

Directors' Remuneration Policy

Introduction

In accordance with the remuneration reporting regulations, the Directors' Remuneration Policy (the Policy) as set out below will become formally effective at the AGM on 21 April 2022, subject to shareholder approval and will apply for the period of three years from the date of approval.

Our Remuneration Policy and its link to our Group strategy

The key elements of the Company's strategy and how its successful implementation is linked to the Company's remuneration are set out in the following table.

Strategic priorities

| Remuneration Policy | Sustain | Innovate | Grow | Equity ownership and retention of shares. | Retain and reward the Executive team to deliver the strategy. |
|--|---|---|--|---|---|
| Annual bonus The maximum bonus (including any part of the bonus deferred into shares) deliverable under the ADBP will not exceed 125% of a participant's annual base salary. | Non-financial measures target customer satisfaction and Health and Safety in the workplace and therefore support this objective. | Adjusted EBITDA*, Adjusted operating cash flow* The efficient development of innovative products measured through adjusted EBITDA* will be reflected in increased profitability and adjusted operating cash flow*. | Adjusted EBITDA*, Adjusted operating cash flow* The success in maximising operational excellence will be reflected through increased profitability and cash flow. | ✓ | ✓ |
| LTIP Maximum annual award is normally 150% of salary. Awards will vest at the end of three years with a further two-year holding period. For 2022, the performance conditions for awards are: <ul style="list-style-type: none">Comparative Total Shareholder Return (TSR) (30%);Adjusted Earnings per Share* (EPS) growth (25%)*;Return on Capital Employed* (ROCE) (25%); andESG (20%) | ESG Achievement of the Group's key targets contained in its new ESG strategy. This will help contribute to our objectives of being the sector leader in sustainability matters. | ROCE*, TSR The generation of cash and profit growth targeted by the annual bonus will help enhance the value of the Company which will be measured through the success of the Company's TSR performance against its comparators and strong ROCE*. | ROCE*, Adjusted EPS*, TSR The success in maximising operational excellence will be measured through the long-term adjusted EPS* growth targeted by the LTIP and sustained strong ROCE*. In addition, sustained value generation will be reflected in the shareholder returns of the Company which will be measured through the Company's TSR performance under the LTIP. | ✓ | ✓ |
| Sharesave Plan (Sharesave) | Encourages employee participation in our success and encourages retention. | | | ✓ | ✓ |
| Minimum shareholding requirements 200% of salary. | Creates alignment with our shareholders. | | | ✓ | ✓ |

Remuneration Policy Table

The 2022 revised Remuneration Policy that will be put to a vote at the AGM on 21 April 2022 is outlined below.

| Element of remuneration | Link to strategic objectives | Operation | Maximum opportunity | Performance metrics | Changes from previous policy |
|-------------------------|--|---|--|---------------------|------------------------------|
| Base salary | Provides a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Group's strategy. | <p>An Executive Director's base salary is set on appointment and reviewed annually or when there is a change in position or responsibility. When determining an appropriate level of salary, the Committee considers:</p> <ul style="list-style-type: none"> • remuneration practices within the Group; • the general performance of the Group; • salaries within the ranges paid by the companies in the comparator group used for remuneration benchmarking; • any change in scope, role and responsibilities; and • the economic environment. | <p>The Committee ensures that maximum salary levels are positioned in line with companies of a similar size to Ibstock, validated against companies operating in a similar sector. The companies in the comparator group are organisations in the FTSE 250 excluding financial services, real estate and equity investment trusts. The Committee intends to review the comparator groups each year and may add or remove companies from the group as it considers appropriate. Any changes to the comparator group will be in the section headed Implementation of Remuneration Policy, in the following financial year. In general, salary increases for Executive Directors will be in line with the increase for employees across the Group. Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases subsequent increases in salary may be higher than the general rises for employees until the target positioning is achieved. The Company will set out in the section headed Implementation of Remuneration Policy, in the following financial year, the salaries for that year for each of the Executive Directors.</p> | None | None |

| Element of remuneration | Link to strategic objectives | Operation | Maximum opportunity | Performance metrics | Changes from previous policy |
|-------------------------|---|--|--|---------------------|--|
| Benefits | Provides a benefits package in line with practice relative to its comparator group to enable the Company to recruit and retain Executive Directors with the experience and expertise to deliver the Group's strategy. | <p>The Executive Directors receive a company car or car allowance, private health cover and death in service cover.</p> <p>The Committee recognises the need to maintain suitable flexibility in the benefits provided to ensure it is able to support the objective of attracting and retaining personnel in order to deliver the Group strategy. Additional benefits may be offered such as relocation allowances on recruitment. The maximum will be set at the cost of providing the benefits described.</p> | <p>See description of benefits in the previous column.</p> <p>The maximum will depend on the cost of providing the relevant benefits.</p> <p>The Company has monitoring practices in place to ensure spend on benefits is efficient.</p> | None | None |
| Pensions | Provides retirement benefit to enable the Company to recruit and retain Executive Directors with the experience and expertise to deliver the Group's strategy. | The Company operates a defined contribution pension or salary supplement arrangement for Executive Directors. | The maximum contribution into the defined contribution plan or salary supplement in lieu of pension is 10% of gross basic salary for new joiners. | None | Our previous policy stated that new executive directors would receive 10% contributions into a pension scheme. The CEO's pension allowance will reduce to 10% from 1 January 2023. |

| Element of remuneration | Link to strategic objectives | Operation | Maximum opportunity | Performance metrics | Changes from previous policy |
|-------------------------|--|---|---|--|------------------------------|
| ADBP | <p>The ADBP provides a significant incentive to the Executive Directors linked to achievement in delivering goals that are closely aligned with the Company's strategy and the creation of value for shareholders. In particular, the ADBP supports the Company's objectives allowing the setting of annual targets based on the business's strategy at the time, meaning that a wider range of performance metrics can be used that are relevant and achievable. Part of the ADBP is deferred into shares. The advantage of deferral is:</p> <ul style="list-style-type: none"> increased alignment between Executives and shareholders created through deferral and the increased equity stake of management in the Company; and amounts deferred in shares are subject to a Director's continued employment, which provides an effective lock-in. | <p>The maximum bonus (including any part of the bonus deferred into an ADBP Award) deliverable under the ADBP will not exceed 125% of a participant's annual base salary. The Board will determine the bonus to be delivered following the end of the relevant financial year. The Company will set out in the section headed Implementation of Remuneration Policy, in the following financial year, the nature of the targets and their weightings for each year. Details of the performance conditions, targets and their level of satisfaction for the year being reported on will be set out in the Annual Report on Remuneration. The Committee will determine each year what part of the bonus earned under the ADBP is provided as an award of deferred shares. The minimum value of deferred shares is one-third of the bonus earned. The main terms of these awards are:</p> <ul style="list-style-type: none"> minimum deferral period of three years, during which no performance conditions will apply; and the participant's continued employment at the end of the deferral period. <p>The Committee may award dividend equivalents in shares to plan participants to the extent that they vest.</p> | <p>The maximum bonus (including any part of the bonus deferred into an ADBP Award) deliverable under the ADBP will not exceed 125% of a participant's annual base salary. Percentage of maximum bonus earned for levels of performance:</p> <ul style="list-style-type: none"> Threshold: 0% On-target: 50% Maximum: 100%. <p>The annual bonus will be paid in cash and deferred shares.</p> | <p>An award under the ADBP is subject to satisfying financial and strategic/operational performance/personal performance conditions and targets measured over a period of one financial year. A minimum of 50% of the targets will be financial. The Board will determine the bonus to be delivered following the end of the relevant financial year. The Committee is of the opinion that given the commercial sensitivity arising in relation to the detailed financial targets used for the annual bonus, disclosing precise targets for the ADBP in advance would not be in shareholders' interests. Actual targets, performance achieved and awards made will be published at the end of the relevant performance period so shareholders can fully assess the basis for any pay-outs under the annual bonus. The Committee has discretion to:</p> <ul style="list-style-type: none"> in exceptional circumstances change the performance measures and targets and the weighting attached to the performance measures and targets part-way through a performance year if there is a significant and material event which causes the Committee to believe the original measures, weightings and targets are no longer appropriate; and make downward or upward adjustments to the amount of bonus earned resulting from the application of the performance measures, if the Committee believe that the bonus outcomes are not a fair and accurate reflection of overall business performance. <p>Any adjustments or discretion applied by the Committee will be fully disclosed in the following year's Remuneration Report. The Committee will consult with leading investors if appropriate before any exercise of discretion to increase the bonus outcome. The ADBP contains clawback and malus provisions.</p> | None |

| Element of remuneration | Link to strategic objectives | Operation | Maximum opportunity | Performance metrics | Changes from previous policy |
|-----------------------------------|--|---|---|--|------------------------------|
| LTIP | <p>The purpose of the LTIP is to incentivise and reward Executive Directors in relation to long-term performance and achievement of Group strategy.</p> <p>This will better align Executive Directors' interests with the long-term interests of the Group and act as a retention mechanism.</p> | <p>Awards are granted annually to Executive Directors in the form of a conditional share award, nil-cost option or restricted share award. Details of the performance conditions for grants made in the year will be set out in the Annual Report on Remuneration and for future grants in the section headed Implementation of Remuneration Policy, in the future financial year. These will vest at the end of a three-year period subject to:</p> <ul style="list-style-type: none"> the Executive Director's continued employment at the date of vesting; and satisfaction of the performance conditions. <p>The Committee may award dividend equivalents in shares on awards to the extent that these vest.</p> <p>A post-vesting holding period of two years will apply for the LTIP.</p> | <p>The normal maximum value is set at 150% of salary per annum based on the market value at the date of grant set in accordance with the rules of the LTIP. In exceptional circumstances the Committee may grant an award with a maximum of 200% of salary. 25% of the award will vest for threshold performance. 100% of the award will vest for maximum performance. There is straight-line vesting between these points.</p> | <p>The performance conditions for the 2022 LTIP awards are adjusted EPS* growth, comparative TSR, ROCE* and ESG. The Committee may change the balance of the measures, or use different measures for subsequent awards, as appropriate. No material change will be made to the type of performance conditions without prior shareholder consultation. The Committee has the discretion to:</p> <ul style="list-style-type: none"> in exceptional circumstances, vary, substitute or waive the performance conditions applying to LTIP awards if the Board considers it appropriate and that the new performance conditions are deemed reasonable and are not materially less difficult to satisfy than the original conditions; and make downward or upward adjustments to the vesting of the LTIP resulting from the application of the performance measures if the Committee believes that the outcomes are not a fair and accurate reflection of overall business performance. Any adjustments or discretion applied by the Committee will be fully disclosed in the following year's Remuneration Report. The Committee will consult with leading investors if appropriate before any exercise of its discretion to increase the vesting outcome. The LTIP contains clawback and malus provisions. <p>The Relative Total Shareholder Return comparator group will include comparatively sized construction and building materials sector companies. The Committee may change the balance of the measures, or use different measures for subsequent awards, as appropriate.</p> | None |
| Share Incentive Plan (SIP) | <p>The SIP is an all-employee share ownership plan which has been designed to encourage all employees to become shareholders in the Company and thereby align their interests with shareholders.</p> | <p>The Company operates a SIP in which the Executive Directors are eligible to participate (which is in line with HMRC legislation and is open to all eligible staff). The Executive Directors shall be entitled to participate in any other all employee arrangement implemented by the Company.</p> | <p>Maximum opportunity for awards and purchases are kept in line with HMRC limits.</p> | <p>The Company in accordance with the legislation may impose objective conditions on participation in the SIP for employees.</p> | None |

| Element of remuneration | Link to strategic objectives | Operation | Maximum opportunity | Performance metrics | Changes from previous policy |
|---|---|---|---|---|------------------------------|
| Sharesave | The Sharesave Plan is an all-employee savings related share option plan which has been designed to enable UK employees to acquire an interest in the Company and thus align their interests with shareholders. | The Company operates a Sharesave Plan in which the Executive Directors are eligible to participate (which is in line with UK legislation and is open to all eligible staff). To obtain an option an eligible individual must agree to save a fixed monthly amount for three or five years up to the maximum monthly amount under HMRC limits. The amount saved will determine the number of shares over which the option is granted. Options may be exercised in a six-month period at the maturity of a three- or five-year savings period, subject to continued service. | Maximum opportunity for awards and purchases are kept in line with HMRC limits. | The Company, in accordance with the legislation, may impose objective conditions on participation in the plans for employees. | None |
| Minimum shareholding requirement (MSR) | Executive Directors are expected to build up over a five-year period and then subsequently hold a shareholding equivalent to 200% of base salary. This will include deferred shares at their net-of-tax value and shares subject to a holding period at their full value. Adherence to these guidelines is a condition of continued participation in the equity incentive arrangements. In addition, a post-cessation minimum shareholding requirement will apply to Executive Directors who leave the Company. Leavers will have a requirement to hold 200% of their pre-cessation shareholding requirement for two years from leaving. | | | | |
| Changes from previous Policy | Post-cessation shareholding requirement (PCSR): The Committee intends to extend the current approach such that departing Executive Directors are required to hold the lower of their actual shareholding or 100% of their MSR for 24 months from the date of leaving. The current PCSR requires Executives to hold 100% of their MSR for 12 months but this reduces down to 50% for the next 12 months. | | | | |

Remuneration Policy for Non-Executive Directors

| Element of remuneration | Link to strategic objectives | Operation | Maximum opportunity | Performance metrics | Changes from previous policy |
|---|---|--|--|---------------------|------------------------------|
| Non-Executive Director and Chairman fees | Provides a level of fees to support recruitment and retention of Non-Executive Directors and a Chairman with the necessary experience to advise and assist with establishing and monitoring the Group's strategic objectives. | The Board is responsible for setting the remuneration of the Non-Executive Directors. The Remuneration Committee is responsible for setting the Chairman's fees. Non-Executive Directors are paid an annual fee and additional fees on appointment as Senior Independent Director or as Chair of Board Committees. The Chairman does not receive any additional fees for membership of Committees. Fees are reviewed annually based on equivalent roles in the comparator group used to review salaries paid to the Executive Directors. Fees are set at broadly the median of the comparator group. Non-Executive Directors and the Chairman do not participate in any variable remuneration or benefits arrangements other than reimbursed expenses. | The fees for Non-Executive Directors and the Chairman are set at broadly the median of the comparator group. In general the level of fee increase for the Non-Executive Directors and the Chairman will be set taking account of any change in responsibility and will take into account the general rise in salaries across the UK workforce. The Company will pay reasonable expenses incurred by the Non-Executive Directors and Chairman and may settle any tax incurred in relation to these. | None | None |

Performance conditions and targets

Performance measures for the ADBP and the LTIP are chosen to ensure alignment with strategic priorities (see table on page 101) and delivery against key financial and operational objectives. Targets are set by reference to the approved budget, market practice and analysts' expectations.

Differences in policy from the wider employee population

The Company aims to provide a remuneration package for all employees that is market competitive and operates a similar core structure as for the Executive Directors. The Executive Directors' annual scorecard is devolved down into the management line with an increasing emphasis on divisional performance. All employees are encouraged to participate in the all employee share plans operated by the Company, ensuring a consistent reward framework. Detailed description of the cascade of incentives is presented on page 113.

Malus and clawback

The ADBP and the LTIP include best practice malus and clawback provisions. Malus is the adjustment of unpaid bonus and deferred share awards under the ADBP and outstanding LTIP awards as a result of the occurrence of one or more circumstances listed below. The adjustment may result in the value being reduced to nil. Clawback is the recovery of payments or vested awards under the ADBP and vested LTIP awards as a result of the occurrence of one or more circumstances listed below. Clawback may apply to all or part of a participant's award and may be effected, among other means, by requiring the transfer of shares, payment of cash or reduction of awards or bonuses. The circumstances in which malus and clawback could apply are as follows:

- discovery of a material misstatement resulting in an adjustment in the audited accounts of the Group or any Group company;
- the assessment of any performance condition or condition in respect of an ADBP and LTIP Award was based on error, or inaccurate or misleading information;
- the discovery that any information used to determine the cash payment under the ADBP or the number of shares subject to an ADBP or LTIP Award was based on error, or inaccurate or misleading information;
- action or conduct of a participant which amounts to fraud or gross misconduct; or
- events or the behaviour of a participant which have led to the censure of a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company provided that the Board is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to the participant.

| | Annual Bonus | Deferred Bonus | Long Term Incentive Plan |
|----------|---|--|---|
| Malus | Up to the date of payment of a cash bonus | To the end of the three-year deferral period | To the end of the three-year vesting period |
| Clawback | Three years post the bonus determination | N/A | Two years post-vesting |

Discretion

The Committee has discretion in several areas of policy as set out in this report.

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

It is the Committee's intention that commitments made in line with its current Policy and any policies prior to Admission will be honoured. Those areas that differ are being addressed to bring them into line with the proposed Policy, where appropriate.

Recruitment policy

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

The Company's detailed policy when setting remuneration for the appointment of new Directors is summarised in the table below:

| Remuneration element | Recruitment policy |
|--|---|
| Salary, benefits and pension | Salary and benefit levels will be set in line with the policy for existing Executive Directors. New promotes and recruits to the Board may on occasion have their salaries set below the targeted policy level while they become established in their role. In such cases salary increases may be higher than the increase for the general workforce of the Company until the target market positioning is achieved. Maximum pension contribution for new recruits will be set at 10% of salary. |
| Annual Bonus | Maximum annual participation will be set in line with the Company's policy for existing Executive Directors and will not exceed 125% of salary. |
| LTIP | Maximum annual participation will be set in line with the Company's policy for existing Executive Directors and will not exceed 150% of salary in normal circumstances and 200% of salary in exceptional circumstances. |
| Maximum variable remuneration | The maximum variable remuneration which may be granted in normal circumstances is 275% of salary (325% of salary if the maximum LTIP grant is made). |
| 'Buyout' of incentives forfeited on cessation of employment | Where the Committee determines that the individual circumstances of recruitment justify the provision of a buyout, the equivalent value of any incentives that will be forfeited on cessation of an Executive Director's previous employment will be calculated taking into account the following: – the proportion of the performance period completed on the date of the Executive Director's cessation of employment; – the performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied; and – any other terms and conditions having a material effect on their value (lapsed value). The Committee may then grant up to the same value as the lapsed value, where possible, under the Company's incentive plans. To the extent that it was not possible or practical to provide the buyout within the terms of the Company's existing incentive plans, a bespoke arrangement would be used. |

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

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

Payment for loss of office

The Committee will honour Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There is no agreement between the Company and its Executive Directors or employees, providing for compensation for loss of office or employment that occurs because of a takeover bid.

The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

| Remuneration element | Treatment on cessation of employment | | |
|--------------------------------------|--|--|---|
| Salary, benefits and pension | These will be paid over the notice period. The Company has discretion to make a lump sum payment in lieu. | | |
| Remuneration element | Good leaver ¹ reason | Other reason | Discretion |
| ADBP cash awards | Performance conditions will be measured at the bonus measurement date. Bonus will normally be pro-rated for the period worked during the financial year. | No bonus payable for year of cessation. | <p>The Committee has the following elements of discretion:</p> <ul style="list-style-type: none"> to determine that an executive is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders; and to determine whether to pro-rate the bonus to time. <p>The Committee's normal policy is that it will pro-rate bonus for time. It is the Committee's intention to use discretion to not pro-rate in circumstances where there is an appropriate business case which will be explained in full to shareholders.</p> |
| ADBP Share awards | All subsisting deferred share awards will vest. | Lapse of any unvested deferred share awards. | <p>The Committee has the following elements of discretion:</p> <ul style="list-style-type: none"> to determine that an executive is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders; to vest deferred shares at the end of the original deferral period or at the date of cessation. The Committee will make this determination depending on the type of good leaver reason resulting in the cessation; and to determine whether to pro-rate the maximum number of shares to the time from the date of grant to the date of cessation. <p>The Committee's normal policy is that it will not pro-rate awards for time. The Committee will determine whether or not to pro-rate based on the circumstances of the Executive Director's departure.</p> |
| LTIP | Pro-rated to time and performance in respect of each subsisting LTIP award. | Lapse of any unvested LTIP awards. | <p>The Committee has the following elements of discretion:</p> <ul style="list-style-type: none"> to determine that an executive is a good leaver. It is the Committee's intention to only use this discretion in circumstances where there is an appropriate business case which will be explained in full to shareholders; to measure performance over the original performance period or at the date of cessation. The Committee will make this determination depending on the type of good leaver reason resulting in the cessation; and to determine whether to pro-rate the maximum number of shares to the time from the date of grant to the date of cessation. <p>The Committee's normal policy is that it will pro-rate awards for time. It is the Committee's intention to use discretion to not pro-rate in circumstances where there is an appropriate business case which will be explained in full to shareholders.</p> |
| Other contractual obligations | There are no other contractual provisions other than those set out above agreed. | | |

¹ A good leaver reason is defined as cessation in the following circumstances: – death; – ill-health; – injury or disability; – redundancy; – retirement; – employing company ceasing to be a Group company; – transfer of employment to a company which is not a Group company; and – at the discretion of the Committee (as described above). Cessation of employment in circumstances other than those set out above is cessation for other reasons.

Change of control

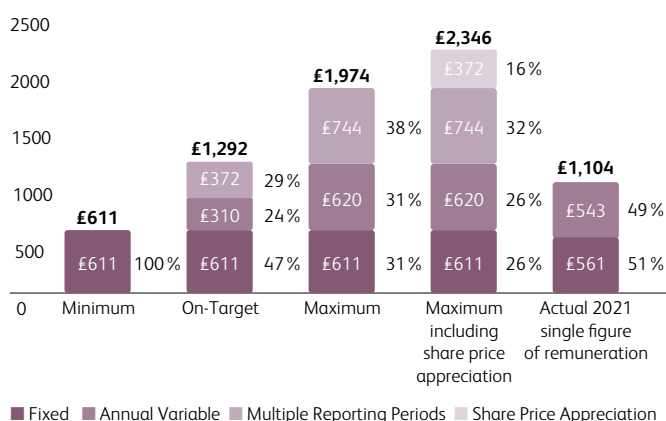
The Committee's policy on the vesting of incentives on a change of control is summarised below:

| Name of incentive plan | Change of control | Discretion |
|--------------------------|---|---|
| ADBP cash awards | Pro-rated to time and performance to the date of the change of control. | The Committee has discretion regarding whether to pro-rate the bonus to time. The Committee's normal policy is that it will pro-rate the bonus for time. It is the Committee's intention to use its discretion to not pro-rate in circumstances only where there is an appropriate business case which will be explained in full to shareholders. |
| ADBP share awards | Subsisting deferred share awards will vest on a change of control. | The Committee has discretion regarding whether to pro-rate the award to time. The Committee's normal policy is that it will not pro-rate awards for time. The Committee will make this determination depending on the circumstances of the change of control. |
| LTIP | The number of shares subject to subsisting LTIP awards will vest on a change of control, pro-rated to time and performance. | The Committee will determine the proportion of the LTIP award which vests taking into account, among other factors, the period of time the LTIP award has been held by the participant and the extent to which any applicable performance conditions have been satisfied at that time. |

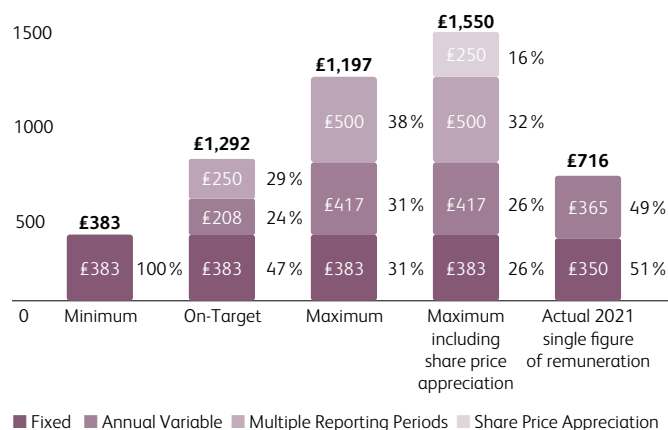
Illustrations of the application of the Remuneration Policy

The charts below illustrate the total remuneration that would be paid to each of the Executive Directors, based on salaries at the start of the 2022 financial year, under four different performance scenarios: (i) minimum; (ii) on-target; (iii) maximum; and (iv) maximum including the impact of a 50% increase in share price on the LTIP outcome. In addition, the chart shows the actual single figure of remuneration paid in respect of 2021.

Joe Hudson (CEO)
£'000



Chris McLeish (CFO)
£'000



| Element | Minimum | On-target | Maximum | Maximum including share price appreciation |
|--|--------------|----------------|-----------------|--|
| Fixed (salary ¹ , benefits and pension ²) | Included | Included | Included | Included |
| Annual bonus (125% of salary) | Not included | 50% of maximum | 100% of maximum | 100% of maximum |
| LTIP (150% of salary) ³ | Not included | 50% of maximum | 100% of maximum | 100% of maximum |
| Share price gain (50% over 3 years) | Not included | Not included | Not included | 50% of the maximum LTIP value |

1 Salary is Full-Year 2022 base salary following the increase approved by the Remuneration Committee in March 2022. This increase is effective from 1 April 2022.

2 Based on 2021 benefits payments and pension values as per the 2019 Policy.

3 An exceptional grant of 200% of base salary will be awarded to both Executive Directors in 2022 following the completion of the consultation exercise with Istock's top 20 shareholders.

Statement of considerations of employment conditions elsewhere in the Company

The Policy for all employees is determined in terms of best practice and ensuring that the Company is able to attract and retain the best people. This principle is followed in the development of our Policy.

The remuneration strategy of the Company has been designed to ensure all employees share in its success through performance-related remuneration and share ownership. Awards under both the ADBP and the LTIP will provide alignment between senior leaders and our shareholders based on overall corporate performance of the business.

For all UK employees, the Company has in place a Sharesave and a Share incentive Plan. Currently, under these Plans all UK employees have the opportunity to purchase shares in the Company subject to certain restrictions. We provide detailed information on the pay arrangements for the wider workforce from page 112.

The Committee's remit extends down to Executive and senior management for which it recommends and monitors the level and structure of remuneration. While the Company does not directly consult with employees as part of the process of reviewing executive pay and formulating the Policy, when making decisions in relation to the structure of executive pay the Committee takes into account conditions elsewhere in the Company.

The table on page 113 demonstrates how key objectives are reflected consistently in plans operating at all levels within the Company.

Statement of consideration of shareholder views

The Committee takes the views of the shareholders seriously and these views are taken into account in shaping Policy and practice. Shareholder views are considered when evaluating and setting the remuneration strategy and the Committee commits to consulting with key shareholders prior to any significant changes to its Policy.

Following the Company's review of policy during Q4 of 2021, we are pleased to be able to report that the major shareholders consulted and who expressed views were supportive of the proposed Policy and its operation.

In addition, we will continue to engage with our shareholders in a two-way communication process to maintain their support and to ensure we have a transparent executive reward structure aligned to shareholder experience.