

2022 AGM - Voting Results Update (published 26 January 2023)

At the Company's Annual General Meeting ("AGM") held on 5 July 2022, 70.89% votes were received in favour of Resolution 2, the advisory vote to approve the Directors' Remuneration Report for the year ended 2 April 2022. In accordance with Provision 4 of the UK Corporate Governance Code, this statement provides an update within six months on the views received from shareholders and actions taken following this vote of more than 20 per cent against an AGM resolution.

Our Remuneration Committee Chair has proactively engaged with our top 40 shareholders (covering 65% of our total issued share capital) on this matter, to discuss their concerns and provide them with comfort that appropriate rigour and governance was applied at all stages of the Committee's decision-making process. As a result, we are aware of the reasons why some shareholders chose to vote against the resolution on the Directors' Remuneration Report. Primarily, these related to Steve Rowe's leaving arrangements, the perceived "notice of notice" given to him by the Company as well as the grant of a bonus while under notice.

Having reflected on the shareholder feedback received, which was largely supportive of the Company's approach, the Board continues to believe strongly it has acted in shareholders' interests and consistent with the values and integrity of the business in relation to Steve Rowe's remuneration. Steve served 37 years with the business, the last six years as Chief Executive Officer. Three weeks prior to the 2022 financial year-end we announced that he would be standing down at the results announcement, as part of a planned succession process that he helped to design, handing the leadership to a team that he recruited. He worked full time and with total energy as Chief Executive Officer well beyond the end of the financial year.

All eligible colleagues received a bonus in 2022, the first since 2017, in recognition of the strong financial performance in the year. It would have been wholly wrong to exclude Steve from this as the performance was delivered under his leadership. To have denied him the bonus because he helped support an orderly and organised succession that was announced just three weeks before the year-end would have shown bad faith to a great servant of the business and would not have been in any way in shareholders' interests.

Given the concerns raised by a minority of shareholders related mainly to Steve Rowe's leaving arrangements and there being no expectation that this set of circumstances will be repeated, the Board believes this 20 per cent vote against an AGM resolution to be an isolated occurrence. In accordance with the UK Corporate Governance Code, a final update on this matter will be included in the Company's 2023 Annual Report.

The Company's Remuneration Policy is currently being reviewed and significant shareholders engaged for their feedback, as part of the Policy's standard three-year cycle of approval. The Remuneration Policy will be presented to shareholders at the 2023 AGM.