Remuneration Committee report

Committee membership

The current members of the Committee are:

Alison Wood (Chair), Neil Carson, Nigel Sheinwald, Hannah Nichols and Rowena Innocent.

Changes to Committee membership:

Reshma Ramachandran and Mary Waldner stepped down as members of the Committee upon their stepping down from the Board on 25 July 2024 and 4 February 2025. Rowena Innocent joined as member of the Committee upon her appointment to the Board on 17 February 2025.

- For details of attendance at Committee meetings during the financial year, see page 96.
- For the biographies of all Committee members, see pages 85 to 87.

Dear Shareholder,

I am pleased to introduce the Directors' Remuneration Report for the year ended 31 March 2025.

The report is presented in three sections:

- My annual statement as Chair, summarising the work of the Committee during the year.
- The Directors' Remuneration Policy ('Policy'), which was approved at the 2023 AGM.
- The Annual Report on Remuneration, detailing the remuneration outcomes for the year ended 31 March 2025 and the implementation of the Policy for the year ahead.

Business context

It has been a year of positive progress, culminating in an excellent set of results which underlines the Board's confidence in the mid-term outcomes set out in the Chief Executive's review on page 20. The actions taken to simplify the Group, improve commercial execution and realign our regional presence have resulted in strong growth in revenue and profit, and increased margins in both divisions.

Operation of the Remuneration Policy in 2024/25 and incentive plan outcomes

The outcome for the 2024/25 annual bonus scheme was based on a combination of profit before tax, adjusted operating profit margin, cash conversion and non-financial strategic objectives. The profit before tax and operating profit margin elements both exceeded the maximum performance level and so achieved a full payout, but the cash conversion just missed the payment threshold for the stretching target range that was set. Overall, this resulted in a payout, relating to the financial elements of the scheme, of 100% of salary for the Chief Executive Officer (CEO) and former Chief Financial Officer (CFO), out of a maximum of 150% of salary.

The non-financial strategic targets were based on (i) evolution of the business portfolio (ii) establish and progress our operational transformational programme and (iii) position the business for margin improvement and enhanced growth in 2026. Additionally, the former CFO had two further objectives specific to him. Having considered each element carefully, we determined achievement of 21.5% out of 25% of base salary opportunity for the CEO and 17.5% out of 25% of base salary opportunity for the former CFO. The overall bonus achieved was therefore 141% and 137% of salary for the CEO and former CFO respectively. One-third of the annual bonus will be paid in shares, which must be retained for three years.

Awards granted in 2022 under the Performance Share Plan (PSP) to the former Chief Executive Officer and the former Chief Financial Officer were based on two equally weighted performance measures. Earnings Per Share (EPS) was assessed over the three years to 31 March 2025 and achieved a performance level at 50% of maximum, with EPS growth of 6% per annum. In the final year of the performance period Return on Capital Employed (ROCE) was 26% and therefore achieved a performance level of 25%. As a result of this performance, the 2022 PSP grant will vest at 37.5% overall. A two-year holding period applies to the vested award. The current Chief Executive Officer and Chief Financial Officer did not participate in this award.

Given the company's strong performance during 2024/25 and over the three-year performance period for the PSP, there has been a robust link between reward and performance, as well as alignment with investor returns. We are satisfied that the Policy has operated as intended and the remuneration outcomes are appropriate, considering the relativities between outcomes for employees and Executive Directors, and the wider stakeholder experience as set out above. We therefore concluded that it would not be necessary to exercise discretion to adjust the 2024/25 incentive outcomes.

Remuneration Committee report continued

Operation of the Remuneration Policy in 2025/26

We carefully reviewed the recommendations regarding base salary increases for employees and noted that the average salary increase across the workforce in the UK was 2.5%. In that context we determined that the base salary for the Chief Executive should also increase by 2.5% from £587,100 to £601,778. There was no salary increase for the former Chief Financial Officer.

The annual bonus opportunity will remain at 150% of salary and performance measures will continue to be based on profit (50%), cash conversion (16.7%), adjusted operating profit margin (16.7%) and non-financial strategic objectives (16.7%). One-third of any bonus payable will be delivered in shares which must be retained for three years.

Awards under the Long-Term Incentive Plan (LTIP) will be at 200% of salary for the Chief Executive and Chief Financial Officer. We will retain the same broad mix of measures as in the previous two years, to provide a rounded overall assessment of performance. The measures for the grant will therefore be EPS (30%), ROCE (30%), Total Shareholder Return (TSR) (25%) and a sustainability-related measure (15%). The EPS measure will require compound annual growth of between 3% and 10% over three years and the ROCE measure will be based on a target range of 26%-30% in 2027/28. TSR will be measured relative to the companies comprising the FTSE 250 Index, requiring median performance for threshold vesting and upper quartile performance for maximum vesting. The sustainability target is aligned to our long-term strategy and will require reduction in absolute Scope 1 and 2 market-based carbon emissions by 2028 by 45% (threshold) to 65% (maximum) from the FY2023/24 baseline to drive achievement of Net Zero by 2030.

Chief Financial Officer succession

We announced on 9 January 2025 that, after nearly nine years with the company, Gavin Hill had agreed with the Board that he would step down as Chief Financial Officer on 31 March 2025. He will remain actively involved with the company until 10 June 2025 to support a smooth transition through the results period and is now on garden leave for the remainder of his 12-month notice period. He will be treated as a good leaver in respect of his unvested PSP awards and will be subject to the post-employment shareholding requirement, which requires him to retain 200% of base salary, for two years effective from the end of his notice period. Details of Gavin's leaving arrangements are set out later in this report.

After a rigorous search, the Board was delighted to appoint Paul Fry as Chief Financial Officer with effect from 1 April 2025. The Committee considered the remuneration package carefully, recognising Paul's significant plc experience and calibre, and that he had received an offer elsewhere at significantly higher total remuneration (salary, bonus and long-term incentives). On this basis we agreed with Paul a salary of £460,000 and in view of the significant lead time to his appointment, also agreed that his first salary review would be 1 July 2025, when it will increase by 2.5% to £471,500. We also agreed that his LTIP award would be set at 200% which is in line with the Policy as are all other elements of his reward package. There are no buyout arrangements.

Non-Executive Directors' (NED) fees

The fees of the Chair and NEDs will increase by 2.5%. This is consistent with the base salary increase for the Executive Directors and the workforce.

Committee effectiveness review

During the year, an external performance review of the effectiveness of the Board and its Committees was conducted. More information can be found on pages 101 to 102. The review found that the Committee functions effectively.

Conclusion

We hope that you will be supportive of the annual advisory vote to approve the Annual Report on Remuneration at our AGM on 28 July 2025.

ALISON WOOD
Chair of the Remuneration Committee

12 June 2025

Remuneration Committee report continued

Key responsibilities

The Remuneration Committee (the 'Committee') is responsible for recommending to the Board the remuneration packages for Executive Directors and has oversight of the pay, bonus and share incentive strategy for the Group's executive management. The Chair and the Executive Directors are responsible for determining the remuneration of the Non-Executive Directors, and the Remuneration Committee, in the absence of the Chair, is responsible for determining the remuneration of the Chair. The key responsibilities of the Committee include:

- determining the Policy for the Executive Directors and senior leadership;
- considering and determining the components and total remuneration packages for the Executive Directors;
- determining the Policy for pension arrangements, service agreements, recruitment terms and termination payments for Executive Directors;
- designing effective performance-related incentive plans aligned, for Executive Directors and senior leaders, to the business strategy and the wider workforce;
- approving the structure and targets for all performance-related remuneration plans for executives as well as the overall payments made under such plans; and
- reviewing and noting Policy and trends across the Group and considering the Executive Directors' remuneration within this context.

Committee composition

In line with its terms of reference, which are available on our website at: www.oxinst.com/investors/corporate-governance the Committee comprises a majority of independent Non-Executive Directors. Alison Wood has held the role of Chair of the Committee since 26 January 2021 and has significant prior remuneration committee experience, in particular, chairing remuneration committees at other listed companies, and is sufficiently experienced to undertake this role in line with Provision 32 of the UK Corporate Governance Code 2024.

Meetings

The Remuneration Committee holds a minimum of two meetings annually, as required under its terms of reference, and this year held four meetings. Standing attendees at meetings may include the Chief Executive Officer, Chief Financial Officer and Chief HR Officer. Other members of senior management may also attend as required. The Company Secretary is the secretary to the Committee.

Wider employee remuneration

The Committee seeks to ensure that the underlying principles which form the basis for decisions on Executive Directors' pay are consistent with those on which pay decisions for the rest of the workforce are taken. For example, the Committee takes into account the general salary increase for the broader employee population when conducting the salary review for Executive Directors.

A formal employee consultation on remuneration is not operated; however, employees are able to provide feedback on the Company's remuneration policies to their managers as well as through the employee engagement survey and formal performance review process.

Committee performance review

During the year, an internal performance review of the effectiveness of the Committee was conducted as part of the wider review of the Board and the Board Committees. More information can be found on pages 101 and 102. The review found that the Committee functions effectively.

Committee advisers

Korn Ferry was the Committee's independent remuneration consultant during the year and continues with this appointment in 2025/26. Korn Ferry is appointed by the Committee to provide advice on all aspects of executive remuneration as required by the Committee.

Korn Ferry is a signatory to the Remuneration Consultants' Code of Conduct and has confirmed to the Committee that it adheres to the Code. During the year, Korn Ferry had discussions with the Committee Chair on remuneration matters relevant to the company and on how best its team can work with the Committee to meet the company's needs. The Committee is satisfied that the advice it received from Korn Ferry for the year ended 31 March 2025 was objective and independent.

Fees are charged predominantly on a time spent basis. The total fees paid to Korn Ferry for the advice provided to the Committee during the year were £43,170 (excluding VAT).

Directors' remuneration report

Remuneration at a glance

The Committee sets stretching performance targets for the annual bonus and performance share plan, that are clearly linked to the strategy and financial performance of the Group. The outcomes in respect of the financial year ended 31 March 2025 are:

Annual bonus

Adjusted organic constant currency PBT

Threshold:	£82.4m
Target:	£86.5m
Max:	£90.5m

Actual

£90.5m

Adjusted organic constant currency operating profit margin

Threshold:	16.5%
Target:	16.8%
Max:	17.2%

Actual

17.8%

Cash conversion

Threshold:	82%
Target:	85%
Max:	92%

Actual

89%

Strategic objectives

Targets based on a range of objectives linked to operational improvement and progressing the new strategic plan and the evolution of the Group's portfolio.

For details see / Page 132

LTIP

Earnings per share growth (% CAGR pa)

Threshold:	4% pa CAGR
Max:	10% pa CAGR

Actual (CAGR over 3 years to 31 March 2025)

6.0%

Return on capital employed

Excluding Andor impairment and FemtoTools acquisition

Threshold:	26%
Max:	32%

For details see / Page 133

Actual 2024/25

26.0%

Executive Directors' remuneration at a glance

Total remuneration payable for 2024/25

	Base salary £'000	Benefits £'000	Pension £'000	Annual bonus £'000	LTIP £'000	Other £'000	Total £'000
Richard Tyson	583	26	31	828	-	-	1,468
Gavin Hill[1]	409	24	23	565	234	1	1,255

1. Gavin Hill stepped down from the Board and his role as CFO on 31 March 2025.

Directors' remuneration report continued

Directors' Remuneration Policy (A)

This part of the Directors' Remuneration Report sets out the Group's Remuneration Policy ('Policy') for its Directors.

The Policy was subject to a binding shareholder vote at our AGM on 19 September 2023 and the Policy, unless changed with shareholders' prior agreement, will continue until the 2026 AGM. The complete approved Policy can be found in the Directors' Remuneration Report in the Report and Financial Statements 2023, which is available on our website at www.oxinst.com/investors/financial-reports-and-presentations

Policy overview

The Policy promotes the delivery of the Group's strategy and seeks to align the interests of Directors, shareholders and other stakeholders. The Committee regularly reviews the link between its incentive structures and strategy to ensure that remuneration packages are appropriate to attract, motivate and retain the high calibre executives that are needed to deliver the Group's strategy.

The company seeks to reward executives fairly and responsibly based on Group performance and their individual contribution. The company has a strategy aimed at delivering significant, balanced and sustainable long-term growth and it is important for motivation and retention that the remuneration of the executives reflects this.

The Committee carefully considers the motivational effects of the incentive structure in order to ensure that it is effective and does not have an unintentional negative impact on matters such as governance, environmental or social issues. More generally, the Committee ensures that the overall Policy does not encourage inappropriate risk-taking.

The Committee's approach to determining, reviewing and implementing the new Policy

The Committee considered the following factors described below when determining the new Policy. For details of how we will implement the Policy for 2025/26, see pages 130 to 139.

Principle	Committee approach
Clarity: Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	• The metrics used in our annual bonus have a direct link to our company KPIs, which are familiar to our shareholders and the workforce. • Performance Shares are linked to our long-term business strategy, familiar to our shareholders and the workforce. • The Remuneration Committee consults with shareholders to explain and clearly set out any proposed changes to the Policy, and is committed to having an open and constructive dialogue with shareholders.
Simplicity: Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	• Our Remuneration Policy is in line with market norms. • The application of the Policy is described clearly each year in this report with a clear link between reward and performance.
Risk: Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	The Committee has ensured that risks are identified and mitigated by: • having discretion to override the formulaic outturn of incentives; and • having robust clawback and malus provisions. • Performance Shares (with holding periods), annual bonus deferral in shares, together with share ownership requirements, including post-employment share ownership requirements, ensure executives are not encouraged to make short-term decisions but to deliver sustainable shareholder returns over the long term for the benefit of all stakeholders.

Directors' remuneration report continued

Principle	Committee approach
Predictability: The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the Policy.	• The scenario chart on page 128 sets out the potential rewards available to the Executive Directors under three different performance scenarios. • Limits to incentive plans and the basis for the Committee to use discretion are clearly set out.
Proportionality: The link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	• Variable pay comprises the majority of the Executive Directors' packages, with the individual limits and payout for different levels of performance set out in the Policy and the scenario charts within this Directors' Remuneration Report. • The performance conditions are aligned to strategy and the targets are set to be stretching to reward for delivering above-market returns. • The Committee retains discretion to override the formulaic outturns of incentives if the payout does not reflect broader company performance and other factors.
Alignment to culture: Incentive schemes should drive behaviours consistent with company purpose, values and strategy.	• The alignment of metrics to the medium and long-term strategy ensures behaviours consistent with the company's purpose and values are being encouraged. • Clawback and malus provisions discourage behaviours that are not consistent with the company's purpose, values and strategy. • The Committee reviews the wider workforce pay and policies to ensure there is alignment with the Executive Directors' Remuneration Policy and that remuneration is designed to support the company's people-centric culture. There is a broadly consistent implementation of the Policy throughout the senior management team.

Consideration of shareholder views

The Committee considers feedback from shareholders received at each AGM, together with any feedback from additional meetings, as part of any review of Executive Director remuneration. In addition, the Committee engages proactively with shareholders and their proxy advisers where any material changes to the Policy are proposed. As part of the Policy review during FY23, the Committee wrote to 20 of our largest shareholders and the major shareholder representative bodies to consult on the proposed Policy and its operation going forward. Shareholders were invited to provide any feedback they had and were offered the opportunity to discuss the proposals with the Committee Chair.

Directors' remuneration report continued

Remuneration Policy

Element of pay: Base salary

Purpose and link to strategy	Operation	Maximum opportunity
• To provide a competitive and appropriate level of basic fixed pay to recruit and retain superior talent and avoid excessive risk taking that might otherwise result from an over reliance on variable remuneration. • Reflects the experience, performance and responsibilities of the individual.	• Normally reviewed annually with any increase usually effective 1 July. • Takes account of experience, performance and responsibilities as well as the performance of the company, the complexity of the role within the Group and salary increases for employees generally. • Set with regard to market data for comparable positions in similar companies in terms of size, internationality, business model, structure and complexity, including within the industry. • Pay rises typically aligned with or below that of the workforce.	• There is no minimum or maximum annual increase. • Higher increases than the average percentage for the workforce may be appropriate; for example, where an individual changes role or their responsibilities increase, where the complexity of the Group changes, where an individual is materially below market comparators or is appointed on a below market salary with the expectation that his/her salary will increase with experience and performance.

Element of pay: Benefits

Purpose and link to strategy	Operation	Maximum opportunity
• Provided on a market competitive basis, aids retention and follows the reward structure for all employees.	• Currently include, but are not limited to, the cost of: – life assurance; – private medical insurance; and – company car benefit (car, driver, car allowance, fuel); and/or overnight hotel accommodation where necessary to enable the executive to carry out his duties efficiently at the Head Office and other company sites. • Executive Directors are also eligible to receive long service awards in line with other employees. • The benefits provided may be subject to amendment from time to time by the Committee within this Policy. • Relocation costs and other incidental expenses may be provided as necessary and reasonable. • Benefits are not part of pensionable earnings.	• The value of benefits varies from year to year depending on the cost to the company and is not subject to a specific cap. • Benefit costs are monitored and controlled and represent a small element of total remuneration costs.

Element of pay: Pension

Purpose and link to strategy	Operation	Maximum opportunity
• To contribute towards the cost of living in retirement.	• Company contributions to a money purchase pension scheme and/or salary supplement.	• Pension contributions (or salary supplement in lieu) are aligned to the maximum employer contribution applying to the majority of the UK workforce, currently 6% of salary.

Directors' remuneration report continued

Remuneration Policy continued

Element of pay: Annual bonus		
Purpose and link to strategy	**Operation**	**Maximum opportunity**
• Drives and rewards the successful achievement of targets set at the start of the year with performance normally assessed over a one-year period.	• Performance targets based on the key performance indicators and strategic objectives of the business. • At least 70% of the bonus is based on financial metrics and the balance on non-financial/strategic metrics. • One-third of any bonus earned will be paid in shares, which are beneficially owned and which must be held by the Executive Director for at least three years. • The Committee may use discretion to override the result of any formula-driven bonus payment. • Clawback and malus provisions apply for misstatement, error, misconduct, corporate failure or reputational damage, or in other circumstances at the discretion of the Committee.	• Up to 15% of salary payable for achieving threshold performance. • 75% of salary at year end payable at target performance. • 150% of salary at year end payable for maximum performance.

Element of pay: Long-Term Incentive Plan (LTIP)		
Purpose and link to strategy	**Operation**	**Maximum opportunity**
• To incentivise the executives and reward them for meeting stretching long-term targets linked to the business strategy. • To align the Directors' interests with those of shareholders. • Facilitates share ownership to provide further alignment with shareholders.	• Annual awards of Performance Shares with vesting subject to achievement of performance targets. Both the vesting and performance period will normally be over a three-year period. • Awards structured as options may have a zero exercise price or an exercise price equivalent to the par value of an ordinary share. • Awards may be granted in conjunction with a tax-advantaged option granted under the applicable schedule to the LTIP (a Linked Option). This arrangement gives the participant and Group the opportunity to benefit from the tax treatment applicable to tax advantaged options without increasing the pre-tax value of the award delivered to the participant. • The Committee will set targets each year linked to the long-term business strategy and may be based on financial performance, a stock market based metric and non-financial performance. • Up to 25% of the awards will vest at threshold performance under each performance condition. • Vested awards must be held for a further two years before sale of the shares (other than to pay tax). • The Committee may use discretion to override the result of any formula-driven payment. • Clawback and malus may be applied for misstatement, error, misconduct, corporate failure or reputational damage, or in other circumstances at the discretion of the Committee.	• The maximum award limit is 200% of salary. • If an LTIP award is granted as a Linked Option, the shares subject to the tax-advantaged option to which it is linked will not count towards the award limit. • In a recruitment situation the limit may be exceeded to facilitate a buy-out award (see further details in the 'Recruitment and promotion policy for Executive Directors' section on page 129). • Dividend equivalents may accrue on the LTIP awards over the vesting and holding period and would normally be paid out as shares in respect of the number of shares that have vested.

Directors' remuneration report continued

Remuneration Policy continued

Element of pay: All-employee share schemes

Purpose and link to strategy	Operation	Maximum opportunity
• To encourage employee share participation.	• The company may from time to time operate tax approved share schemes (such as the HMRC approved Share Incentive Plan (SIP)) for which Executive Directors could be eligible. • The SIP is open to all UK permanent staff.	• The schemes are subject to the limits set by tax authorities.

Element of pay: Shareholding guideline

Purpose and link to strategy	Operation	Maximum opportunity
• To further align Executive Directors' interests with shareholders'.	• The Committee has established shareholding guidelines which encourage the Executive Directors to build and retain a holding of company shares equivalent to 200% of base salary. • Until the guideline is met, Executive Directors are expected to retain or acquire shares equivalent to the value of 50% of the net amount realised from exercise/vesting of share awards as appropriate after allowing for tax payable. • Post cessation of employment there will be a requirement to retain the lower of the level of shareholding at that time, or 200% of base salary, for two years (unless by genuine exception eg serious ill health). At the Committee's discretion, shares which have been purchased voluntarily may be excluded, so as not to discourage further self-purchases.	• Not applicable.

Element of pay: Non-Executive Director (NED) fees

Purpose and link to strategy	Operation	Maximum opportunity
• To remunerate the Chair and NEDs. The fees may be in the form of cash or shares.	• Normally reviewed annually. • Determined and reviewed taking into account time commitment, experience, knowledge and responsibilities of the role as well as market data for similar roles in other companies of a similar size and/or business to Oxford Instruments. • NEDs based outside the UK may receive additional fees taking into account additional travel and time commitment associated with their role. • Out of pocket expenses including travel may be reimbursed by the company in accordance with the company's expenses policy including tax thereon grossed up as appropriate.	• There is no prescribed maximum or maximum annual increase.

Directors' remuneration report continued

Discretion retained by the Committee in operating its incentive plans

The Committee may adjust the formula driven outturn for an annual bonus or LTIP performance condition if it considers the quantum to be inappropriate in light of wider company performance or overall shareholder experience. Any such use of discretion would be detailed in the Annual Report on Remuneration (Part B) and in the Annual Statement of the Committee Chair.

The Committee operates the Group's incentive plans according to their respective rules and in accordance with HMRC rules, where relevant. To ensure the efficient administration of these plans, it may apply certain operational discretions, including:

- selecting the participants in the plans;
- determining the timing of grants and/or payments;
- determining the quantum of grants and/or payments;
- determining the extent of vesting based on the assessment of performance;
- determining 'good leaver' status and, where relevant, the extent of vesting in the case of the share-based plans;
- where relevant, determining the extent of vesting in the case of share-based plans in the event of a change of control;
- making the appropriate adjustments required in certain circumstances (eg rights issues, corporate restructuring events, variation of capital and special dividends); and
- the annual review of weighting of performance measures and setting targets for the annual bonus plan and discretionary share plans from year to year.

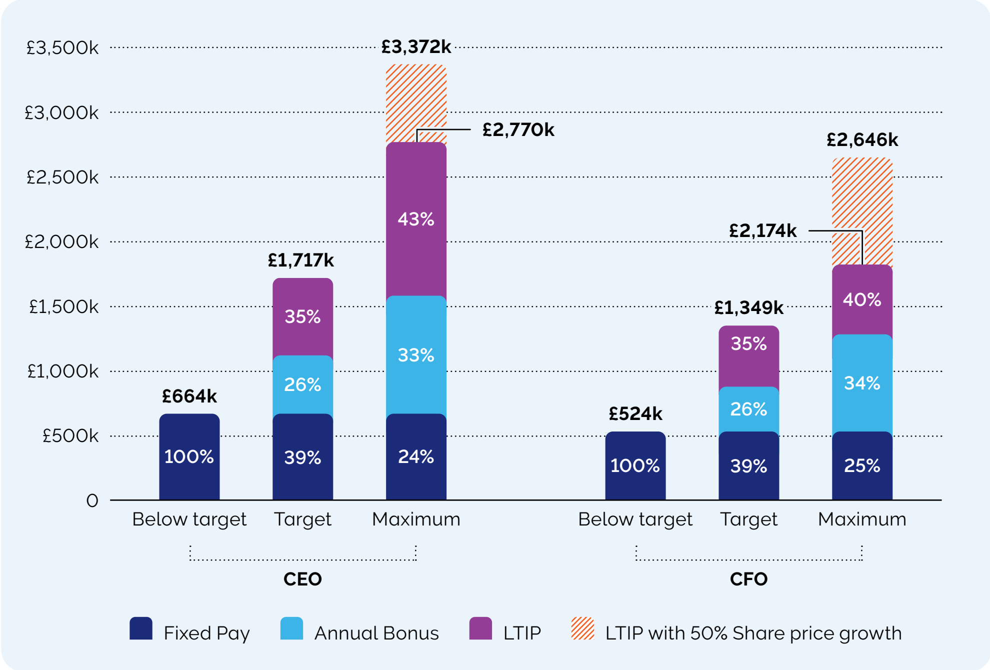
The Committee may adjust the targets and/or set different measures and alter weightings for existing annual bonus plans and share-based awards only if an event occurs which causes the Committee to reasonably consider that the performance conditions would not without alteration achieve their original purpose and the varied conditions are no less difficult to satisfy than the original conditions. Any changes, and the rationale for those changes, will be set out clearly in the Annual Report on Remuneration in respect of the year in which they are made.

Legacy arrangements

In approving this Policy, authority is given to the company to honour any commitments entered into with current or former Directors (such as the payment of a pension or the vesting or exercise of past share awards) that have been disclosed to and approved by shareholders in previous remuneration reports. Details of any payments to former Directors will be set out in the Annual Report on Remuneration as they arise.

Remuneration scenarios for Executive Directors

The charts below show the level of remuneration potentially payable to Executive Directors under different performance scenarios for FY2025/26 (see below for assumptions).



Assumptions:

- Fixed pay comprises salary levels as at 1 July 2025, pension of 6% of salary and the value of benefits received in 2024/25 for the CEO and an estimate for the CFO.
- The on-target level of bonus is 75% of salary.
- The on-target level of vesting under the LTIP is taken to be 50% of the face value of the award at grant, ie 100% of salary.
- The maximum level of bonus is 150% of salary and the maximum LTIP award level is 200% of salary for the CEO and the CFO.
- To show the impact of potential share price growth on the value of an Executive Director's package, the impact of share price growth of 50% on the LTIP is used.

Directors' remuneration report continued

Recruitment and promotion policy for Executive Directors

In setting total remuneration levels and in considering quantum for each element of the package for a new Executive Director, the Committee takes into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

The company seeks to align the remuneration package with the Policy approved by shareholders. Salary is provided at such a level as required to secure the most appropriate candidate. For new appointments, base salary and total remuneration may be set initially at below normal market rates on the basis that it may be increased once expertise and performance has been proven and sustained.

Specific variable remuneration performance targets can be introduced for an individual where necessary for the first year of appointment if it is appropriate to do so to reflect the individual's responsibilities and the point in the year in which he or she joined the Board.

Flexibility is retained to offer additional cash and/or share-based payments on appointment in respect of deferred remuneration or benefit arrangements forfeited on leaving a previous employer (ie a buy-out award). The Committee would look to replicate the arrangements being forfeited as closely as possible and, in doing so, will take account of relevant factors including the nature of the remuneration forfeited, performance conditions, attributed expected value and the time over which they would have vested or been paid. Such awards may be made under the terms of the LTIP (which, when combined with a normal annual LTIP award, may exceed the 'normal' 200% of salary limit per annum) or as permitted under the Listing Rules.

For an internal appointment, any variable pay element awarded in respect of the prior role may be allowed to continue to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

For external and internal appointments, the Committee may agree that the company will meet certain relocation, legal and any other incidental expenses as appropriate.

Executive Directors' service contracts and policy on cessation of employment

Details of the service contracts of the Executive Directors, available for inspection at the company's registered office and at the company's AGM, are as follows:

	Contract date	Unexpired term of contract
Richard Tyson	1 October 2023	12-month rolling contract
Paul Fry	8 January 2025	12-month rolling contract

Details of contractual terms and the policy on cessation of employment are summarised in the table below. Payments to departing Directors can only be made in line with this shareholder-approved Policy:

Contractual provision	Detailed terms
Notice period	12 months by the company or by the Director.
Termination payment	A Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, in the event of gross misconduct. For termination in other circumstances, the company has a right to pay salary in lieu of the notice period (or part thereof) if it so determines. In addition, any statutory entitlements in connection with the termination would be paid as necessary, and, at the Committee's discretion if deemed necessary and appropriate, outplacement, legal fees and settlement of claims or potential compensation claims.
Remuneration entitlements	Pro rata bonus may also become payable for the period of active service based on the satisfaction of performance conditions and payable at the normal time, along with vesting for outstanding share awards or deferred bonus shares (in certain circumstances – see below).
Change of control	No Executive Director's contract contains additional provisions in respect of a change of control. Any applicable share plan rules address the treatment of unpaid and unvested awards.

Directors' remuneration report continued

Any share-based entitlements granted to an Executive Director under the company's share plans will be determined based on the relevant plan rules. The default treatment for existing awards is that any unvested awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, injury, ill health, disability, retirement or other circumstances at the discretion of the Committee, 'good leaver' status may be applied. Under the LTIP (and PSP), awards to good leavers will vest on the normal vesting date, subject to the satisfaction of the relevant performance conditions at that time and will normally be scaled back to reflect the proportion of the original vesting period or performance period actually served. In the event of a good leaver there would be no early release from a post-vest holding period (again, unless by genuine exception, for example, serious ill health). The Committee has discretion in exceptional circumstances to disapply time pro rating, to measure performance to, and vest awards at, the date of cessation. Vesting at cessation would be the default position where a participant dies. Deferred bonus shares are beneficially owned by the executive from the time of the bonus payment, so are not at risk of forfeiture (other than in relation to clawback).

Non-Executive Directors

For the appointment of a new Chair or Non-Executive Director, the fee arrangements would be in accordance with the approved Policy in place at the time.

Non-Executive Directors are appointed under letters of appointment for fixed terms of three years; however, in line with governance best practice, the company proposes all Directors for annual re-election by shareholders at the AGM. Their appointment can be terminated without notice and with no compensation payable on termination, other than accrued fees and expenses.

	Date of appointment	Notice period	Unexpired term
Neil Carson	1 December 2018	Rolling six months	2027 AGM
Alison Wood	8 September 2020	None	2026 AGM
Sir Nigel Sheinwald	22 September 2021	None	2027 AGM
Hannah Nichols	1 January 2024	None	2027 AGM
Rowena Innocent	17 February 2025	None	2028 AGM

Annual Report on Remuneration (B)

The financial information in this part of the report has been audited where indicated.

Directors' remuneration (audited)

The remuneration paid to the Directors during the year under review and the previous year is summarised in the tables below:

Executive Director		Salary £'000	Benefits[1] £'000	Annual bonus[2] £'000	Long-term incentive awards[3] £'000	Pension[4] £'000	Other[5] £'000	Total fixed £'000	Total variable £'000	Total £'000
Richard Tyson	**2025**	**583**	**26**	**828**	**–**	**31**	**–**	**640**	**828**	**1,468**
	2024	285	13	256	–	15	823	313	1,079	1,392
Gavin Hill[6]	**2025**	**409**	**24**	**565**	**234**	**23**	**–**	**456**	**800**	**1,255**
	2024	395	24	360	583	32	–	451	943	1,394
Total	**2025**	**992**	**50**	**1,393**	**234**	**54**	**–**	**1,096**	**1,627**	**2,723**
	2024	949	64	862	1,149	73	828	1,091	2,834	3,925

1. Benefits comprise provision of a car or car allowance, health insurance, life assurance, overnight hotel accommodation where necessary to carry out duties at the Head Office of the company. The values included in the table above are before payment of tax.
2. Annual bonus represents the gross annual bonus for the year to March 2025 and would usually be paid in the July 2025 payroll. Of the total bonus amounts payable, £276,133 and £188,284, equal to one-third, will be paid in shares for Richard Tyson and Gavin Hill, respectively, which must be held for three years, as per the policy.
3. Long-term incentive awards are those awards where the vesting is determined by performance periods ending in the year under review and therefore reports the value of the PSP award granted on 20 June 2022. The value has been determined using the average share price over the three months to 31 March 2025, £19.8005. The share price used on grant of the 2022 PSP award was £19.40, therefore the value of the PSP award that has been attributable to share price growth is £4,424 for Gavin Hill. Dividend equivalents have been added to arrive at the total figure included in the table above. The value of the prior year awards has been restated using the share price on the vesting date of 5 July 2024 of £25.00, giving a total vested award value, including dividend equivalents, of £582,950 (before restatement £502,706) for Gavin Hill.
4. Each Executive Director is entitled to receive a contribution to a money purchase pension scheme for a fixed value of 6% of current base salary. Where the contractual pension contribution exceeds the annual or lifetime allowance, any balancing payment is made by the company as a cash allowance which, in line with the policy for all UK employees, is paid net of employer's national insurance contributions.
5. The company operates a Share Incentive Plan (SIP) which is open to all UK permanent staff employed for at least six months. For Richard Tyson and Gavin Hill, 'Other' is the value of matching SIP shares attributable to the year, as they both participated in the SIP up to the maximum extent permitted by HMRC. The company offers a 1:5 match for partnership shares purchased by employees and this amounted to £186 and £306 each of matching shares for Richard Tyson and Gavin Hill, respectively.
6. Gavin Hill stepped down as Chief Financial Officer and from the Board on 31 March 2025, he then remained in active service until 10 June 2025 to ensure a smooth transition. Details of Gavin Hill's remuneration arrangements are set out on page 135.

Directors' remuneration report continued

Non-Executive Director		Fees £'000	Benefits £'000	Total £'000
Neil Carson	**2025**	**211**	**–**	**211**
	2024	204	–	204
Mary Waldner[1]	**2025**	**52**	**–**	**52**
	2024	66	–	66
Alison Wood	**2025**	**79**	**–**	**79**
	2024	76	1	77
Sir Nigel Sheinwald	**2025**	**69**	**–**	**69**
	2024	66	–	66
Reshma Ramachandran[2]	**2025**	**18**	**–**	**18**
	2024	57	1	58
Hannah Nichols[3]	**2025**	**66**	**–**	**66**
	2024	14	–	14
Rowena Innocent[4]	**2025**	**7**	**–**	**7**
	2024	–	–	–
Total	**2025**	**502**	**–**	**502**
	2024	483	2	485

1. Mary Waldner stepped down as a Non-Executive Director effective 4 February 2025.
2. Reshma Ramachandran stepped down as a Non-Executive Director effective 25 July 2024.
3. Hannah Nichols was appointed as a Non-Executive Director effective 1 January 2024.
4. Rowena Innocent was appointed as a Non-Executive Director effective 17 February 2025.

Details of annual bonus earned in year (audited)

As in previous years, the Committee set stretching performance targets for the annual bonus which are clearly linked to the strategy and financial performance of the Group. Richard Tyson and Gavin Hill's on-target bonus opportunity was 75% of salary and the maximum opportunity was 150% of salary. The targets set and the achievement against them are set out in the table below.

	Targets[1]				
Measure (% of salary weighting)	**Threshold**	**Target**	**Maximum**	**Actual Performance**	**Payout % of salary**
Adjusted profit before tax[2] (75%)	£82.4m	£86.5m	£90.5m	£90.5m	75.0%
Adjusted organic operating profit margin[2] (25%)	16.5%	16.8%	17.2%	17.8%	25.0%
Cash conversion (25%)	82.0%	85.0%	92.0%	89.0%	19.6%
Strategic objectives (25%)		See below		CEO:	21.5%
				CFO:	17.5%
Total				CEO:	141.1%
				CFO:	137.1%

1. 10% of the element is payable for achieving threshold performance and 50% is payable for achieving target performance.
2. Calculated on a constant currency basis.

The non-financial strategic objectives were set at the start of the year. The CEO and CFO were set the same three main strategic objectives and the CFO was set further sub objectives under the second objective.

Directors' remuneration report continued

Details of the objectives and an assessment as to their achievement are set out below:

Executive Directors Strategic objectives	Weighting CEO	Weighting CFO	Outcome as % of salary CEO	Outcome as % of salary CFO	Commentary
Progress evolution of the portfolio in line with agreed Group strategy	32%	24%	6.25%	4.00%	Delivery of turnaround in NanoScience (NS) performance. Continued to develop pipeline of bolt-on opportunities within the Imaging & Analysis division.
Establish and progress operational excellence transformation programme **For the CFO specifically, return NS to profitability and successful implementation of ERP across Americas, China, Andor and Plasma**	32%	48%	7.00%	7.50%	Wave 2 of OpEx30 well under way with initial diagnostic phase report out. Wave 1 cameras complete and full improvement implementation under way. Second team established at NS in Tubney and initial diagnostic report out. Productivity targets already achieved. NS returned to profitability. Some delays in the ERP implementation.
Progress Group strategic plan and position for margin improvement and enhanced growth and value in 2026	36%	28%	8.00%	6.00%	China stabilised through pivot to other commercial markets, with team engagement renewed. Export disruption reduced. North America growth dynamics improved through completion of leadership team recruitment.
Total	**100%**		**21.5%**	**17.5%**	

The actual bonuses payable for the Executive Directors for the year ended 31 March 2025 are set out below.

Executive Director	Actual bonus payable (% of salary)	Actual bonus payable (% of maximum)	Actual bonus payable for 2024/25[1]
Richard Tyson	141%	94%	£828,398
Gavin Hill	137%	91%	£564,852

1. Bonus is calculated on salary as at 31 March 2025. Of the amounts disclosed, £276,133 and £188,284 will be paid in shares to Richard Tyson and Gavin Hill respectively, which must be held for three years, as per the policy.

Long-term incentive plans (audited)

The performance targets, performance against them and the resulting value in respect of the long-term incentive awards where vesting is determined by a performance period ending in 2024/25 are as follows:

Performance Share Plan (PSP)

The performance targets which applied to the awards made on 20 June 2022 for the performance period ending in the year under review and actual performance achieved against them were as follows:

50% of the award is based on EPS measured over a three-year performance period starting 1 April 2022:

Performance level	EPS growth over three years	% of award that will vest
Below threshold	Less than 4% per annum	0%
Threshold	4% per annum	25%
Between threshold and maximum	4% to 10% per annum	25%–100%
Maximum	10% per annum and above	100%
Actual EPS	112.4p	
Actual growth achieved over the period	6%	50%

Directors' remuneration report continued

50% of the award is based on the company's return on capital employed in the final year of the three-year performance period[1]:

Performance level	ROCE[1] for the final year of the performance period	% of award that will vest
Below threshold	Less than 26%	0%
Threshold	26%	25%
Between threshold and maximum	Between 26% and 32%	25%–100%
Maximum	32% per annum and above	100%
Actual ROCE achieved in 2024/25	26%	25%

1. ROCE is calculated as Earnings Before Interest and Tax (EBIT)/ average capital employed where EBIT is adjusted operating profit less amortisation of acquired intangibles and capital employed is as documented in the Finance review on page 43.

Based on the performance against targets, the PSP awards will vest on 20 June 2025 as follows:

	Date award granted	Total number of shares granted	Percentage of award vesting	Number of shares vesting	Value[1] of shares vesting (£'000)	Number of shares awarded as dividend equivalent[2]	Value[1] of shares vesting including dividend equivalent (£'000)
Gavin Hill	20 June 2022	29,456	37.5%	11,046	218,716	781	234,181

1. As the awards vest after the date of this report, value has been calculated using the average mid market closing price of the company's shares over the three-month period ending 31 March 2025, £19.8005. This will be restated for the actual value on vesting in next year's report.
2. Dividend equivalents have been calculated based on dividends paid up until the date of this report. If dividends are payable between the date of this report and the vesting date, additional dividend equivalents will be awarded and the value will be updated in next year's report.

Long-Term Incentive Plan awards made in the year and outstanding share incentive awards (audited)

Awards made under the LTIP during the financial year ended 31 March 2025 are set out below.

Director	Date award granted	Total number of shares granted	Percentage of salary	Face value of award at grant date	Share price on day before award date	Vesting date
Richard Tyson	22 July 2024	48,222	200%	£1,174,206	£24.35	22 July 2027
Gavin Hill	22 July 2024	29,610	175%	£721,004	£24.35	22 July 2027

The awards are nominally priced options of £0.05 and are subject to the following performance conditions:

Performance measure	Weighting	Performance targets
Earnings Per Share (EPS)	30%	2% pa (25% vesting) to 8% pa (100% vesting) CAGR over three financial years measured from the FY2023/24 year-end EPS.
Return on Capital Employed (ROCE)	30%	26% in the final year of the performance period (2026/27 financial year) (25% vesting) to 30% (100% vesting).
Relative Total Shareholder Return (TSR)	25%	Median (25% vesting) to Upper quartile (100% vesting) over three financial years commencing with the FY2024/25 relative to the companies comprising the FTSE 250 Index (minus Investment Trusts) at the start of the performance period.
Sustainability – emissions reduction – Site Heating Infrastructure Projects	7.5%	Make progress towards achieving our accelerated Scope 1 and 2 net zero targets of 2030, by completing two of our site heating infrastructure projects. 1 project completed by the final year of the performance period (FY2026/27) (50% vesting) to 2 projects completed (100% vesting).
Sustainability – percentage of females in senior leadership positions	7.5%	35% in the final year of the performance period (FY2026/27) (25% vesting) to 40% (100% vesting). The current percentage of females in senior leadership positions is 34%. Senior leadership is defined as Leadership Committee, their direct reports and key decision makers.

Directors' remuneration report continued

As at 31 March 2025, the outstanding options for Richard Tyson and Gavin Hill under the PSP and LTIP[1] were as follows:

Scheme	1 Apr 2024	Granted	Exercised	Lapsed	Dividend equivalents[1]	31 March 2025	Exercise price[2]	Share price on date of grant	Date of grant	Earliest exercise	Latest exercise
Richard Tyson											
LTIP[3]	13,521	–	–	–	–	**13,521**	£0.05	£20.55	14/11/2023	16/03/2024	15/03/2031
LTIP[3]	30,975	–	–	30,975	–	**–**	£0.05	£20.55	14/11/2023	14/03/2025	13/03/2032
LTIP[3]	53,023	–	–	–	–	**53,023**	£0.05	£20.55	14/11/2023	31/07/2026	13/11/2033
LTIP	–	48,222	–	–	–	**48,222**	£0.05	£24.35	22/07/2024	31/07/2027	21/07/2034
Total	97,519	48,222	–	30,975	–	**114,766**					
Gavin Hill											
PSP	53,071	–	53,071	–	–	**–**	£0.05	£9.58	25/09/2017	25/09/2020	24/09/2027
PSP	51,646	–	–	–	–	**51,646**	£0.05	£10.10	03/07/2018	03/07/2021	02/07/2028
PSP	38,633	–	–	–	–	**38,633**	£0.05	£14.00	15/07/2019	15/07/2022	14/07/2029
PSP	33,601	–	–	–	–	**33,604**	£0.05	£16.24	23/09/2020	23/09/2023	22/09/2030
PSP	23,338	–	–	(583)	563	**23,318**	£0.05	£23.80	05/07/2021	05/07/2024	04/07/2031
PSP[4]	29,456	–	–	–	–	**29,456**	£0.05	£21.75	20/06/2022	20/06/2025	19/06/2032
LTIP	36,697	–	–	–	–	**36,697**	£0.05	£21.75	25/09/2023	31/07/2026	24/09/2033
LTIP	–	29,610	–	–	–	**29,610**	£0.05	£24.35	22/07/2024	31/07/2027	21/07/2034
Total	266,442	29,610	(53,071)	(583)	563	**242,961**					

1. Dividend equivalents are awarded on vesting of PSP and LTIP awards, for the period to vesting, in respect of the actual number of shares vesting.
2. During the financial year ended 31 March 2023 the Remuneration Committee agreed that those awards outstanding under the PSP, both vested and unvested, which had been granted as nil-cost options, would be converted to nominally priced options of £0.05 per share. For the Executive Directors, a reimbursement payment will be made in respect of the immaterial disbenefit (ie the difference between £0 and £0.05 per share), at the point at which any award vests or for those awards which have already vested, at the earlier of when they exercise their options or when future vesting activity is scheduled to take place. Upon any such payment being made, this will be disclosed and explained in the Single Figure Table as an item of 'Other remuneration'.
3. The awards granted to Richard Tyson with vesting dates in 2024 and 2025 comprise the buy-out arrangements which replace Richard's 2021 and 2022 LTIP awards from his previous employer, TT Electronics plc, which lapsed in connection with his joining the company. The 2021 buy-out award vested at 43.91% as disclosed in last year's report and the 2022 buy-out award lapsed in full as a result of the threshold performance of the original TT Electronics plc performance conditions not being met.
4. The performance conditions relating to this award have been tested and the award will vest at 37.5%.

Directors' remuneration report continued

Shareholding requirements (audited)

The Executive Directors are required to build and retain a shareholding in the company equivalent in value to 200% of basic salary. Until the requirement is met, the Executive Directors are expected to retain or purchase shares equivalent to the value of 50% of the net amount realised on exercise of long-term incentive awards after allowing for tax payable. The value of vested but unexercised PSP and LTIP awards may count towards the shareholding level, calculated at the net of tax value.

Directors' shareholdings (and those of any persons closely associated) as at 31 March 2025 (or date of resignation if relevant) are shown in the table below.

	Beneficially owned shares	Share option awards vested but unexercised	Percentage of salary held in shares under shareholding guideline[1]	Guideline met as at 31 March 2025	Share option awards unvested and subject to performance[2]
Richard Tyson	5,910	44,496	86	No	101,245
Gavin Hill[3]	6,761	147,198	354	Yes	95,763
Neil Carson	24,000	–	N/A	N/A	–
Mary Waldner[4]	–	–	N/A	N/A	–
Alison Wood	–	–	N/A	N/A	–
Nigel Sheinwald	–	–	N/A	N/A	–
Reshma Ramachandran[4]	–	–	N/A	N/A	–
Hannah Nichols	–	–	N/A	N/A	–
Rowena Innocent[5]	–	–	N/A	N/A	–

1. The notional tax rate used to determine the net value of the vested share awards is 47%. Shares valued using the market price of the shares on 31 March 2025: £17.20.
2. Award granted in June 2022 will vest at 37.5% in June 2025. Awards granted in 2023 and 2024 remain subject to performance conditions.
3. Gavin Hill will be subject to the post-cessation shareholding obligations as set out in the Policy.
4. Reshma Ramachandran stepped down as a Non-Executive Director effective 25 July 2024. Mary Waldner stepped down as a Non-Executive Director effective 4 February 2025.
5. Rowena Innocent was appointed as a Non-Executive Director effective 17 February 2025.

Pension arrangements

Executive Director pension arrangements (audited)

Executive Directors can decide to contribute to a pension plan of their choice. The company contributes a fixed amount of 6% of salary, which is the maximum percentage amount payable to the majority of the UK workforce. Only base salary is pensionable. Where the company's pension contribution exceeds the annual allowance, a balancing payment is paid by the company to the Director, which is taxed as income. In line with the policy for all UK employees, this cash payment is reduced by 12.12% to cover employer's national insurance costs.

During the year and in respect of the periods in which they served as Directors of the company, respectively, the company contributed £10,000 (2024: £10,000) into a personal defined contribution plan for Gavin Hill. Balancing payments of £30,731 to Richard Tyson and £12,778 to Gavin Hill (net of employer's national insurance contributions) were paid as cash.

Payments to past Directors and for loss of office (audited)

As detailed earlier in this report, Gavin Hill agreed with the Board that he would step down as Chief Financial Officer from the Board on 31 March 2025. Paul Fry took up the role of Chief Financial Officer with effect from 1 April 2025, with Gavin continuing to be actively employed until 10 June 2025 to ensure a smooth transition.

Gavin Hill's remuneration arrangements for 2025/26 and for the duration of his notice period is set out below:

- Salary, benefits and pension will continue for the duration of his 12-month notice period ie to 7 January 2026.
- Gavin is eligible to participate in the 2025/26 annual bonus plan, pro-rated for the period of his active service, ie, up to 10 June 2025 and payable at the usual time in cash and deferred shares.
- Gavin is not eligible to receive a Long-Term Incentive Plan award for 2025/26.
- Gavin will be treated as a good leaver in respect of his unvested Performance Share Plan and Long-Term Incentive Plan awards, which will be subject to a time pro-rata reduction to the end of his notice period ie, 7 January 2026, the achievement of performance conditions, and which will vest at the normal time. The two-year post-vesting holding periods will continue to apply.
- Gavin is subject to a post-employment shareholding requirement which requires him to retain a shareholding on cessation of employment, equivalent to 200% of base salary, for two years. The two-year period will be calculated commencing from the end of his notice period.
- Gavin will receive £109,000 by way of compensation for the termination of his employment in full and final settlement for any legal claims arising related to unfair dismissal.

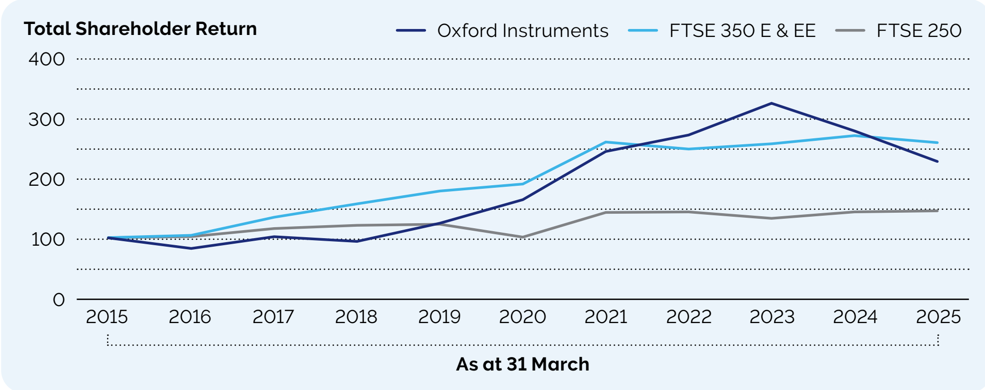
Directors' remuneration report continued

As explained in the 2023 Annual Report, Ian Barkshire was treated as a good leaver when he retired from the Board and his role as CEO in 2023 and therefore, he retained his unvested 2022 LTIP award which was pro-rated to the end of his notice period. As set out in this report, the award will vest at 37.5% of maximum, which resulted in 9,276 shares vesting, including 390 dividend equivalent shares. The value of these shares is £191,392 based on the average share price over the three months to 31 March 2025, £19.8005.

Performance graph and CEO's remuneration (unaudited)

The graph to the right shows for the ten years ended 31 March 2025 the total shareholder return (TSR) on a holding of the company's ordinary shares compared with the TSR of an equivalent value invested in the FTSE 250 and FTSE 350 Electronic and Electrical Equipment indices. These indices have been chosen as they are considered to be the most appropriate comparator groups for the company.

The total remuneration of the CEO over the last ten years is shown in the table below. The annual bonus payout and PSP/LTIP vesting level as a percentage of the maximum opportunity are also shown.



		2017[1]								2024[3]		
Year ending 31 March	**2016**	**Jonathan Flint**	**Ian Barkshire**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Ian Barkshire**	**Richard Tyson**	**2025**
Total remuneration (£'000)	743	64	620	791	1,957	1,967	2,244	2,087	2,135	1,321	1,392	**1,468**
Annual bonus outcome (%)	38.6%	0%	56.3%	63.7%	94.4%	62.9%	100%	74.2%	80.56%	60%	60%	**94%**
ESOS vesting (%)	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**N/A**
SELTIS/PSP/LTIP[2] vesting (%)	0%	0%	N/A	N/A	92.8%	100%	100%	100%	100%	97.5%	N/A	**N/A**

1. FY2016/17: remuneration shown separately for Jonathan Flint who was CEO from 1 April to 11 May 2016 and Ian Barkshire who was CEO from 12 May 2016 to 31 March 2017.
2. Executive Directors were last granted ESOS (market value share options) and SELTIS (nil-cost options) in June 2014. PSP awards were granted from June 2014 to June 2022. LTIP awards have been granted since September 2023.
3. FY2023/24: remuneration shown separately for Ian Barkshire who was CEO from 1 April 2023 to 1 October 2023 and Richard Tyson who was CEO from 1 October 2023 to 31 March 2024.

Ratio of CEO pay to that of employees

The CEO to employee pay ratio for 2024/25 and prior financial years is set out below:

Financial year	Method	25th percentile	50th percentile	75th percentile
2024/25	**A**	**77.0:1**	**57.8:1**	**42.7:1**
2023/24	A	76.8:1	57.7:1	42.6:1
2022/23	A	66.2:1	49.4:1	36.8:1
2021/22	A	65.3:1	48.5:1	36.3:1
2020/21	A	72.6:1	55.0:1	39.8:1
2019/20	A	62.5:1	47.8:1	33.3:1

The aggregated payment made in respect of the CEO who served during the year, and the employees at the percentiles for the 2024/25 ratio are set out below:

	CEO	25th percentile	50th percentile	75th percentile
Salary	£582,825	£33,708	£44,345	£58,500
Total pay	£1,467,706	£36,336	£47,565	£62,601

Directors' remuneration report continued

The ratios have been calculated in accordance with Option A under the relevant regulations, as this is the most statistically accurate method. The CEO pay is compared to the pay of our UK employees at the 25th, 50th and 75th percentile, calculated based on full-time equivalent pay data for the full financial year to 31 March 2025. All UK employees employed at the end of the financial year who had worked the full year have been included, part-time employees have been included and pay has been converted to a full-time equivalent number by calculating total part-time pay and grossing up to the full-time equivalent for the role. Accordingly, any employees that left the company or joined during the year have been excluded. There have been no discernible trends in the movement of the pay ratios over the period of financial years covered by the pay ratios table, with CEO and employee pay well aligned to performance and noting that the CEO pay figure in the last two years has been impacted by the CEO succession.

The calculations use the pay for Richard Tyson as disclosed in the single figure table. The pay for all UK employees comprises salary, benefits, pension and annual bonus payments due for 2024/25 and includes certain remuneration elements which were specific to the terms of their joining the company or their retirement, respectively. None of the employees at the percentiles received share awards.

The CEO pay ratio has remained broadly comparable to the prior year. As the Committee is regularly apprised of the Remuneration Policy throughout the year to ensure that decisions in relation to executive pay are considered in the round, the Committee is satisfied the pay of the employees identified for the quartiles appropriately reflects the employee pay structure in each quartile and the resulting pay ratios are consistent with the pay, reward and progression policies in place for all employees.

Percentage change in the remuneration of the Directors (unaudited)

The table below shows the percentage change in each of the Director's salaries, taxable benefits and annual bonus earned between 2019/20 to 2024/25 compared to that for the average UK based employee of the Group (on a per capita full time equivalent basis).

Directors during the year ended 31 March 2025	2023/24 to 2024/25 % change			2022/23 to 2023/24 % change			2021/22 to 2022/23 % change			2020/21 to 2021/22 % change			2019/20 to 2020/21 % change		
	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus
Richard Tyson[1]	104.5	96.8	223.6	N/A	N/A	–	N/A	N/A	–	N/A	–	–	N/A	–	–
Gavin Hill	3.5	0.0	56.9	5.2	-13.7	-8.9	5.0	18.8	15.3	8.5	2.3	-2.8	-4.1	8.2	57.1
Neil Carson	3.5	–	–	5.0	–	–	4.3	–	–	8.0	–	–	-4.3	–	–
Mary Waldner[2]	-20.8	–	–	7.0	–	–	3.8	–	–	8.3	–	–	-3.8	–	–
Alison Wood	4.1	–	–	8.6	100	–	9.3	–	–	N/A	–	–	N/A	–	–
Nigel Sheinwald	4.4	–	–	7.0	–	–	N/A	–	–	N/A	–	–	N/A	–	–
Reshma Ramachandran[3]	-67.7	–	–	N/A	N/A	–	N/A	N/A	–	N/A	–	–	N/A	–	–
Hannah Nichols[4]	369.7	–	–	N/A	N/A	–	N/A	N/A	–	N/A	–	–	N/A	–	–
Rowena Innocent[5]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average employee pay[6]	2.70	-1.0%	101.3	1.73	-11.0	-29.3	10.3	9.01	-4.7	4.24	-8.4	-23.1	-0.7	-6.7	7.0

1. Richard Tyson joined the Board on 1 October 2023 and so the prior year does not reflect an equivalent full year of salary, benefits and bonus.
2. Mary Waldner stepped down from the Board on 4 February 2025.
3. Reshma Ramachandran joined the Board on 1 September 2022 and stepped down from the Board on 25 July 2024.
4. Hannah Nichols joined the Board on 1 January 2024.
5. Rowena Innocent joined the Board on 17 February 2025.
6. Average employee pay includes all UK employees in service on 31 March 2025 for the 2023/24 to 2024/25 comparison, but excludes those who were on maternity leave, long-term sick leave and those who started or ended employment within the period.
7. The average pay increase across all employees in the UK in 2024/25 was 2.5%.
8. The value of the average employee bonus for the year ended 31 March 2025 (to be paid in July 2025) was not known at the time the Annual Report was approved and consequently the number included is management's best estimate of the bonus that will be paid.

Directors' remuneration report continued

Relative importance of the spend on pay

The following table shows the Group's employee costs relative to dividends:

	Year ended 31 March 2025	Year ended 31 March 2024	% change
Employee costs (£m)	**166.6**	155.4	7%
Dividends (£m)	**12.1**	11.4	6%

Statement of shareholder voting (unaudited)

The resolution to approve the Policy was passed at the 2023 AGM and received the following votes from shareholders:

Resolution	Votes for	Votes against	% for	% against	Votes marked as abstain
To approve the Directors' Remuneration Policy	43,129,297	862,318	98.04	1.96	4,077

The resolution to approve the Annual Report on Remuneration at the 2024 AGM received the following votes from shareholders:

Resolution	Votes for	Votes against	% for	% against	Votes marked as abstain
To approve the Annual Report on Remuneration	46,643,409	849,741	98.21	1.79	3,042

How the Policy will be applied in 2025/26 (unaudited)

Base salaries

With effect from 1 July 2025, the salary of the CEO will increase by 2.5% from £587,100 to £601,778 and the salary of the CFO will also increase by 2.5% from £460,000 to £471,500 in line with the broader UK workforce.

Benefits and pension

Benefits will be in line with the Policy. Pension contributions will be 6% of salary, which is the maximum percentage amount payable to the majority of the UK workforce.

Annual bonus

The maximum opportunity under the annual bonus plan for 2025/26 will be 150% of base salary for both the CEO and CFO. One-third of the bonus payable will be delivered in shares subject to a three-year holding period. A combination of financial (83.3%) and non-financial strategic (16.7%) metrics will be used to determine the level of payment under the annual bonus for the CEO and CFO as detailed in the table below:

Measure	Weighting as a % of maximum
Profit (£m)	50.0%
Adjusted operating profit margin (%)	16.7%
Cash conversion (%)	16.7%
Strategic objectives	16.7%

For the CEO and CFO, the non-financial strategic objectives are linked to progressing operational improvement and the strategic plan.

The Committee has chosen not to disclose, in advance, the performance targets for the forthcoming year as these include matters which the Committee considers commercially sensitive. Retrospective disclosure of the performance against them will be made in next year's Annual Report on Remuneration.

Directors' remuneration report continued

Long-term incentive awards in respect of the financial year

The 2025/26 LTIP awards will be over shares with a market value at grant of 200% of salary for the CEO and CFO.

Vesting will be subject to the performance conditions as set out below measured over a three-year performance period commencing 1 April 2025. The mix of performance conditions will provide a strong and rounded assessment of the success of the business performance, strategy and purpose, over the period.

The Committee has carefully considered the EPS and ROCE target ranges in light of the business plan and market environment and considers the ranges to be appropriately stretching

The TSR measure will require significant stock market outperformance.

The sustainability measures will drive achievement of our target of Net Zero by 2030.

Performance measure	Weighting	Performance targets
Earnings Per Share (EPS)	30%	3% pa (25% vesting) to 10% pa (100% vesting) CAGR over three financial years measured from FY2024/25 year-end EPS.
Return on Capital Employed (ROCE)	30%	26% (25% vesting) to 30% (100% vesting) in the final year of the performance period (FY2027/28).
Relative Total Shareholder Return (TSR)	25%	Median (25% vesting) to Upper quartile (100% vesting) over three financial years commencing with FY2024/25 relative to the companies comprising the FTSE 250 Index (minus Investment Trusts) at the start of the performance period.
Sustainability – emissions reduction	15%	Reduce absolute Scope 1 and 2 market-based carbon emissions by 2028 by 45% (threshold) to 65% (maximum) from the FY2023/24 baseline.

Non-Executive Directors' fees

The Committee and the Board, as appropriate, have reviewed the fees for the Chair and Non-Executive Directors and in line with the Executive Directors, they will increase by 2.5% for 2025/26, effective from 1 July 2025.

	2024/25	2025/26	% increase
Board Chair	**£212,661**	£217,978	2.5%
Additional fee for Deputy Chair	**£5,358**	£5,492	2.5%
Basic fee	**£59,130**	£60,608	2.5%
Additional fee for Senior Independent Director	**£10,300**	£10,558	2.5%
Additional fee for Committee Chair	**£10,300**	£10,558	2.5%

Note: The fees shown for 2024/25 and 2025/26 are the annual rates as at 1 July 2024 and 1 July 2025, respectively.

Approval

This report was approved by the Committee on 12 June 2025 and has been approved subsequently by the Board for submission to shareholders at the Annual General Meeting to be held on 28 July 2025.

ALISON WOOD
Chair of the Remuneration Committee

12 June 2025