Introduction to Remuneration report

John Pattullo
Chairman of the Remuneration Committee

Committee membership

Members of the Remuneration Committee are shown below:

Committee membership	Number of meetings
John Pattullo (Chairman from 6 May 2022)	6/6
Mark Butcher	6/6
Avril Palmer-Baunack	6/6
Bindi Karia (joined the Committee on 5 May 2022)	6/6
Nicola Rabson (joined the Committee on 9 November 2022)	2/6
John Davies (Chairman until leaving the Committee on 6 May 2022)	N/A

"This has been a busy year with a focus on reviewing the Directors' Remuneration Policy and supporting our colleagues in the face of unprecedented cost-of-living challenges."

Dear stakeholder,

I am very pleased to introduce the Directors' Remuneration Report for the year ended 30 April 2023. This is my first full year chairing the Committee, and I am joined on the Committee by Mark Butcher, Bindi Karia, Nicola Rabson and our Chairman, Avril Palmer-Baunack.

The Group delivered strong trading and financial performance in the year to 30 April 2023, continuing the successful execution of our strategy to become a leading provider of integrated mobility solutions. This progress has been acknowledged by shareholders and Redde Northgate has significantly outperformed the FTSE 250 index since the acquisition of Redde by Northgate in February 2020.

Since the beginning of FY2023, we have generated significant shareholder value through successful acquisitions of specialist businesses in the vehicle rental space and by completing a £60m share buyback programme. The Group has also broadened our vehicle supply channels to ensure that we can continue to provide a sustainable and attractive offering to customers. In addition we have made material progress with our Group-wide sustainability and ESG strategy and governance. We have also made successful appointments to our Board, enhancing expertise, capabilities and diversity.

Most importantly, we have recognised that a significant number of our colleagues have faced unprecedented cost-of-living challenges and have prioritised the delivery of support and benefits to our wider workforce, including meaningful cost-of-living payments, pay increases, the launch of our 2022 Save As You Earn Scheme (SAYE) and Free Share (YourShare) programmes, and other benefits as well as enhanced learning and development opportunities. We are extremely thankful to our colleagues for their professionalism and hard work during the year.

During the year, the Committee reviewed the Directors' Remuneration Policy to ensure that it continues to support the execution of our strategy and remains appropriate for a listed company of our size. The Committee approved a revised Directors' Remuneration Policy which will be put to shareholders at our AGM in September 2023.

The Committee held extensive consultations with our shareholders on the Remuneration Policy itself, our approach to Executive Directors' pay, the vesting of LTIP awards granted to the Executive Directors in 2020 and the support that we have given to our wider workforce. I am extremely grateful to the shareholders we consulted for their level of engagement and for their support to the proposals outlined.

This report comprises this introduction, the Remuneration Policy (page 102) and the Annual Report on Remuneration (page 111).

Introduction to Remuneration report *continued*

Wider workforce pay and benefits

In FY2023, the Company made significant pay awards to colleagues at lower salary levels with increases of between 9% and 12%. Increases for mid to senior levels were capped at 3%. For FY2024, the committee has approved a further 4.2% average pay rise across the Group, with the highest rates of increase again for those colleagues at lower salary levels and a capped 3% rise at mid to senior levels.

Recognising the current cost-of-living and inflationary pressures on our employees, we made a one-off payment of £250 in December 2022 to over 4,500 employees (representing approximately 60% of total employees) and a further cost-of-living payment of £500 was paid in April 2023 to approximately 90% of total employees.

The Group also deployed the 2022 SAYE programme and, following shareholder approval at the 2022 AGM, we launched our new YourShare programme under which all employees were provided with £500 of free shares in the Company allowing colleagues the opportunity to participate in the success of the Group and promoting alignment of interest between colleagues and shareholders.

The Group also made significant enhancements to the broader benefits package, with improvements in health and travel benefits, maternity and paternity pay, bereavement leave, paid emergency dependents leave, annual leave and the company car scheme (which provides a wider selection of cars, all of which are EV or PHEV). In December 2022, all 500 colleagues on zero-hour contracts were offered permanent contracts with the majority accepting. We also introduced several initiatives to support the wellbeing of our people from our UK Employee Assistance Programme to the introduction of wellbeing apps to assist in the prevention and management of mental health issues.

Although the primary reason for this focus on the wider workforce was to mitigate potential economic hardship, there is no doubt that the business is benefitting from these changes: retention has improved by a significant margin and in the recent employment opinion survey we saw a repeat of the high engagement scores of the prior year with 9% more colleagues participating.

Remuneration Policy and shareholder consultations

This year the Company is required to put its Remuneration Policy to shareholders for approval at its AGM in September 2023 in-line with the triannual requirements. Ahead of this, the Committee appointed Deloitte LLP as the Company's remuneration advisers and, with their support, we have conducted a thorough review of the Policy.

We consulted with shareholders representing c.40% of our register in Autumn 2022, to understand any concerns ahead of our review of the Remuneration Policy, and again in Spring 2023 to present on the Committee's proposed approach. Shareholder feedback was supportive of the proposals outlined below.

Overall, the current Policy is aligned with shareholder expectations on best practice features, the structure and the incentive opportunities for our Executive Directors are market aligned and competitive. Consequently, the Committee has decided to leave much of the present policy unchanged:

- Structure: The current structure of fixed pay, annual bonus and LTIP is unchanged as the Committee believes that this framework continues to incentivise the delivery of performance and the creation of shareholder value.
- Maximum incentive opportunities: there are no changes proposed to maximum incentive opportunities in the context of the current external environment.

We did, however, make a small number of changes which we believe enhance the Policy and which were fully supported by the shareholders we consulted:

- Financial underpin: There will be a financial underpin to the non-financial element of the annual bonus whereby the Committee will assess the payout under the non-financial elements if the financial underpin is not met, and would normally expect to use discretion to reduce the non-financial element in these circumstances.
- Bonus deferral: The approach to annual bonus deferral will be simplified such that 50% of the total bonus paid will be deferred into shares for three years to better align with market practice (currently 50% of the annual bonus plus any amount in excess of 100% of base salary is deferred into shares). The revised approach is at the more stringent end of market practice for FTSE 250 companies and the Committee believes that this approach continues to provide strong alignment with shareholders.

We have also refreshed the drafting of the Remuneration Policy to improve clarity and to align better with typical market practice.

In addition to the above, we have also reviewed performance measures and the following approach will apply for FY2024:

- Annual bonus: we will retain the current measures and weightings; PBT (75%) and strategic and operational targets including ESG (25%). The Committee believes that this approach continues to be provide the right balance of incentivising the delivery of profit performance while ensuring that we build the strategic foundations for future growth.
- LTIP: taking into account shareholder feedback, we intend to include a Relative TSR measure (25%) along-side EPS (75%), and to remove the PBT measure. Relative TSR is to be measured against the FTSE 250 (excluding investment trusts) with threshold vesting for median performance and maximum for upper quartile. The Committee believes that the approach provides the right balance between incentivising the delivery of sustained profit performance with rewarding shareholder value creation relative to peers.

Targets are set at appropriately stretching levels taking into account our business plan, the sector we operate in, analyst consensus forecasts and the conservative positioning of Executive Director incentive levels against market.

The revised Directors' Remuneration Policy is set out in pages 102 to 110 of this Report.

Remuneration outcomes for the year ended 30 April 2023

Annual bonus

The maximum annual bonus opportunity for the year was 125% of salary for the CEO and 100% of salary for the CFO. Underlying PBT performance for the year was £165.9m which exceeded the maximum performance target. Excellent performance was achieved against our strategic measures which for FY2023 focused on building the foundations of and starting to execute our ESG strategy. Key highlights included: (i) the growth of our EV and hybrid fleet in line with the UK car parc; (ii) progress made on our EV transition plan; (iii) broadening of our vehicle supply channels; and (iv) progress made in our ESG and sustainability agenda including the creation of a sustainability committee, appointment of a Head of ESG and the publication of our maiden sustainability report as well as the proposal of our Scope 1 and Scope 2 targets: 10% reduction by 2027 and 100% green electricity. Taking this into

Introduction to Remuneration report *continued*

account, both the CEO and CFO received a maximum annual bonus award based on outcomes against financial and strategic objectives, as outlined further in the main body of the report. With respect to financial objectives, this approach is in line with the award outcome for those in the wider workforce who participate in Group bonus schemes. The Committee considered this outcome in the context of performance in the year, further detail of which is provided elsewhere in the Annual Report and Accounts, and determined that the outcome was appropriate and that no discretion was required.

2020 LTIP vesting

The 2020 LTIP awards were granted in August 2020 and based on appropriately stretching PBT and EPS targets. The maximum target for both PBT and EPS has been significantly exceeded with PBT growth of c.180% and EPS growth of c.80% over the performance period and therefore the award is due to vest in full in August 2023.

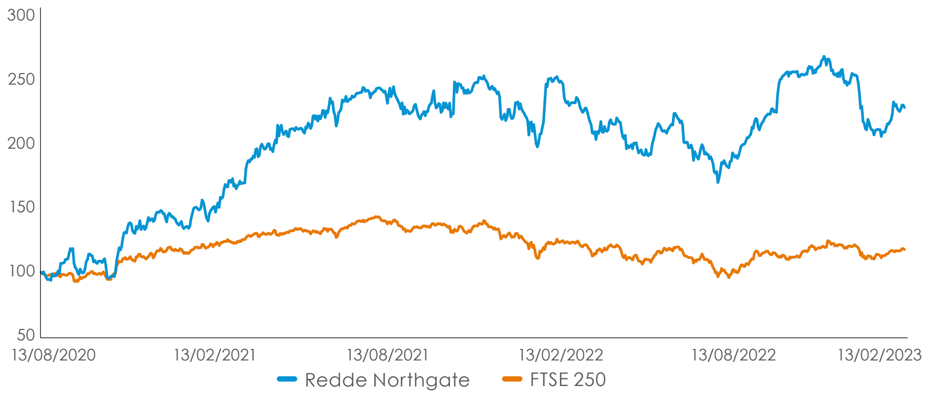
In determining the final outcome of the 2020 LTIP awards the Committee considered guidance from shareholders and the proxy agencies and the previous indication in the 2020 Annual Report and Accounts that the Committee reserved the right to review the formulaic outcome of the awards at the date of vesting.

The Committee has fully considered the facts and circumstances of the awards and the performance delivered by the Group since its merger in 2020. Overall, the Committee considers that the outcome of the 2020 award is fair in the context of exceptional performance and is not misaligned with shareholder experience. Accordingly, we have concluded that the vesting level is appropriate and do not intend to use our discretion to scale back the awards when they vest in August 2023.

Prior to making this decision, we consulted extensively with shareholders representing over c.40% of the Company's shareholder base, and engaged with proxy agencies. The feedback from the shareholders we consulted overwhelmingly supported no adjustment in the context of the Company's circumstances and performance during the period of the awards.

The Committee's conclusion was based on the following circumstances and considerations:

- The Redde Northgate share price initially fell as the market considered the merger, prior to the pandemic. The Group's over-delivery on the merger benefits and significant growth since February 2020 are the primary factors behind Redde Northgate's sustained share price recovery. The 2020 award was not granted at a COVID-19 "low point". Due to market volatility, the share price was as low as 112p in 2020 whilst the 2020 award was granted at 186p (c.66% higher than the share price low during the year).
- Since August 2020 when the award was made, Redde Northgate has significantly outperformed the FTSE 250 (exc. investment trusts) index, delivering TSR growth of 127% between this time and the end of the 2023 financial year. This is a significant outperformance of the 18% growth seen across the same period for the FTSE 250 (ex. investment trusts) index as a whole.
- The executive team has consistently performed strongly, exceeding expectations in successfully implementing the merger and transforming the business whilst delivering growth and synergies, including the achievement of £20m annualised integration savings, double the initial two-year target of £10m, and delivered 18 months ahead of schedule. The Group continues to perform well and is trading ahead of expectations whilst continuing to support its workers through inflationary pressures. This is represented in the Company's strong share price growth since 2020.
- The 2020 awards were granted after detailed consultation with shareholders and following the withdrawal of the Company's Value Creation Plan (VCP) and the loss of legacy share awards by the Executive Directors at the time of the merger. The 2020 awards were granted at a level that was intended to incentivise the management team of the newly merged entity to deliver the benefits of the merger, and shareholder value more broadly, and the Committee believes that it has been successful in this aim.
- Vested awards for Executive Directors remain subject to a holding period. To secure the full increased value of the award, the share price will need to remain at least at the same level during the two year holding period.



The Committee believes the overall quantum for Executive Directors is appropriately positioned and vesting does not produce excessive outcomes particularly in the context of the value created for shareholders.

Discretion

The Committee reviewed the formulaic incentive outcomes for FY2023 and is comfortable that the pay-outs reflect the underlying performance of the Company. The Committee did not exercise any discretion in the award of Directors' remuneration in the year.

Introduction to Remuneration report *continued*

The Committee is comfortable that the Policy operated as intended.

Operation of Policy for FY2024

Base salary

The Executive Directors' salaries have been increased by 3% to £627,628 for the CEO and £405,369 for the CFO. This increase is below the average increases given to the wider workforce of 4.2% and in-line with the increase for other mid to senior management level colleagues.

Executive pensions

From 1 January 2023, Executive Director pension levels were aligned to the majority of the UK workforce (currently 4% of salary).

Annual bonus

As set out earlier there are no changes to the maximum opportunity for FY2024 (125% of salary for the CEO and 100% of salary for the CFO) or to the balance of performance measures. Half of any bonus earned net of taxes will be used by the Executive Directors to purchase shares, which will be subject to a three-year holding period and cannot be sold during that time. The annual bonus will continue to be based 75% on PBT performance and 25% on strategic and operational measures including ESG.

Long term incentive plans

The Committee intends to grant LTIP awards of 150% of salary for the Executive Directors in line with the normal maximum award under the Policy. Awards will be based 75% on EPS performance and 25% on TSR performance vs. the FTSE 250 (exc. investment trusts).

The Committee will have the discretion to adjust the formulaic outcome of the bonus and LTIP awards to take into account the wider business performance.

Board engagement with wider workforce

The Group engages with the wider workforce in the business through the Employee Engagement Forum, chaired by a senior member of the Group Management Board.

The Employee Engagement Forum comprises members from across the Group to ensure a balanced representation of the workforce and is attended by other members of senior management from time to time. The Employee Engagement Forum meets at different locations across the Group to promote accessibility.

During the year the Employee Engagement Forum discussed the results of its third annual colleague survey "Have Your Say" noting continued high levels of employee engagement across our workforce (74%), with a 9% increase in colleagues completing the survey. Key themes emerging included: appreciation by colleagues of the significant benefits enhancements they had received in the year; acknowledgement of leadership support and a positive culture; confidence in the Group and its opportunity for growth; pride in the service that we offer to customers, and recognition of the significant improvements in communications across the Group. The Employee Engagement Forum also discussed the significant work the Group has undertaken in the area of learning and development, with a central team created to drive employee development and progression, and on our Apprenticeship programme.

The Employee Engagement Forum also discussed the Group's initiatives to support colleagues' mental wellbeing and the significant enhancements the Group had made to the broader benefits package. The current cost-of-living challenges and the measures undertaken by the company were discussed in detail.

This year the Employee Engagement Forum was consulted on wider workforce remuneration including on the alignment of the Executive Directors' remuneration with the wider workforce and the long term interests of the Group and its shareholders and other stakeholders.

Conclusion

The Committee believes it has successfully balanced its responsibilities to motivate senior leaders, support the broader workforce and align with the interests of all stakeholders. I hope to receive your support for the revised Directors' Remuneration Policy and the Annual Remuneration Report at the AGM in September.

John Pattullo
Chairman
5 July 2023

This part of the Directors' Remuneration Report sets out the Remuneration Policy ("Policy") for the Directors and has been prepared in accordance with the Companies Act 2006, The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Companies (Miscellaneous Reporting) Regulations 2018, the UK Corporate Governance Code and the UK Listing Rules.

The Group's existing Directors' Remuneration Policy was approved by shareholders at the Company's AGM in October 2020. Subject to shareholder approval, this revised Policy will take effect from the 2023 AGM and is intended to apply until the 2026 AGM.

The Policy is designed to support the performance ambitions of the Group and create long term shareholder value. In establishing the Policy, the Committee has taken into account the approach to pay for our wider workforce to ensure that executive remuneration is appropriate.

How the views of shareholders are taken into account

The Committee considers the views of its shareholders to be paramount in determining remuneration policy. Feedback is received each year in relation to the AGM and other meetings and communications with shareholders, and shareholder guidance and feedback is considered by the Committee as an essential part of its annual review of remuneration.

When any material changes to the Policy are envisaged, the Committee Chairman will consult with major shareholders and if any shareholders raise concerns with regard to remuneration issues, we will seek to understand and respond to those concerns.

How the Committee considers that the Policy meets the following factors in Provision 40 of the UK Corporate Governance Code:

Clarity	The Policy is set out below in a clear and transparent manner. We engage with shareholders periodically on executive pay to ensure it is well understood and that their feedback is considered. We provide disclosure in straightforward and concise terms with maximum award levels being clearly defined.
Simplicity	Remuneration structures are simple and market typical, whilst at the same time incorporating the necessary structural features to ensure a strong alignment to performance.
Risk	The Policy has been shaped to discourage inappropriate risk taking. Awards under the Policy are subject to malus and clawback provisions. The performance conditions are reviewed annually to ensure that they remain suitable. The Committee also has the right to override formulaic outcomes if it concludes that the outcomes do not reflect underlying performance. To avoid conflicts of interest, Committee members are required to disclose any conflicts or potential conflicts ahead of Committee meetings. No Executive Director or other member of management is present when their own remuneration is under discussion.
Predictability	Incentives are capped in the Policy with outcomes clearly based on performance against defined performance metrics.
Proportionality	The link between each element of the Policy and Company strategy is noted in the table below. Variable pay is subject to a combination of financial and non-financial measures that are linked to Company strategy. LTIP holding periods and shareholding requirements (including post-exit) all ensure alignment to long term value creation and strategic goals.
Alignment to culture	We seek to align incentives to our Group values from time to time and the Policy for our Executive Directors is designed in accordance with the same principles that underpin remuneration for the wider employee population.

In developing this Policy, the Committee Chairman consulted with our largest shareholders and the proxy agencies and took into account their feedback. The shareholders consulted were supportive of the Policy.

Consideration of employment conditions elsewhere in the Group

When setting the Policy for the Executive Directors, the Committee takes into account the overall approach to reward and the pay and employment conditions of other employees in the Group. Salary increases will ordinarily, in percentage terms, be no more than those of the wider workforce and the Committee also reviews employee remuneration practices and trends across the Group and these are taken into account when making decisions about Directors' remuneration.

As part of the Committee's broader remit under the Code, the Committee reviews the Group's wider remuneration policies and practices with the objective of ensuring an appropriate cascade of policy from Executive Directors to the rest of the business. The Group has enhanced employee engagement across the business through the Employee Engagement Forum, chaired by a senior member of the Group Management Board, to help the Board understand the views of the workforce and to ensure feedback between the workforce and the Board on an ongoing basis. There was engagement with employees via the Employee Engagement Forum during the year in relation to Group remuneration matters and how executive remuneration aligns with the wider Group pay policy.

The Policy for Directors

The Committee aims to ensure that Executive Directors are fairly and competitively rewarded for their individual contributions by means of basic salary, benefits in kind and pension benefits.

High levels of performance are incentivised and shareholder alignment is created for Executive Directors through the annual bonus scheme (with an element deferred into shares) and the LTIP, which is delivered in shares, measures performance over a longer period.

The Committee's policy is to focus on longer term sustained performance of the Group by applying greater weighting to the variable elements of executive remuneration. This is done by paying a significant proportion of the potential remuneration package in shares, to ensure that executives have a strong ongoing alignment with shareholders through the Company's share price performance.

Purpose and link to strategy	Operation	Maximum opportunity
Base salary To recruit, reward and retain executives of a suitable calibre for the role and duties required.	Normally reviewed annually by the Committee, taking account of Group performance, individual performance, changes in responsibility, changes in the size and complexity of the business and levels of increase for the broader UK population. Consideration is also given to remuneration levels within relevant FTSE and industry comparator companies. The Committee considers the impact of any base salary increase on the total remuneration package.	There is no set maximum salary or salary increase but salary increases for Executive Directors will not normally exceed the general increase for the broader employee population. In exceptional circumstances, for example, changes in the scope, or responsibility of the role, changes in the size of the Company or where there has been a significant change in market practice or to allow the base salary of newly appointed executives to increase in line with their experience and contribution, higher increases may be awarded and the Committee will communicate the rationale to shareholders as appropriate. Details of the outcome of the most recent salary review are provided in the Directors' Remuneration Report.
Benefits To provide market competitive benefits to ensure the wellbeing of executives.	The Company typically provides: • A car or cash allowance in lieu; • Medical insurance; • Death in service benefits; and • Critical illness insurance. Executive Directors are also entitled to 30 days' contractual annual leave per annum and such other leave as the Company offers to employees from time to time. The Committee may introduce other benefits if it is considered appropriate to do so. Reimbursement of all costs associated with reasonable expenses incurred for the proper performance of the role including tax thereon where a business expense is deemed taxable by HMRC. Where an Executive Director is required to relocate, appropriate one off or ongoing relocation benefits may be provided (e.g. housing, education etc), which may include a cash payment to cover reasonable expenses. Executive Directors may participate in the SIP, SAYE and any other all-employee plans on the same basis as other employees, up to HMRC approved limits.	The value of benefits is based on the cost to the Company and is not predetermined. It is a relatively small part of the overall value of the total remuneration package.

Purpose and link to strategy	Operation	Maximum opportunity
Pension To provide market competitive retirement benefits.	A Company contribution to a Group personal pension plan or provision of cash allowance in lieu at the request of the individual or a combination of the two.	The maximum annual pension contribution or cash allowance is in line with the rate typically applicable for the workforce in the country in which the Executive Director is based. The current Executive Directors are based in the UK, and the Committee has determined that the rate available to the wider workforce that should be used for this purpose is currently 4%.
Annual bonus To encourage and reward delivery of the Company's operational objectives and to provide alignment with shareholders through the deferred share element.	The annual bonus is based on performance against one or more financial targets. A proportion (not exceeding 25%) may also be based on non-financial or individual measures. Performance is normally assessed over a financial year. There will normally be a financial underpin to the non-financial element of the bonus. The Committee will assess the pay-out under the non-financial element if the financial underpin is not met, and would normally expect to use discretion to reduce the non-financial element in these circumstances. Details of the performance measures, weightings and targets (where these are not considered commercially sensitive) will be provided retrospectively in the Annual report on remuneration. Half of any bonus earned net of taxes will be used by the Executive Directors to purchase shares which will be subject to a three-year holding period and cannot be sold during that time. The Committee has the discretion to adjust the formulaic outcome of the LTIP where it considers it is not appropriate taking into account such matters as it considers relevant including without limitation the underlying performance of the Company, investor experience, wider employee or stakeholder experience. Recovery and withholding provisions apply as outlined on page 106.	Maximum opportunity: 150% of salary for CEO[1] and; 100% of salary for other executives. Target: No greater than 50% of maximum. Threshold: No greater than 25% of maximum. For performance below threshold, no bonus is payable.

1 For FY2024 the maximum bonus opportunity for CEO is 125% of salary.

Directors' Remuneration Report *continued*

Purpose and link to strategy	Operation	Maximum opportunity
Long term incentives (LTIP) To encourage and reward delivery of the Company's strategic objectives and provide alignment with shareholders through the award of shares.	Awards are normally granted annually in the form of conditional shares or nil-cost options or in such other form that the Committee determines has the same economic effect. Where awards are in the form of nil-cost options, participants may have up to ten years from grant to exercise awards. Awards normally vest subject to continued employment and satisfaction of performance conditions normally measured over three years. Vested awards will normally be subject to an additional two-year holding period, during which time awarded shares may not be sold (other than to meet tax or social security obligations). The Committee will select the performance measures for awards that it considers best support the Company's medium to long term objectives. If the Committee considers that the changes it is making in selecting alternative measures or weightings for a new award are substantive it would normally consult with the Company's major shareholders prior to making any changes. The Committee has the discretion to permit the payment of dividend equivalents arising over the period between grant and the vesting date. These would normally be paid in shares and, only in exceptional circumstances cash. The Committee has the discretion to adjust the formulaic outcome of the LTIP where it considers it is not appropriate taking into account such matters as it considers relevant including without limitation the underlying performance of the Company, investor experience, wider employee or stakeholder experience. Recovery and withholding provisions apply as outlined on page 106.	The maximum award in respect of a financial year is normally 150% of salary although exceptionally awards of 250% of salary may be made, e.g. in recruitment, in line with the LTIP rules. The normal grant policy in respect of a financial year is 150% of salary for each Executive Director. No greater than 25% of the grant vests for threshold performance increasing progressively to 100% for maximum performance. If performance is below threshold for a measure, then the proportion of the award subject to that measure will lapse.
Non-Executive Director Fees To attract and retain a high calibre Chairman and Non-Executive Directors by offering a market competitive fee level.	The Chairman is currently paid a consolidated single fee for all their responsibilities. The Non-Executive Directors are paid a basic fee. The Chairs of the main Board Committees and the Senior Independent Director are paid an additional fee to reflect their extra responsibilities. Additional fees may be paid for new roles and/or additional responsibilities and/or time commitments. The level of these fees is reviewed periodically by the Committee for the Chairman and by the Chairman and Executive Directors for the Non-Executive Directors within the overall limit set by the Articles of Association and with reference to market levels in comparably sized FTSE companies, time commitment and responsibilities of the Non-Executive Directors. Fees are paid in cash. The Chairman and Non-Executive Directors are not normally entitled to participate in any of the Group's incentive plans or pension plans. Additional benefits may be introduced if considered appropriate. Reimbursement of all reasonable expenses including costs associated with reasonable expenses, such as tax payable on expenses which HMRC deem to be taxable, incurred for the proper performance of the role.	The maximum aggregate amount is currently £700,000 as provided in the Articles of Association but this amount may be increased or decreased in accordance with the Company's Articles of Association from time to time.

Note references in this policy to the 'LTIP' refer to the Executive Performance Share Plan approved by shareholders in 2019.

Recovery and withholding provisions

Recovery and withholding provisions apply under the annual bonus and the LTIP to all participants in the event of a restatement of the Group's accounts, error in assessing performance criteria, corporate failure, serious reputational damage, misrepresentation or such other exceptional circumstances as the Committee determines. These provisions normally apply for a period of three years from the date at which performance has been determined by the Committee.

Choice of performance measures and approach to target setting

The annual bonus is based on performance against one or more financial measures and may also include an element (no more than 25%) of non-financial/individual measures if the Committee considers it appropriate, all based on the priorities for the business in the year ahead. The Committee will set performance targets taking into account market and investor expectations, prevailing market conditions and the Group's business plan for the year.

Awards under the LTIP will normally be based on performance against one or more financial or share price related measures but the Committee retains the discretion to introduce a non-financial/strategic or ESG-related measure if considered appropriate. This would normally account for no more than 25% of the award. The Committee selects measures that reflect the Board's priorities and closely align to the long term strategy and key performance indicators of the business. The Committee will review the choice of performance measures and set appropriately challenging targets prior to each award being made based on market conditions and the Group's long term priorities and business plan at that time.

The measures and targets for outstanding awards are set out in the Annual Report on Remuneration.

Annual bonus plan and share plan policy

The Committee will operate its LTIP, SIP, SAYE and any other share or bonus schemes that it maintains or introduces from time to time according to the rules of each respective plan and consistent with normal market practice and the Listing Rules, including flexibility in a number of regards.

Factors over which the Committee will retain flexibility include (albeit with quantum and performance targets restricted to the descriptions detailed above):

- How to determine the size of an award, a payment, or when and how much of an award should vest;
- How to deal with a change of control or restructuring of the Group;
- Other than in the case of stated good leaver reasons, whether a Director is a good/bad leaver for incentive plan purposes and whether and what proportion of awards vest at the time of leaving or at the original vesting date(s) as relevant;
- How and whether an award may be adjusted in certain circumstances (e.g. for a rights issue, a corporate restructuring or for special dividends).

The terms of the LTIP rules provide the Committee with the discretion to grant and/or settle all or part of an LTIP award in cash. In practice this discretion would only be used in exceptional circumstances for Executive Directors or to enable the Company to settle any tax or social security withholding which may apply.

The Committee may vary or substitute any performance measure applying to the annual bonus (including altering the weighting of annual bonus performance measures) or LTIP if an event occurs which causes it to determine that it would be appropriate to do so (which may include an acquisition), provided that any such variation or substitution is fair and reasonable and (in the opinion of the Committee) the change would not make the measure materially less demanding. If the Committee were to make such a variation, an explanation would be given in the next Directors' Remuneration Report.

All historic awards that were granted under any current or previous share schemes operated by the Company but remain outstanding will normally remain eligible to vest based on their original award terms.

Share ownership requirements

The Executive Directors are normally expected to accumulate, over a period of five years from the date of appointment, a holding of ordinary shares of the Company equivalent in value to 200% of their basic annual salary, measured annually.

It is intended that this should be achieved primarily through shares acquired on the exercise of share incentive awards and from the deferral of annual bonus and that Directors are not required to go into the market to purchase shares, although this is encouraged and any shares so acquired would count towards meeting the guidelines. Executive Directors are expected to retain all shares which they are required to acquire with annual bonus payments and all vested LTIP or other awards, subject to sales to meet tax obligations and the Committee's discretion in exceptional circumstances, until the ownership requirement is met.

Executive Directors are expected to hold the lower of (1) shares held on cessation and (2) shares equivalent in value to 200% of salary at the time of cessation, for a period of two years from the date they cease to be an Executive Director. The Committee retains discretion to waive this guideline if is not considered to be appropriate in the specific circumstances.

Summary of decision making process and changes to policy

During the year, the Committee undertook a review of the Policy and its implementation to ensure that the Policy supports the execution of strategy and the delivery of sustainable long term shareholder value. The Committee discussed the content of the Policy at Committee meetings during the year. Throughout the review process, the Committee took into account the 2018 UK Corporate Governance Code, wider workforce remuneration and emerging best practice in relation to Executive Director remuneration. The Committee also considered input from management and our independent advisers. The Committee considers that the overall remuneration framework – based on base salary, an annual bonus plan plus a performance share plan – remains appropriate to continue to motivate management to drive long term sustainable performance for shareholders.

The key changes to the Policy are to introduce a financial underpin to the bonus plan, simplify the approach to annual bonus deferral such that 50% of any bonus earned is now deferred into shares (the share deferral requirement was previously: up to 100% of salary, half of any bonus earned; and in excess of 100% of salary, all of any bonus earned), and to remove the VCP from the policy as this plan was not implemented. Other changes have been made to the wording of the Policy to aid operation and to increase clarity.

Differences in remuneration policy for Executive Directors compared to other employees

The Policy for the Executive Directors is designed with regard to the policy for employees across the Group as a whole. For example, the Committee takes into account the general basic salary increases for the broader UK population when determining the annual salary review for the Executive Directors. There are some differences in the structure of the remuneration policy for the Executive Directors and certain other senior employees as against employees across the Group more broadly, which the Committee believes are necessary to reflect the different levels of responsibility of employees across the Group.

The key differences in remuneration policy between the Executive Directors and employees across the Group are the increased emphasis on performance related pay and the inclusion of a significant share based long term incentive plan for Executive Directors. Long term incentives are not provided outside of the most senior executives as they are reserved for those considered as having the greatest potential to influence Group performance.

External Non-Executive Director positions

Subject to Board approval, Executive Directors will normally be permitted to take on one non-executive position with another company and will normally be permitted to retain their fees in respect of such positions.

Approach to recruitment and promotions

The remuneration package for a Director will be set in accordance with the terms of the Company's Policy in force at the time of appointment, with each element subject to the limits as specified in the Policy table above.

The salary for a new Executive Director will be set by reference to a number of factors including their previous experience, and may be subject to phased increases over the first few years as the executive gains experience in their new role.

The Committee may buy-out incentive pay, which would be forfeited by reason of leaving the previous employer, in order to secure an appointment, when it considers this to be in the best interests of the Company and its shareholders.

Any buy-out will take into account and replicate as far as possible, the form (cash or shares), delivery mechanism, performance measures, timing and expected value of the remuneration being forfeited and such other specific matters as the Committee considers relevant.

Other benefits, remuneration or contractual entitlements may also need to be "bought out" and the Committee will use its judgement as to the most appropriate way to structure this taking into account the principle that terms should be no more generous than those forfeited.

For an internal appointment to an Executive Director role, any variable pay element awarded in respect of their prior role will be allowed to pay out according to its terms. In addition, any other ongoing remuneration obligations existing prior to appointment may continue, if relevant.

For external and internal executive appointments, the Committee may agree that the Company will meet certain relocation and other incidental expenses and associated taxation as appropriate. Other elements may be included in the following circumstances: (i) an interim appointment being made to fill an Executive Director role on a short term basis; and (ii) if exceptional circumstances require that the Chair or a Non-Executive Director takes on an executive function on a short term basis.

For the appointment of a new Chairman or Non-Executive Director, the fee arrangement would be set in accordance with the approved remuneration policy in force at that time.

Service contracts and payments for loss of office

The Committee reviews and approves the contractual terms for new Executive Directors to ensure that these reflect best practice.

Service contracts normally continue until the Director's agreed retirement date or such other date as the parties agree. The service contracts contain provision for early termination. In line with best practice equal notice periods will apply to the Executive Directors and the Company and these will normally be six months, although in exceptional circumstances a notice period may be agreed of up to a maximum of 12 months.

An Executive 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, on the occurrence of certain events such as gross misconduct. If the employing company terminates the employment of an Executive Director in other circumstances, compensation is limited to salary due for any unexpired notice period and any amount assessed by the Committee as representing the value of other contractual benefits (including pension) which would have been received during the period. Payments would normally be subject to mitigation. Service contracts are available for inspection at the Company's registered office.

In circumstances in which a departing Director may be entitled to pursue a legal claim, the Company may negotiate settlement terms and, with the approval of the Committee on the remuneration elements therein, enter into a settlement agreement accordingly.

In summary, the contractual provisions are as follows:

Provision	Detailed terms
Notice period	Current Executive Directors: normally six months from the Director and six months from the Company. Any future Executive Directors: normally six months' notice from both the Company and the Director (up to a maximum of 12 months in exceptional circumstances).
Termination period	Base salary plus benefits (including pension), subject to mitigation and paid on a phased basis for notice period (unless the Committee determines otherwise). In addition, any statutory entitlements or sums to settle or compromise claims in connection with the termination would be paid as necessary.
Remuneration entitlements	A pro rata bonus may also become payable for the period of active service along with vesting of outstanding share awards (in "good leaver" circumstances – see below). In all cases performance targets would apply.
Change of control	There are no enhanced terms in relation to a change of control

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 requirement to hold deferred bonus shares will normally continue on their original time horizons. The default treatment for other awards is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, ill health, redundancy, retirement with the agreement of the Committee, transfer of the employee's employing business out of the Group or other circumstances at the discretion of the Committee (taking into account the individual's performance and the reasons for their departure), "good leaver" status can be applied.

Under the LTIP, awards held by good leavers will usually be scaled back with respect to the actual period of service and vest at the usual time and be subject to the holding period, unless the Committee determines otherwise. For share awards under the LTIP held by good leavers, awards remain subject to the performance conditions.

On a change of control, awards will normally vest subject to a performance assessment at that time and usually be scaled back for the actual period of service, unless the Committee determines otherwise.

For all leavers, the Committee may also determine to make a payment in reimbursement of a reasonable level of outplacement and legal fees in connection with a settlement agreement as well as any statutory entitlement.

All Non-Executive Directors have letters of appointment with the Company for an initial period of three years, subject to annual reappointment at the AGM.

This policy provides for a notice period for the Chairman of up to six months and for other Non-Executive Directors up to three months.

The appointment letters for the current Non-Executive Directors provide that no compensation is payable on termination, other than accrued fees and expenses.

Legacy arrangements

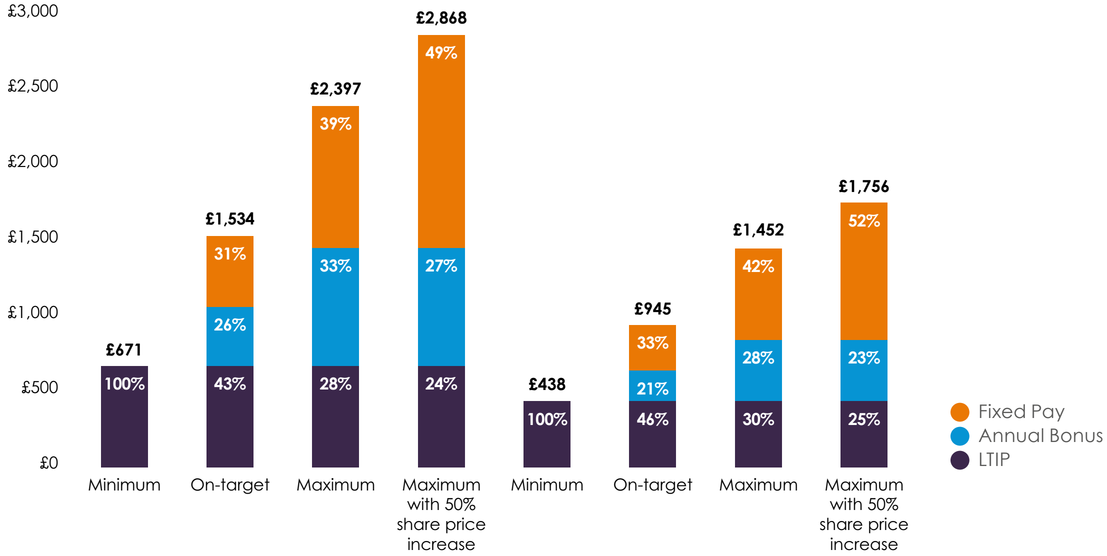
The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed:
(i) before the Policy set out above came into effect, provided that the terms of the payment were consistent with any shareholder-approved Directors' remuneration policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a Director of the Company (or other persons to whom the Policy set out above applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company or such other person. For these purposes, "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" no later than at the time the award is granted. This Policy applies equally to any individual who is required to be treated as a Director under the applicable regulations.

Reward scenarios

The Policy results in a significant portion of remuneration received by Executive Directors being dependent on Company performance. The chart below illustrates how the total pay opportunities for the Executive Directors vary under four different performance scenarios: fixed pay only, on-target, maximum and maximum plus 50% share price growth. These charts are indicative as share price movement and dividend accrual have been excluded except for a 50% increase in the LTIP award under the maximum scenario to reflect share price growth.

Salary levels (on which other elements of the package are calculated) are based on those applying on 1 May 2023. The value of taxable benefits is based on the cost of supplying those benefits (as disclosed) for the year ending 30 April 2023. SAYE awards have been excluded. The annual bonus and LTIP opportunity are those that apply for FY2024.

Executive Director total remuneration at different levels of performance ('000)



Minimum	• Consists of base salary, benefits and pension. • Base salary is the salary to be paid in FY2024. • Pension of 4% of salary. • Benefits are based on the FY2023 taxable value.
In line with expectations	• Based on a portion of maximum. • Annual bonus: 50% of maximum. • LTIP: 50% of maximum.
Maximum	• Based on the maximum remuneration receivable (excluding share price appreciation and dividends): • Annual bonus: maximum bonus of 125%/100% of base salary for the CEO/CFO respectively. • LTIP: maximum face value of LTIP award of 150% of base salary for CEO and CFO.
Maximum + 50% share price growth	• The maximum scenario plus the value resulting from share price growth of 50% from the LTIP award.

Service contracts and letters of appointment

The table below gives details of the service contracts and letter of appointments for each member of the Board.

	Date of appointment	Date of current contract/letter of appointment	Notice from the Company	Notice from the individual	Unexpired period of service contract/letter of appointment
Executive Directors					
M Ward[1]	21 February 2020	22 December 2010	12 months	12 months	Rolling contract
P Vincent	16 July 2018	16 July 2018	6 months	6 months	Rolling contract
Non-Executive Directors					
A Palmer-Baunack	12 August 2019	12 August 2019	6 months	6 months	Rolling contract[3]
J Pattullo	1 January 2019	18 December 2020	3 months	3 months	Rolling contract[3]
M Butcher	23 September 2019	18 September 2019	3 months	3 months	Rolling contract[3]
J Davies[2]	21 February 2020	21 February 2020	3 months	3 months	Rolling contract[3]
B Karia	5 May 2022	5 May 2022	3 months	3 months	Rolling contract[3]
M McCafferty	21 February 2020	21 February 2020	3 months	3 months	Rolling contract[3]
N Rabson	9 November 2022	9 November 2022	3 months	3 months	Rolling contract[3]

1 Redde plc (as it was) contract rolled over.
2 John Davies stepped down as Non-Executive Director and Chairman of the Remuneration Committee on 6 May 2022.
3 The Non-Executive Directors' contracts are typically entered into for an anticipated term of three years, which is extended by the Board for further terms as appropriate.

Annual Report on Remuneration

Implementation of Remuneration Policy in 2024

The table below summarises the key components of our Policy framework and indicates how we intend to operate the Policy in FY2024.

	Operation	2024 Implementation
Fixed		
Salary	Fixed remuneration, which reflects role, skills and opportunities.	• CEO – £627,628 (+3%) • CFO – £405,369 (+3%) The 3% increases for FY2024 are aligned with the capped 3% rate applied to mid and senior management levels and below the average 4.2% pay increase across the Group (with the greatest increases applied to those at lower salary levels).
Pension	Executive Directors receive pension contributions in line with the wider workforce (currently considered to be 4% of base salary).	No change for FY2024. Aligned with UK workforce effective 1 January 2023. Executive directors receive a pension contribution of 4% of base salary which is considered to be aligned with UK workforce effective 1 January 2023.
Benefits	Car allowance, healthcare and life assurance.	No change for FY2024.
Variable		
Annual bonus	Maximum opportunity: 150% of salary for CEO (FY2024 maximum opportunity of 125% of salary); and 100% of salary for other executives. 50% of award deferred into shares for three years. Annual bonus awards will also be subject to malus and clawback provisions. Maximum: 100% payout. Target: No greater than 50% of maximum. Threshold: No greater than 25% of maximum. For performance below threshold, no bonus is payable.	• CEO – maximum opportunity 125% of salary • CFO – maximum opportunity 100% of salary Performance measures are based 75% on financial (PBT) performance and 25% strategic measures (including ESG measures). As in previous years, the targets are considered commercially sensitive and will be disclosed retrospectively. There will be a financial underpin to the non-financial element of the bonus whereby the Committee will assess the payout under the non-financial elements if the financial underpin is not met and would normally expect to use discretion to reduce the non-financial element in these circumstances.
LTIP	The maximum award in respect of a financial year is normally 150% of salary although exceptionally awards of 250% of salary may be made, e.g. in recruitment, in line with the LTIP Rules. The normal grant policy in respect of a financial year is 150% of salary for each Executive Director. No greater than 25% of the grant vests for threshold performance increasing progressively to 100% for maximum performance. If performance is below threshold for a measure, then the proportion of the award subject to that measure will lapse.	• Executive Directors – maximum opportunity 150% of salary. • Performance measures are 75% EPS and 25% TSR vs. the FTSE 250 (excluding investment trusts). • EPS targets: the FY2024 EPS threshold is 57.9p and maximum is 61.5p. The EPS targets are set at appropriately stretching levels taking into account the Group's business plan, analyst consensus and the current external environment. • TSR targets are median (25% vesting) and upper quartile (100% vesting). • Awards will be subject to a two-year holding period after vesting.

Directors' Remuneration Report *continued*

	Operation	2024 Implementation
Fees for the Chairman and Non-Executive Directors	The Chairman is currently paid a consolidated single fee for all their responsibilities. The Non-Executive Directors are paid a basic fee. The Chairs of the main Board Committees and the Senior Independent Director are paid an additional fee to reflect their extra responsibilities.	The fees for the Non-Executive Directors remain unchanged for FY2024. The fees are as set out below.

	Fee as at 1 May 2022	**Fee as at 1 May 2023**	Increase
Chairman	£200,000	**£200,000**	0%
Base fee	£56,650	**£56,650**	0%
Senior Independent Director	£10,000	**£10,000**	0%
Audit Committee Chairman	£10,000	**£10,000**	0%
Remuneration Committee Chairman	£10,000	**£10,000**	0%

Directors' Remuneration Report *continued*

Remuneration for the year ended 30 April 2023 (audited)

The table below sets out the remuneration received by the Directors in relation to performance in the year ended 30 April 2023 (and for long term incentive awards' performance periods ending in the year) and in the year ended 30 April 2022.

£000		Salary and fees	Taxable benefits	Annual bonus	Long term incentive	Pension	Total	Total Fixed	Total Variable
M Ward	2023	609	19	762	2,979[1]	69	4,438	697	3,741
	2022	592	19	740	–	89	1,440	700	740
P Vincent	2023	394	17	394	1,823[1]	52	2,680	463	2,217
	2022	382	14	382	–	69	847	465	382
Non-Executive Chairman									
A Palmer-Baunack	2023	200	–	–	–	–	200	200	–
	2022	200	–	–	–	–	200	200	–
Non-Executive Directors									
J Pattullo	2023	76	–	–	–	–	76	76	–
	2022	65	–	–	–	–	65	65	–
M Butcher	2023	67	–	–	–	–	67	67	–
	2022	65	–	–	–	–	65	65	–
J Davies[2]	2023	18	–	–	–	–	18	18	–
	2022	65	–	–	–	–	65	65	–
B Karia[3]	2023	56	–	–	–	–	56	56	–
	2022	–	–	–	–	–	–	–	–
M McCafferty	2023	57	–	–	–	–	57	57	–
	2022	55	–	–	–	–	55	55	–
N Rabson[4]	2023	27	–	–	–	–	27	27	–
	2022	–	–	–	–	–	–	–	–

1 For FY2023, the 2020 LTIP has been valued based on the average share price during the three-month period to 30 April 2023 of 382.8p and a vesting outcome of 100%. The share price used to determine the level of award was 186p; therefore, of the vested amount 197p per share relates to share price appreciation over the performance period. No discretion has been exercised in relation to share price changes. The 2020 LTIP is included in total remuneration because the performance conditions have been met, however vesting of awards remain subject to the service condition.
2 John Davies stepped down as Non-Executive Director and Chairman of the Remuneration Committee on 6 May 2022.
3 Bindi Karia was appointed to the Redde Northgate plc Board on 5 May 2022.
4 Nicola Rabson was appointed to the Redde Northgate plc Board on 9 November 2022.

Pension and taxable benefits

A breakdown of the taxable benefits received by Executive Directors is set out in the table below:

	M Ward £000	P Vincent £000
Car	15	15
Medical insurance	4	2

The Executive Directors are eligible for membership of a Group personal pension plan. In view of the Annual Allowance cap, part or all of their entitlements were paid to them in cash. Philip Vincent received an entitlement of 18% of base salary and Martin Ward received an entitlement of 15% of base salary until 31 December 2022. From 1 January 2023, in line with the commitment made in prior remuneration reports and shareholder guidance, the pension entitlement was reduced to bring it in line with the pension provision for the wider UK workforce, which is currently considered to be 4%.

Annual bonus for the year ended 30 April 2023 (audited)

Total opportunity

The maximum bonus opportunity for the CEO was 125% of salary and for the CFO was 100% of salary. The bonus was based 75% on Group PBT and 25% on strategic objectives. The targets, performance against them and resulting payment are set out in the tables below.

Financial objectives

The element related to financial objectives (PBT performance) was awarded at maximum of 75% of the total bonus opportunity (93.75% of salary for M Ward and 75% of salary for P Vincent) as follows:

PBT performance	Threshold performance	Target performance	Maximum performance	Actual PBT performance
PBT 75% of total bonus	£149.3m	£154.3m	£159.3m	£165.9m

Directors' Remuneration Report *continued*

Strategic objectives

Awarded at maximum of 25% of the total bonus opportunity (31.25% of salary for M Ward and 25% of salary for P Vincent) as set out below. The Directors' strategic objectives were set by the Committee at the beginning of the financial year and were based on a robust framework of clear objectives directly aligned to the Board's strategic priorities for the year. For FY2023 the strategic measures were focused solely on ESG measures to incentivise the development and acceleration of our ESG strategy and were the same for both Executive Directors.

The strategic objectives and the performance against them for FY2023 are set out below:

Objective	Performance/achievement	Max scoring %
Sustainability: grow EV and hybrid fleet to be no less than the UK car parc as reported by SMMT or DfT as of 30 April 2023 – measurement to be split between cars and vans with each % to at least match the UK car parc.	Fully met. The percentage of EV and hybrid vehicles on the fleet was greater than the respective percentage reflected in the latest Government statistics as at the date of this Report for UK car parc, which show electric and hybrid cars at 6.4% of all cars and 0.9% for vans.	6.25%
EV transition: strategic EV transition plan, deliver a continuous and evolving plan for transition to EV/hybrid and demonstrate how this plan, for the UK to rotate away from ICE vehicles by 2030, and for Spain by 2040 will be met. The plan needs to show how the trajectory and funding availability will support the transition and the target milestones for each reported year.	Fully met. A detailed presentation was provided to the Board, including setting out business strategy and target data, and the electrification of the fleet. Further detail not provided due to commercial sensitivity.	6.25%
Vehicle supply: Together with the management team develop a strategic procurement plan to extend the vehicle supply opportunity (both ICE and EV/hybrid) to existing and new suppliers.	Fully met. The Group has made significant progress in broadening its vehicle supply channels to ensure that we have confidence that we will in future be able to continue to provide a sustainable and attractive offering to our customers. Further information is commercially sensitive.	6.25%
Environment & carbon reduction: Incrementally show an improvement in our reported net zero plans including developing an annualised reduction target in carbon emissions for our Scope 1 and Scope 2 targets (Scope 3 to follow in later years) with clear targets and/or signposting to achieve this.	Fully met. The Group successfully created its Sustainability Committee, recruited a Head of ESG and issued our maiden Sustainability Report in the year. Significant progress has been made quantifying Scope 1 and Scope 2 emissions and collating information regarding Scope 3. Two Scope 1 and Scope 2 targets proposed: 10% reduction by 2027/2030 and 100% green electricity. Physical risk assessments were completed for seven sites, with mitigating actions presented where necessary. Completed initial assessment of TCFD transition risks including customer and supplier assessment with potential next steps. Our external ESG adviser presented to the Board and UK&I average fleet CO_2e emissions were reduced from 156.3g per km to 142.8g per km.	6.25%
Total	25%	out of 25%

Based on performance to 30 April 2023, the annual bonus outcomes for Executive Directors during the year are shown on pages 99 to 100. The Committee is satisfied that no adjustments to the pay-outs are required, and that the outcome is reflective of underlying performance.

A summary of the bonus outcome is as follows:

Executive	% of maximum	% of salary	Bonus outcome (£000)	Awarded in cash (£000)	Awarded in shares (£000)
M Ward	100	125	762	305	457
P Vincent	100	100	394	197	197

Fifty percent of the bonus and any amount in excess of 100% of salary will be used to purchase shares. Shares are subject to a minimum holding period of three years and are not subject to continued employment.

Vesting of 2020 LTIP awards

The performance conditions related to the 2020 LTIP award are due to vest as follows:

Performance	Threshold target (25% vesting)	Stretch target (100% vesting)	Actual performance	Vesting achieved
PBT 50% of total LTIP	£97.75m	£115.0m	£165.9m	100%
EPS 50% of total LTIP	29.87p	35.14p	55.6p	100%
Total				**100%**

The Committee has fully considered the facts and circumstances of the awards and the performance delivered by the Group since its merger in 2020. Overall, the Committee considers that the outcome of the 2020 award is fair in the context of exceptional performance and is not misaligned with shareholder experience. Accordingly, we have concluded that the vesting level is fair and have not used discretion to scale back the awards. Further detail is provided in the Remuneration Committee Chairman's letter.

The awards are due to vest in August 2023, subject to ongoing service conditions being met.

LTIP awards made during the year (audited)

On 13 July 2022, the following LTIP awards were granted to Executive Directors:

	Type of award	Basis of award granted	Share price for award	Number of shares over which award was granted	Face value of award (£)	% of face value that would vest on threshold performance	Vesting determined by performance over
M Ward	Nil cost option	150% of salary of £609,348	336.33p	271,763	914,022	25%	Three financial years to 30 April 2025
P Vincent	Nil cost option	150% of salary of £393,563	336.33p	175,525	590,345	25%	As above

The share price for award was calculated based on a three day average prior to the award grant.

	Weighting	Threshold target (25% vesting)	Stretch target (100% vesting)	End measurement point
PBT	50%	£165m	£175m	Final year of the performance period
EPS	50%	52.6p	55.8p	Final year of the performance period

Percentage change in remuneration levels

The table below sets out the percentage change in base salary, value of taxable benefits and bonus for all the Directors compared with the average percentage change for employees of the Company.

	Average percentage change 2022–2023			Average percentage change 2021–2022			Average percentage change 2020–2021		
	Salary	Taxable benefits	Annual bonus	Salary	Taxable benefits	Annual bonus	Salary	Taxable benefits	Annual bonus
M Ward	3%	(4%)	3%	15%	12%	28%	620%	387%	n/a
P Vincent	3%	21%	3%	13%	8%	8%	2%	(14%)	n/a
A Palmer-Baunack	0%	n/a	n/a	20%	n/a	n/a	31%	n/a	n/a
J Pattullo	18%	n/a	n/a	3%	n/a	n/a	5%	n/a	n/a
M Butcher	3%	n/a	n/a	3%	n/a	n/a	65%	n/a	n/a
J Davies[1]	(73%)	n/a	n/a	3%	n/a	n/a	504%	n/a	n/a
Bindi Karia[2]	n/a	n/a	n/a						
M McCafferty	3%	n/a	n/a	3%	n/a	n/a	466%	n/a	n/a
N Rabson[3]	n/a	n/a	n/a						
Company employees	(22%)	87%	(31%)	44%	(70%)	2015%	(6%)	11%	(87%)

The above table shows the movement in the salary, taxable benefits and annual bonus for Directors compared to that for the average employee of the Company (being Redde Northgate plc) as required under legislation. It does not reflect the total average for the Group. As there are only a small number of employees in the Company, the average pay calculation can be easily skewed by a change in composition of staff and this is the reason for the decrease in average salary and bonus during the year. The average increase in salary for the Group wider workforce was 4.2%.

Annual bonus for Company employees is the amount paid in each year, whereas the Directors' bonus is the amount earned in each period as the information on Company employees' bonus amounts is not available at the date of this report.

Payments to past Directors and payments for loss of office

John Davies stepped down as a Non-Executive Director of the Company on 6 May 2022. John Davies received a payment of £17,796 in accordance with the terms of his appointment and the Policy.

Other than this payment, there were no payments to past Directors whether for loss of office or otherwise during FY2023.

CEO to employee pay ratio

The table on page 118 sets out the ratio of the CEO's single figure of total remuneration to the total remuneration of the 25th percentile, median (50th percentile), and 75th percentile remuneration of our UK employees, in line with the regulations.

1 John Davies left the Board on 6 May 2022.
2 Bindi Karia was appointed to the Redde Northgate plc Board on 5 May 2022.
3 Nicola Rabson was appointed to the Redde Northgate plc Board on 9 November 2022.

Directors' Remuneration Report *continued*

Option A of the Companies (Miscellaneous Reporting) Regulations 2018 has been used to calculate the ratio as it was considered to provide the most accurate basis of calculation. Full-time equivalent remuneration for all UK employees for the financial year has been used for pay periods across the year as adjusted for joiners and leavers. Total remuneration has been prepared using the same methodology as the single figure table with the exception of the bonus. The bonus figure for employees is based on the amount paid in each year as the information on employees' bonus amounts is not available at the date of this report whereas the bonus included in the single figure table is the amount earned in each period.

Financial Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	**Option A**	**185:1**	**153:1**	**108:1**
2022	Option A	63:1	51:1	35:1
2021	Option A	57:1	45:1	30:1
2020	Option A	64:1	53:1	37:1
2019	Option A	47:1	38:1	26:1

Salary and total remuneration details for the relevant individuals are set out as follows:

	CEO £000	25th percentile £000	Median £000	75th percentile £000
2023				
Salary	609	23	27	35
Total remuneration	4,438	24	29	41

The employees at the 25th, 50th and 75th percentile have been determined by reference to average employee pay across the Group for the financial year being reported on.

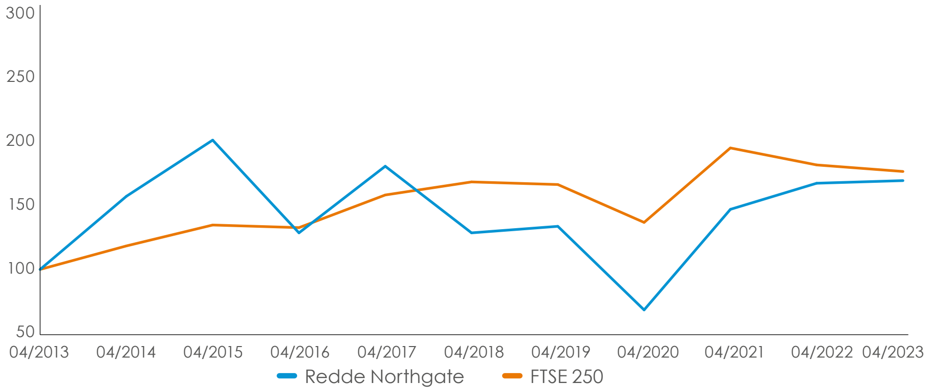
Unlike the total remuneration for the majority of employees, total remuneration for the CEO is mostly dependent on length of tenure, business performance and share price movements over time. As a result, the ratios may fluctuate significantly from year to year. For example no long term incentive was paid in 2022 but is a significant portion of the CEO's total remuneration in 2023 due to the share price appreciation over the period and this is reflected in the pay ratio. This year the CEO's salary has increased below the wider workforce salary increases.

The Committee has responsibility for setting the remuneration of the Executive Directors and other senior management and reviews the wider policies and practices for our workforce. The Committee is satisfied that the median pay ratio is consistent with the Group's pay, reward and progression policies.

Directors' Remuneration Report *continued*

Performance graph measured by TSR

The graph below illustrates the performance of Redde Northgate plc measured by Total Shareholder Return (share price growth plus dividends reinvested in shares) against a "broad equity market index" over a rolling ten-year period (the period covered by the graph below is 30 April 2013 to 30 April 2023). Consistent with the approach adopted in previous years, we show performance against the FTSE 250 (exc. investment trusts) of which we are a constituent. The mid-market price of the Company's ordinary shares at 28 April 2023 was 376p (30 April 2022: 397p). The range during the year was 283.5p to 437.5p.



Total remuneration for CEO

The total remuneration figure for the CEO during each of the previous ten financial years is as follows:

Year ended 30 April	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Total remuneration £000	628	1,138	1,214	821	490	1,032	1,319	1,200	1,440	**4,438**
Annual bonus (% of maximum)	43.6	90.3	34.1	–	–	72.4	–	–	100	**100**
Long term incentive (LTIP) vesting (% of maximum)	–	47.9	79.2	61.8	–	–	–	–	–	**100**

The total remuneration figure includes the annual bonus and LTIP awards which vested based on performance periods ending in those years. The annual bonus and LTIP percentages show the pay-out for each year as a percentage of the maximum. In years when there was a change of CEO, the figures shown are the aggregate for the office holders during that year and include any payments for loss of office.

Relative importance of spend on pay

	2022	**2023**	% increase
Staff costs £000	227,744	**270,776**	19%
Dividends £000	43,897	**52,220**	19%
Share buybacks £000	7,493	**52,927**	606%

The table above shows the movement in spend on staff costs versus that in dividends and share buybacks, reflecting a significant return of capital to our shareholders and our significantly increased investment in the wider workforce.

Directors' Remuneration Report *continued*

Outstanding share awards

The table below sets out details of Executive Directors' outstanding share awards.

M Ward

Scheme	Grant date	Exercise price (p)	Shares under option at 30 April 2022	Number of options/ shares granted during the year	Vested during year	Exercised during year	Lapsed during year	Forfeited during year	Number of shares at 30 April 2023	End of original performance period	Vesting date	Exercise period
LTIP[3]	13.08.20	Nil	778,315	–	–	–	–	–	778,315	30.04.23	13.08.23	13.08.23 – 13.08.30
LTIP[3]	09.08.21	Nil	206,853	–	–	–	–	–	206,853	30.04.24	09.08.24	09.08.24 – 09.08.31
LTIP[1]	13.07.22	Nil	–	271,763	–	–	–	–	271,763	30.04.25	13.07.25	13.07.25 – 13.07.32
Total			985,168	271,763	–	–	–	–	1,256,931			

P Vincent

Scheme	Grant date	Exercise price (p)	Shares under option at 30 April 2022	Number of options/ shares granted during the year	Vested during year	Exercised during year	Lapsed during year	Forfeited during year	Number of shares at 30 April 2023	End of original performance period	Vesting date	Exercise period
LTIP[2]	24.09.19	Nil	27,955	–	–	27,955	–	–	–	30.04.22	27.07.21	27.07.21 – 27.07.28
LTIP[2]	24.09.19	Nil	26,192	–	26,192	26,192	–	–	–	30.04.22	24.09.22	24.09.22 – 24.09.29
LTIP[3]	13.08.20	Nil	476,382	–	–	–	–	–	476,382	30.04.23	13.08.23	13.08.23 – 13.08.30
LTIP[3]	09.08.21	Nil	133,601	–	–	–	–	–	133,601	30.04.24	09.08.24	09.08.24 – 09.08.31
LTIP[1]	13.07.22	Nil	–	175,525	–	–	–	–	175,525	30.04.25	13.07.25	13.07.25 – 13.07.32
Total			664,130	175,525	26,192	54,147	–	–	785,508			

1 Performance targets as set out above.
2 A proportion of these awards were adjusted and forfeited following the Merger in order to remove the proportion not expected to vest based on forecast performance. No remaining performance conditions remain other than the on-going service obligation.
3 Performance targets set out in prior year Annual Report and Accounts.

All outstanding awards are structured as nil-cost options.

SAYE

The Board believes that encouraging wider share ownership by all staff will have longer term benefits for the Company and therefore introduced an SAYE (including international sub-rules for our colleagues in Spain and Ireland) in 2020 with the first saving period commencing in February 2021 and a further savings period commencing in September 2022. The SAYE provides an effective way of achieving that aim at no financial risk to employees.

Under the SAYE, employees choose to make monthly savings amounts (which are paid to a financial institution) in return for options to buy shares in the Company at the option price and using savings accumulated over the savings period (typically three years). Employees can choose to cease saving and withdraw their money at any time allowing the related options to lapse.

Options over 1,468,754 shares were granted under the SAYE, on 5 August 2022, with approximately 1,000 employees contributing monthly savings under the schemes. The next offer to take part in the SAYE scheme is expected to be made later in 2023.

The Executive Directors are entitled to participate in the SAYE, but the Non-Executive Directors cannot participate in the SAYE.

Philip Vincent was granted 6,691 options on 5 August 2022 at an option price of £2.69.

Share Incentive Plan: YourShare

During the year the Company adopted the Share Incentive Plan and the International Share Incentive Plan following shareholder approval received at our 2022 AGM. The Share Incentive Plan like the SAYE plan is an all-employee plan with the operation of the International Share Incentive Plan entirely for those employees outside of the UK.

The Company offered a grant of free shares up to the value of £500 all Group employees in December 2022. 753,125 shares were granted under the Share Incentive Plan and 163,250 shares were granted under the International Share Incentive Plan, with approximately 7,400 employees participating under both schemes. The next offer to take part in the Share Incentive Plan is expected to be made later in 2023.

The Executive Directors are entitled to participate in the Share Incentive Plan, but the Non-Executive Directors cannot participate in this scheme. Martin Ward and Philip Vincent were both granted 125 free shares each on 7 December 2022.

Sourcing of shares

A combination of newly-issued, treasury and market purchase shares (using a Guernsey employee benefit trust) may be used to satisfy the requirements of the Group's existing share schemes.

Overall plan limits and clawback

All the Company's share schemes operate within the following limits: in any 10 calendar year period, the Company may not issue (or grant rights to issue) more than:

a. 10% of the issued ordinary share capital under all the share plans; and
b. 5% of the issued ordinary share capital under the executive share plans (LTIP, DABP and MPSP).

The dilution position as at 30 April 2023 was 1.8% under the LTIP, MPSP and DABP, and 1.2% under the SAYE and 0.3% under the Share Incentive Plan.

Directors' shareholding and share interests

The Executive Directors are required to build up a shareholding equivalent to 200% of salary, to be achieved primarily through the retention, after tax, of shares acquired on exercise of options granted under the LTIP and shares acquired through bonus deferral, until such time as their share ownership requirement has been met. Directors are not required to go into the market to purchase shares, although market purchases are encouraged and any shares so acquired would count towards meeting the guidelines.

The Chairman and Non-Executive Directors do not have a shareholding guideline although the holding of shares in the business is encouraged. Details of the Directors' interests in shares are shown in the table below:

Share interests (audited)
Number of shares:

	Beneficially owned at 30 April 2023	Vested but not exercised LTIP	Unvested LTIP	% shareholding guideline achieved at 30 April 2023
M Ward	1,716,180	–	1,256,931	Fully met
P Vincent	143,214	–	785,508	Not fully met (68% of guideline)
A Palmer-Baunack	110,442	–	–	N/A
J Pattullo	50,000	–	–	N/A
M Butcher	24,676	–	–	N/A
J Davies	–	–	–	N/A
B Karia	–	–	–	N/A
M McCafferty	11,007	–	–	N/A
N Rabson	–	–	–	N/A

Martin Ward has met the shareholding policy guideline as he holds shares with a value in excess of 200% of basic annual salary.

Philip Vincent has not yet met the shareholding guideline given the levels of variable pay awards vesting since his appointment on 16 July 2018.

Martin Ward's shareholding includes 107,076 shares from awards in July 2022 and July 2021 under the EAB annual bonus scheme and 125 shares awarded under the 2022 SIP. Philip Vincent's shareholding includes 68,735 of shares from awards in July 2022, July 2021 and September 2020 under the EAB annual bonus scheme, and 125 shares awarded under the 2022 SIP. The EAB shares vested immediately but are held in trust for three years following the date of award in accordance with the scheme rules.

No changes in the above interests have occurred between 30 April 2023 and the date of this report.

The Remuneration Committee

The members of the Committee during the year are listed below. The attendance of the members of the Committee at meetings during the year are shown below.

	Number of meetings attended out of potential maximum available to attend
John Pattullo (Chairman)	6 of 6
Mark Butcher	6 of 6
Bindi Karia	6 of 6
Avril Palmer-Baunack	6 of 6
Nicola Rabson	2 of 2

The CEO and CFO attend meetings by invitation and assist the Committee in its deliberations, except when issues relating to their remuneration are discussed. No Directors are involved in deciding their own remuneration. The Company Secretary acts as secretary to the Committee.

Remuneration advisers

Korn Ferry provided independent advice to the Committee until 5 July 2022 having been appointed by the Committee in FY2019. Until this date, Korn Ferry provided advice to the Committee on certain remuneration matters. The total fees paid to Korn Ferry in respect of its services to the Committee during the year were £6,195 excluding VAT. The fees are predominantly charged on a time spent basis.

In 2022, the Committee reviewed its Remuneration Advisory arrangements and conducted a competitive selection process to appoint a new remuneration adviser to the Committee. Korn Ferry was invited to participate in this process and the Committee remains appreciative of the services Korn Ferry has provided since 2019. Following the selection process, the Committee is pleased to confirm that it has appointed Deloitte LLP as remuneration adviser to the Committee on 6 September 2022. Since its appointment, Deloitte LLP has provided independent advice to the Committee on certain remuneration matters. The total fees paid to Deloitte LLP in respect of its services to the Committee during the year were £49,000 excluding VAT. The fees are charged on a time spent and expenses basis.

Each of Deloitte LLP and Korn Ferry is a signatory to the Remuneration Consultants' Code of Conduct. Korn Ferry continues provide advice on talent and reward matters and Board appointments to the Group through a separate team and has no other connection to the Company or Directors. During the year Deloitte LLP did not provide any other services to the Company. The Committee is satisfied that advice received from Deloitte during the year was objective and independent and that all individuals who provided remuneration advice to the Committee had no connections with Redde Northgate or its Directors that may impair their independence. The Committee's terms of reference are available on the Company's website: **www.reddenorthgate.com**

The Committee is responsible for making recommendations to the Board on the remuneration packages and terms and conditions of employment of the Chairman and the Executive Directors of the Company, as well as the Company Secretary and under the new Code the most senior executives below Board level in the UK, Spain and Ireland. The Committee also reviews remuneration policies and practices generally throughout the Group. In accordance with the Policy, the Committee has sought to ensure that the incentive structure will not raise ESG risks by inadvertently motivating irresponsible behaviour and will take account of ESG matters generally in determining overall Remuneration Policy and structure, and the Committee is able to consider corporate performance on ESG issues when setting the Executive Directors' annual objectives and remuneration.

Statement of shareholder voting and shareholder feedback

The following table sets out the votes received from shareholders for the Directors' Remuneration report at the 2022 AGM:

Directors' Remuneration Report 2022 – Resolution 3	Total number of votes	Percentage of votes
% of votes cast		
For	191,110,460	98.85
Against	2,217,031	1.15
Total votes cast (excluding votes withheld)	193,327,491	
Votes withheld	1,078,494	
Total votes cast (including votes withheld)	194,405,985	

The following table sets out the votes received from shareholders for the Policy at the 2020 AGM:

Directors' Remuneration Policy 2020 – Resolution 4	Total number of votes	Percentage of votes
% of votes cast		
For	115,101,869	58.98
Against	80,054,014	41.02
Total votes cast (excluding votes withheld)	195,155,883	
Votes withheld	30,065	
Total votes cast (including votes withheld)	195,185,948	

Votes withheld are not included in the final proxy figures as they are not recognised as a vote in law.

We gained support at our 2020 AGM for the amendments made to the Policy and the Policy became effective from that time. We recognise, however, that there were significant votes against the resolution reflecting shareholder concerns with the Policy, namely the pension and the proposed Value Creation Plan.

During FY2021 we consulted with shareholders to discuss their concerns and based on the feedback received, the Committee moved to align Executive Director pension with the majority of the workforce by 31 December 2022 and to cancel the proposed VCP.

A revised Policy will be proposed for approval by shareholders at the Company's 2023 AGM, following extensive shareholder engagement and on the basis set out in this report.

Approval

This Annual Report on remuneration has been approved by, and signed on behalf of, the Board of Directors.

John Pattullo
Chairman of the Remuneration Committee
5 July 2023