Geary | 14,347 |
| Mike McKeon | 60,869 |
| Nigel Pocklington | 40,000 |
| Ana de Pro Gonzalo | 4,347 |

1 Neither Jorge Cosmen nor his connected persons are now sufficiently closely connected with any of the Cosmen family companies that hold shares in the Company (including European Express Enterprises Ltd which is a major shareholder in the Company) for such family companies' shareholdings to be considered his or his connected persons' interests in Company shares

### (c) Other information

The Register of Directors' interests maintained by the Company contains full details of the Directors' holdings in shares and options over shares in the Company.

The closing price of a Company ordinary share at 31 December 2024 was 79.3p (2023: 84.6p) and the range during the year ended 31 December 2024 was highest 92.4p to lowest 46.1p per share.

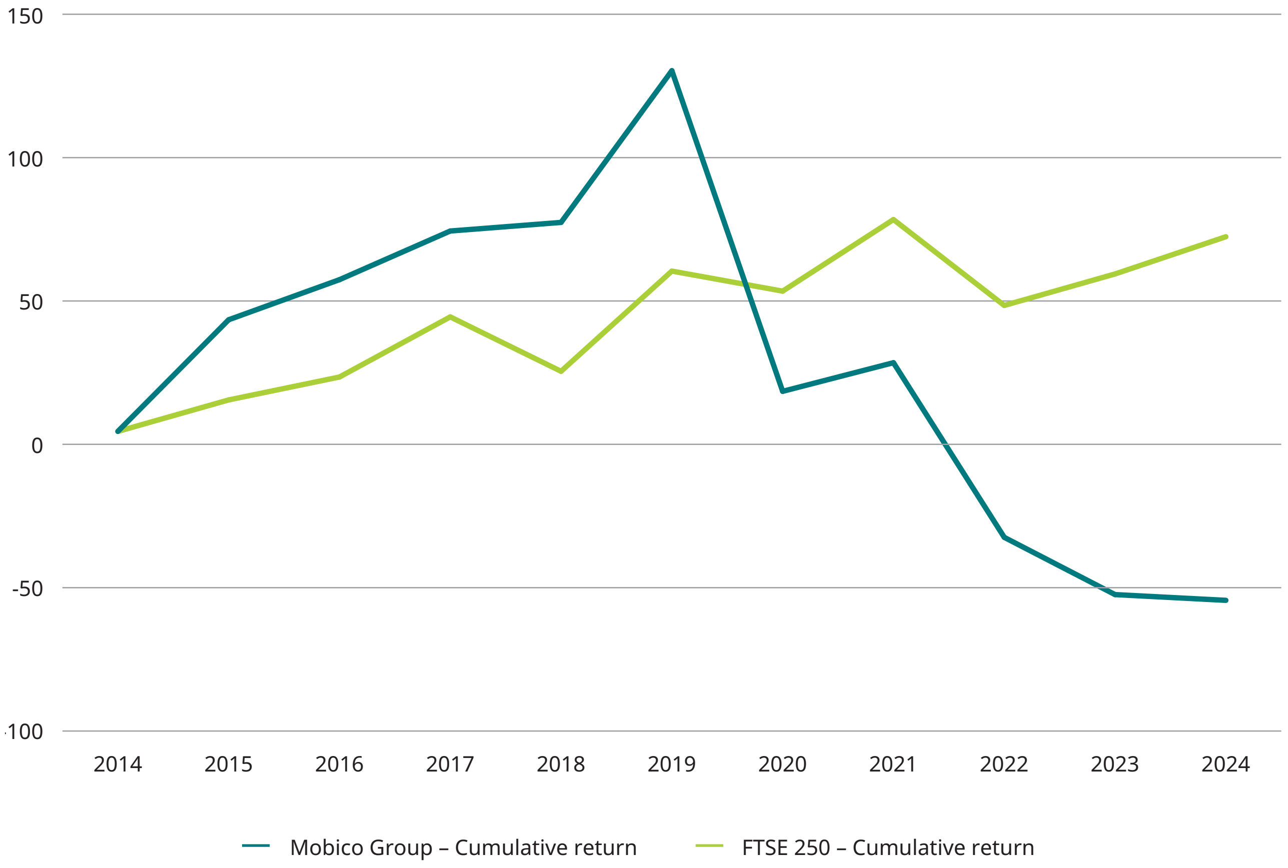
### (d) Changes since year end

There have been no changes in current Directors' shareholdings between 31 December 2024 and the date of this report.

## 6. Comparison of overall performance

The graph below shows a comparison of the Company's cumulative total shareholder return (i.e. share price growth plus dividends paid) and annual return against the FTSE 250 Index over the last 10 years. The FTSE 250 Index has been selected as the Company is a constituent of that Index.

### Shareholder returns – 10 year history



# Annual Report on Remuneration continued

## 7. Context of Director pay

The following table sets out the actual percentage changes between 2019 and 2024 for certain elements of the remuneration for the persons who served as Directors during 2024, compared with the average percentage change in those same elements of remuneration for the Company's employees. It also sets out, by way of voluntary disclosure, a comparison with the Group's whole UK employee population as this provides a more meaningful comparison in view of the fact that the Company itself only employs a small proportion of the Group's employees.

The elements of each Executive Director's remuneration included in the table below comprise base salary, benefits and annual bonus calculated in the same way as in the single total figure of remuneration table on page 125. The Chair and Non-Executive Directors' fees included in the table below are calculated in the same way as in the single total figure of remuneration table on page 120.

| | Actual/Average percentage increase/ (decrease) from 2019 to 2020 | | | Actual/Average percentage increase/ (decrease) from 2020 to 2021 | | |
|---|---|---|---|---|---|---|
| | Base/salary fees | Benefits | Performance related bonus | Base/salary fees | Benefits | Performance related bonus |
| Ignacio Garat (current CEO) | n/a | n/a | n/a | 499.0%[1] | 200.6%[1] | 100.0%[2] |
| James Stamp (former CFO) | n/a | n/a | n/a | n/a | n/a | n/a |
| Ana de Pro Gonzalo | 315.4%[6] | n/a | n/a | (5.9)%[3] | n/a | n/a |
| Carolyn Flowers | n/a | n/a | n/a | n/a | n/a | n/a |
| Enrique Dupuy de Lome Chávarri | n/a | n/a | n/a | n/a | n/a | n/a |
| Helen Weir | n/a | n/a | n/a | n/a | n/a | n/a |
| Jorge Cosmen | 0.0% | n/a | n/a | 25.9%[3, 4] | n/a | n/a |
| Karen Geary | 315.4%[6] | n/a | n/a | (5.9)%[3, 5] | n/a | n/a |
| Mike McKeon | 1.5% | n/a | n/a | 3.0%[3] | n/a | n/a |
| Nigel Pocklington | n/a | n/a | n/a | n/a | n/a | n/a |
| **Company employees** | 5.7% | (0.09)% | (100)% | 4.4% | (8.2%)[9] | 100%[2] |
| **Company Group UK employees** | 1.7%[11] | (0.09)% | (100)% | 2.3% | (17.0%)[9] | 100%[2] |

| | Actual/Average percentage increase/ (decrease) from 2021 to 2022 | | | Actual/Average percentage increase/ (decrease) from 2022 to 2023 | | |
|---|---|---|---|---|---|---|
| | Base/salary fees | Benefits | Performance related bonus | Base/salary fees | Benefits | Performance related bonus |
| Ignacio Garat (current CEO) | 0% | -35.4% | 45.1% | 0% | -23.6% | -100% |
| James Stamp (former CFO) | n/a | n/a | n/a | 498.6%[10] | 566.0%[10] | -100% |
| Ana de Pro Gonzalo | 0% | n/a | n/a | 0% | n/a | n/a |
| Carolyn Flowers | 99.0%[7] | n/a | n/a | 4.3% | n/a | n/a |
| Enrique Dupuy de Lome Chávarri | n/a | n/a | n/a | n/a | n/a | n/a |
| Helen Weir | n/a | n/a | n/a | 0% | n/a | n/a |
| Jorge Cosmen | 0% | n/a | n/a | 0% | n/a | n/a |
| Karen Geary | 17.5%[8] | n/a | n/a | 7.4% | n/a | n/a |
| Mike McKeon | 0% | n/a | n/a | 0% | n/a | n/a |
| Nigel Pocklington | n/a | n/a | n/a | n/a | n/a | n/a |
| **Company employees** | 7.2% | -1.2% | -12.1% | 11.0% | 5.2% | -100% |
| **Company Group UK employees** | 8.5% | 4.6% | -10.1% | 8.3% | 4.6% | -100% |

| | Actual/Average percentage increase/ (decrease) from 2023 to 2024 | | |
|---|---|---|---|
| | Base/salary fees | Benefits | Performance related bonus |
| Ignacio Garat (current CEO) | 4.3% | 7.5% | 0% |
| James Stamp (former CFO) | (55.9%)[12] | (91.7%) | 0% |
| Ana de Pro Gonzalo | 0% | n/a | n/a |
| Carolyn Flowers | 1.4% | n/a | n/a |
| Enrique Dupuy de Lome Chávarri | 596.3%[13] | n/a | n/a |
| Helen Weir | 0% | n/a | n/a |
| Jorge Cosmen | 0% | n/a | n/a |
| Karen Geary | 1.4% | n/a | n/a |
| Mike McKeon | (55.3%)[14] | n/a | n/a |
| Nigel Pocklington | 165.2%[15] | n/a | n/a |
| **Company employees** | 6.5% | 3.3% | 0% |
| **Company Group UK employees** | 10.4% | 6.5% | 0% |

1 Mr Garat joined in November 2020 and the increase from 2020 to 2021 reflects this joining date. No increase in base salary was given for 2021
2 No bonuses were awarded for 2020
3 The year-on-year increase reflects salary sacrifices made in April and May 2020 in light of the pandemic
4 Received an additional Chair fee from 2021
5 Appointed Chair of the Remuneration Committee on 3 December 2021
6 Reflect dates of joining in 2019 and only serving three months in that year
7 Reflects the fact Carolyn Flowers joined the Board on 1 June 2021. 2022 fee reflects appointment as Sustainability Committee Chair in May 2022
8 Reflects appointment as Remuneration Committee Chair in December 2021, so 2021 fee includes only one month as Committee Chair
9 Driven by the net cost to the Company of providing certain benefits decreasing and others increasing, and the impact of job role changes/promotions
10 Reflects 2022 being a comparator year where James Stamp was on the Board for a pro-rated part of the year
11 Helen Weir's increase from 2022 to 2023 is shown as nil as the fees earned in 2022 reflected time spent as Chair Designate. She became Chair on 1 January 2023
12 Reflects James Stamp stepping down as CFO on 11 June 2024
13 Reflects Enrique Dupuy de Lome Chávarri joining the Board on 1 November 2023
14 Reflects Mike McKeon stepping down from the Board on 11 June 2024
15 Reflects Nigel Pocklington joining the Board on 1 August 2023

## 8. History of CEO pay

The table below sets out the total remuneration paid to the Chief Executive Officer over the last 10 years, valued using the methodology applied to the single total figure of remuneration:

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020[1] | 2020[2] | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Chief Executive Officer | D Finch | D Finch | D Finch | D Finch | D Finch | D Finch | I Garat | I Garat | I Garat | I Garat | **I Garat** |
| Single figure total remuneration (£'000) | 3,661 | 3,887 | 4,225 | 4,318 | 3,048 | 531 | 137 | 1,050 | 1,218 | 616 | **681** |
| Annual bonus payment (as % of maximum opportunity) | 96% | 83.5% | 95% | 90% | 100% | 0% | n/a[3] | 47.5% | 69.0% | 0% | **0%** |
| LTIP vesting level achieved (as % of maximum opportunity) | 73.4% | 80.8% | 86.9% | 96% | 91.53% | 0% | n/a[3] | n/a[4] | n/a[4] | 0% | **9.96%** |

1 Mr Finch served as Chief Executive Officer from 1 January 2020 to 31 August 2020
2 Mr Garat served as Chief Executive Officer from 1 November 2020 to 31 December 2020
3 In 2020, Mr Garat was not entitled to any bonus award or LTIP award subject to performance conditions whose final year of performance ended during that year
4 In 2021 and 2022, Mr Garat was not entitled to any LTIP award subject to performance conditions whose final year of performance ended during those years

### 9. CEO pay ratios

The Committee reviewed the Company's CEO pay ratios and the Group's employee pay policies and practices when formulating the Directors' Remuneration Policy, and is satisfied that the structure and quantum of remuneration for the Executive Directors is appropriate in view of their relative roles and responsibilities.

The following table sets out ratios which compare the CEO's total remuneration in the Company's financial year ended 31 December 2024 to that of the Group's UK employees whose full time equivalent remuneration ranks them at the lower quartile, median and upper quartile of pay for all of the Group's UK employees (together with that data for the Company's previous four financial years). The ratios for 2024 are similar to 2023 due to there being no CEO bonus in both 2023 and 2024.

| Year | Methodology | 25th percentile (lower quartile) pay ratio | 50th percentile (median) pay ratio | 75th percentile (upper quartile) pay ratio |
|---|---|---|---|---|
| 2024 | **Option A** | **20:1** | **17:1** | **14.1** |
| 2023 | Option A | 20:1 | 17:1 | 14:1 |
| 2022 | Option A | 46:1 | 39:1 | 31:1 |
| 2021 | Option A | 43:1 | 37:1 | 31:1 |
| 2020 | Option A | 31:1 | 26:1 | 23:1 |

Option A was used to calculate the pay ratios as it is the most statistically accurate method and the relevant pay data was available to the Company in time for the preparation of this report. The UK employees at the lower quartile, median and upper quartiles were identified as at 31 December 2024 and their full-time equivalent total remuneration was calculated in respect of the 12 months ended 31 December 2024 on the basis explained further below.

The CEO's remuneration for 2024 was calculated as per the single total figure, shown on page 125.

The total remuneration of the UK employees (including those at the lower quartile, median and upper quartiles) has been calculated using the same methodology as for the CEO's single total figure of remuneration, noting that:

- a large number of the Group's UK employees, such as bus and coach drivers and customer service centre staff, work full time but are paid by the hour (rather than having an annual fixed base salary). Their wages have been calculated as the actual number of hours worked in the year multiplied by the relevant hourly rates of pay applicable during the year; and
- a number of the Group's UK employees work part time. Those who are paid on a salaried basis have had their salaries and benefits grossed up to the full-time equivalent salary for their role.

Although similar to the approach used for 2023, for further details on the calculation methodology for previous years please refer to the Annual Report for that year. Note for 2020 and 2021, where the Group's UK employees were placed on furlough during any part of 2020 or 2021, the amounts actually paid to them have been included, including amounts subsequently reimbursed to the Company and its UK subsidiaries by the UK government under the Coronavirus Job Retention Scheme and topped-up amounts funded by the Company's Group.

The table below shows the CEO's total remuneration and the salary component of that total remuneration and that of each of the UK employees at the lower, median and upper quartiles of the Group's UK employee population for 2024:

| Year | Pay data | Group Chief Executive | 25th (lower quartile) percentile | 50th (median) percentile | 75th (upper quartile) percentile |
|---|---|---|---|---|---|
| 2024 | **Salary** | **£600,000** | **£32,295** | **£37,873** | **£44,674** |
| 2024 | **Total pay** | **£680,744** | **£34,151** | **£39,939** | **£47,803** |

The Committee considers that the median pay ratio is consistent with the Company's pay, reward and progression policies. This is because, when setting CEO pay, the Committee has regard to the same core considerations as those taken into account by the UK management team when setting UK employee pay, including the Company's policy to pay market rates of pay that reward employees fairly for work done and that have due regard to individual performance and Company performance where the individual has the ability to influence wider Company performance. The CEO has ultimate responsibility for, and the greatest ability to influence, the Company's performance and returns to shareholders and, to reflect this, a much higher proportion of the CEO's remuneration is comprised of performance-related pay (in the form of an annual bonus and LTIP award vesting) compared with the majority of UK employees. This means that the pay ratios will fluctuate depending on the outcomes of incentive plans each year.

## 10. Relative importance of spend on pay

The table below sets out the total spend on pay in 2024 and distributions in 2024 compared with such values in 2023 for further comparison:

| Measure | 2024 £m | 2023 £m | % change from 2023 to 2024 |
|---|---|---|---|
| Overall Group spend on pay including Directors | 1,733.5 | 1,585.1 | 9.4%[1] |
| Profit distributed by way of dividend | 0.0 | 10.5 | -100% |

1 Overall Group spend on pay was calculated by aggregating the Group's costs of salaries and wages, social security costs, pension costs and share-based payments for all the Group's employees whether employed in the UK or overseas in the relevant year.

## 11. Historical results of shareholder voting on remuneration matters

The votes cast on the resolution seeking approval of the Annual Report on Remuneration at the 2024 AGM were as follows:

| Resolution | Votes For | Votes Against | Number of votes withheld |
|---|---|---|---|
| To approve the Annual Report on Remuneration for the year ended 31 December 2023 (advisory vote only) | 414,369,767 | 3,495,888 | 296,666 |
| | 99.16% | 0.84% | |

The votes cast on the resolution seeking approval of the current Policy at the 2024 AGM were as follows:

| Resolution | Votes For | Votes Against | Number of votes withheld |
|---|---|---|---|
| To approve the Directors' Remuneration Policy (binding vote) | 413,472,293 | 4,677,681 | 259,696 |
| | 98.88% | 1.12% | |

1 A vote withheld is not a vote at law and is not counted in the calculation of votes For or Against a resolution.

## 12. Retained advisers to the Committee

During the year both Korn Ferry and FIT Remuneration Consultants LLP ("FIT") acted as external remuneration advisers to the Remuneration Committee. Neither has any other connection to the Group or its directors.

Both Korn Ferry and FIT did not provide any services other than in relation to advising the Remuneration Committee during the year – the Committee is satisfied that no conflict of interest can arise as a result of these services. Both Korn Ferry and FIT have voluntarily signed up to the Remuneration Consultants Group Code of Conduct. In view of these factors, the Committee is satisfied that the advice it received from Korn Ferry and from FIT in 2024 is objective and independent. For the year under review, Korn Ferry received fees of £31,397, which were charged on a time cost basis and FIT received fees of £94,328, which were charged on a time cost basis

## 13. Dilution

The Company has permitted share dilution authority reserved to it under the rules of its 2015 Long-Term Incentive Plan (LTIP), as previously approved by shareholders and in line with the Investment Association's guidelines. The Company's normal course 10-year authority to operate its LTIP is being renewed at the 2025 AGM and the dilution limits within the LTIP will be updated to reflect the Investment Association's 2024 guidelines.

Predominantly the Company's funding strategy has been to satisfy all outstanding share incentive awards granted under the LTIP (and its other incentive plans) through the delivery of market purchased shares via the Company's Employee Benefit Trust, as opposed to by the issue and allotment of new shares. Accordingly, the Company has to date made only limited use of its permitted share dilution authority under the LTIP.

On behalf of the Board

**Nigel Pocklington**
**Remuneration Committee Chair**

28 April 2025