3. GOVERNANCE REPORT

Image: Robert at a commercial site valuation at large data centre, London
Image above: Lars, Survey & Geomatics team working on construction of underground bus lane in Utrecht, the Netherlands
CORPORATE GOVERNANCE
CHAIRMAN’S INTRODUCTION

Dear Shareholder
On behalf of the Board, I am pleased to present the Group’s Corporate Governance Report for this year as outlined in full on pages 95 to 102.

Maintaining high standards of governance and our values are vital ingredients in driving success for RPS. The Board is fully committed to ensuring these standards and values come from the top and are embedded throughout the Group. The work to define purpose, promise and behaviours, which are an important component of this process, is described throughout the Annual Report.

Changes to the Board
There have been no changes to the Board during the year.

This is the first time for over three years that we have not had any Board changes. We now have a settled and interacting Board, further reinforced by the results of our Board Evaluation (see p. 99 for details).

Section 172 and Stakeholder Engagement
In 2020, we set out the Board’s quick and swift response to the COVID-19 crisis, and how it engaged with its stakeholders during that challenging time and met with its duties under S172 of the Companies Act 2006. In 2021, all of our stakeholders have continued to be affected in some way and the Board has supported the business to act fairly at all times. The Board remain abreast of the business performance and operating challenges and input rapidly into the decision-making process. I have held regular weekly calls with our Chief Executive and held calls both separately and as a Group with members of our Group Leadership Team. We are not out of the woods as far as COVID-19 is concerned, but the actions that management has taken in 2021, in increasing profits, reintroducing returns to shareholders show that the Company is well-positioned for the times ahead.

The Board’s statement in relation to Section 172 and stakeholder engagement and decisions taken in the interests of the Group’s stakeholders is included on pages 44 to 50.

AGM Votes Against the Remuneration Report
It was disappointing to note that despite the intensive communication with shareholders that both Catherine Glickman, Chair of the Remuneration Committee and myself undertook on our remuneration practices, we still received a vote of c.31% against the Remuneration Report. We did a further consultation with our shareholders following this and established that the main reason behind the vote at last year’s Annual General Meeting was the remuneration package agreed for Gary Young on his retirement.

This is discussed more fully in the Directors Remuneration Report on pages 111, 129 and 130.

Shareholder consultations
The main area of consultation with shareholders during the year has been around the Remuneration practices that we have in place for our CEO and subsequent further consultation with shareholders following the votes against the Annual Report.

Naturally, I was pleased to be reappointed to the role of Chairman in 2021, and I would like to thank shareholders for their support of my reappointment. Liz Peace, our Senior Independent Director, has again conducted the appropriate appraisal and consultation regarding my performance with the relevant stakeholders. The Board have confirmed that they remain fully supportive of me in my role and have recommended that shareholders vote on my reappointment at the Annual General Meeting. Further information can be found in the Corporate Governance report on p. 100. In context of the above, there have been previous comments from some shareholders and proxy voting agencies regarding the number of Board positions that I hold. It is, therefore, worth noting that I have now stood down as a director of Blue Prism plc following the delisting of that company. In addition, the shareholders of Gresham House Strategic plc (now Rockwood Realisation plc) have voted to place this investment fund into run-off. Following from this, it is likely that the composition of the Board will be reviewed, notwithstanding which the work involved for a small investment company in run-off will be substantially less.
In November 2021, John Douglas and Judith Cottrell held a Capital Markets Event for investors. With presentations from senior management in the UK and Australia, the meeting was held virtually, using our proprietary virtual consultation software and was well-received with over 100 investors attending.

In addition I and our Senior Independent Director as a matter of course offer to meet with our major shareholders in the time between the year end results announcement and the Annual General Meeting.

Workforce engagement
Notwithstanding the formal framework within which the Board operates, it is important that it remains connected with and understands the wider business. The Board receives regular presentations from the business segments and functions, and prior to COVID-19 taking a hold we had in place a program of holding Board meetings at operating business locations. Due to the various lockdown restrictions the Board has not, however, been able to visit RPS businesses and meet with as many of our employees as we would have liked. Employees have, however, been receiving regular video updates from John Douglas, our CEO, and from segment leaders, and the Board are eager to reintroduce visits to our sites as soon as we are able.

The two-day strategy review took place in October 2021, and was again undertaken in conjunction with the Group Leadership Team. It provided an excellent opportunity for the Board to gain greater insight into the challenges facing our business. I met separately with the Group Leadership Team to provide feedback from the Board on the Strategy sessions. I also held a virtual meeting with all of our senior management, throughout the world updating them on the Strategy of the Company and how the Board supports them in driving this forward.

Liz Peace also hosted two global Senior Leadership Group calls to share her perspective on how the built environment sector can reposition itself as a positive contributor to the economy, environment and society. This is something that RPS is strongly positioned to support.

The Non-Executive Board members are encouraged to visit the offices of the Company individually and meet and hear from our people about their expectations and experience of working for RPS. Catherine Glickman is the Non-Executive Director with Board responsibility for workforce engagement. However, with the restrictions imposed by the pandemic, the level of engagement has been curtailed.

Looking forward
Needless to say, 2021 continued to be as challenging as 2020, with many countries remaining in lockdown at the start of the year. As a Company we have shown our resilience, grown our profitability, reintroduced dividend payments to our shareholders and will be looking for further improvement in the coming year.
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Effective Board
The Chairman’s statement on pages 6 and 7 incorporates comments relating to the governance of the Group and provides a backdrop to this detailed report.

The Board operates within the framework of a charter incorporating the key aspects of the Group’s governance arrangements. This includes the definition of roles, responsibilities and authorities as applicable to the Board, its Committees and its individual Directors.

How governance supports strategy
The Board is responsible for delivering value for shareholders by setting and approving the Group’s strategy and overseeing its implementation by the Group Leadership Team. Information on our strategy is set out on pages 40 and 41.

During the year, the Board held its annual strategy meeting over two days in October 2021 and plan to have a follow-up throughout the year. Over the two days, the Board receives a presentation from each member of the Group Leadership Team on the strategies and business plans for each segment and functional area. The Board receives regular updates from each segment and functional area at Board meetings, which provide updates on strategy.

At the annual strategy meeting held in October, the Board confirmed that RPS’ strategy, as detailed on pages 40 and 41, framed around our purpose, promise and behaviours, remains the right course of action. They also reaffirmed global key strategic opportunities where there remains prospects for future growth. These are renewables, sustainability (ESG), project management and transport infrastructure, plus carbon capture storage and flood/waste water storage.

The Board is responsible for setting the Group’s purpose, promise and behaviours and we refer to these extensively throughout the Annual Report.

This year, the Company conducted its annual Your Voice Survey in which the employees fed back their views on the Company. It was encouraging to note that the number of respondents has grown from 80% in 2018 to 85%.

The Company scored highly in the following categories and above benchmark norms for:

- Health Safety & Wellbeing
- RPS is genuinely committed to satisfying its clients
- Employee engagement also scored highly increasing in score in comparison to the previous survey

There are still areas in which the Company needs to improve and a list of follow-up actions, including the following, was approved by the Board:

- Improving our ability to attract prospective employees: we are developing our external employee value proposition to attract people to come and work at RPS.
- Improving our ability to retain high-quality employees: we are improving our employee onboarding and information about career development paths for our employees, all part of “RPS being a great place to do great work”. We are also developing functionality within our Progress On Demand online/digital employee platform, for employees to set out their career development plan as well as initiating a program that will provide ILM (Institute of Learning and Management) training to our people.

The Board will receive regular updates on the progression of these initiatives.

This year, much like 2020, was dominated by uncertainty in our markets. Notwithstanding this RPS is a brand built on a strong sense of purpose and this feeds through to our culture and consequently, our behaviours. At every level of the organisation, our people worked hard to solve problems that matter, be confidently pragmatic, make it easy to connect and focus on absolute delivery for our clients, all underpinned by an attitude and belief that we are stronger together (see People Report on pages 24 to 28 and Client Report on pages 30 and 31.
Our behaviours are at the heart of building an inclusive and diverse culture. For our new hires, this starts with behaviours training as a key component of our onboarding process. From the first day on site or in the office, we expect employees to be respectful of each other, acknowledge diversity and recognise the potential and contribution of everyone. The Board receives regular reports from the Group People Director which incorporate the development of appropriate culture. The Board is satisfied that the policies, practices and behaviours throughout the business are aligned to the Company’s values and strategy and that it did not need to take any corrective action.

Workforce policies and practices
The Board and Group Leadership Team review and approve all key workforce policies and practices. During the year, the Board reviewed and approved the policies highlighted below.

In 2021, we launched our Group Diversity and Inclusion Policy which laid out the foundation stones on which to build on action items commencing in 2021. The Policy was approved by the Board and the actions that we are taking around this are more fully discussed in the People Report on pages 24 to 28.

The Anti-Bribery Policy went through a detailed review, was updated and then issued to all our employees. At the same time, we have developed and will be implementing a training program to sit alongside this and a Gifts and Entertainments Register was introduced across the Group.

All of our polices are published on the Group intranet.

Board structure
At the date of this report, the Board comprised two Executive Directors, four Non-Executive Directors and the Chairman.

The Board Charter incorporates descriptions of the distinct roles of the Chairman and Chief Executive.

The Chairman provides leadership to the Board of Directors, sets its agenda and is responsible for its overall effectiveness and performance. This includes
ensuring all Directors receive the right information in order to take a full and constructive part in Board discussions. The Chairman, with the involvement of the Executive Directors, also seeks to ensure effective communication with shareholders and will meet with major shareholders as reasonably required.

The Chief Executive is responsible for all executive management matters within the Group. This incorporates the development of Group strategy, budgets and business plans, as well as providing effective executive leadership and developing a culture which strikes an appropriate balance between entrepreneurship and the management of risk.

The Non-Executive Directors provide independent and considered advice to the Board in matters of strategy, risk and performance, while providing governance oversight through the operation of the Board’s Committees.

The Senior Independent Director provides a sounding board for the Chairman to discuss confidential issues, leads the Board in the evaluation of the Chairman, leads the process and nomination for a new Chairman, is the focal point for Directors to raise any concerns regarding the Chairman, agrees the Chairman’s portfolio time commitments, acts as a trusted intermediary for the Non-Executive Directors and addresses shareholders’ concerns which have failed to be resolved by the Chairman, Chief Executive or Group Finance Director.

Independence of the Non-Executive Directors
A review of the independence of the Non-Executive Directors is carried out on an annual basis to determine whether there are any relationships or circumstances that would impact on a Non-Executive Director’s independence. This review confirmed the Board’s view that it considers each of the current Non-Executive Directors to be independent in accordance with the Code. Catherine Glickman was formerly engaged in a consultancy capacity by the Group for a short period during 2017-18 to undertake specific tasks. The Board was satisfied at the time of her appointment that this did not constitute a material business relationship that would affect her independence.

The Chairman and Non-Executive Directors are generally appointed for three-year terms, which may subsequently be extended. Any term beyond six years for a Non-Executive is rigorously reviewed, taking account of the requirement to refresh the Board. All Directors are subject to annual re-election by shareholders.

The Board is assisted by the Audit, Remuneration and Nomination Committees. Separate reports from each of these Committees can be found on pages 103 to 142. The Chairman of each Committee provides regular updates at Board meetings.

Board responsibilities
The Board Charter incorporates a comprehensive schedule of matters that are reserved for the Board’s decision and include the following:

- determination of the Group’s overall strategy
- approval of annual budgets and business plans
- financial reporting including annual and half-year results and market updates
- recommendation and approval of dividends and other capital distributions
- approval of material corporate transactions including all acquisitions
- approval of policies and systems for risk management and internal control
- appointment of key advisers to the Group
- approval of major items of capital expenditure
- any substantive change in the nature of the Group’s activities

Matters falling outside the Board’s reserved list are delegated to the Group Executive under the leadership of the Chief Executive. Responsibilities are, subject to clear written limits, delegated further to the Group’s Business segments. The Group Leadership Team meets regularly throughout the year and retains operational oversight of the Group’s activities. This team currently comprises the Chief Executive, Group Finance Director, Group Marketing Director, Group People Director, Chief Information Officer and the Group’s six Segment CEOs.

Board meetings and operation
The Board has eight regular scheduled meetings during the year and also holds ad hoc meetings as and when required. Overall, the Board met eleven times during the year. Due to the lockdowns in force across the world, the majority of these meetings took place across Microsoft Teams. The Board’s agenda seeks to achieve a balance between review of performance, strategy development, adoption of appropriate corporate policies, risk management and regulatory obligations. During the year, the following items were considered at each meeting:

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• Safety performance
• Financial and business performance
• Strategic priorities
• Emerging risks
• Material employment issues
• Significant litigation
• Investor and City relations

In addition to these, and at the appropriate point, the Board also considered:

• The Group’s Annual Budget and Business Plan
• Group results and the Annual Report and Accounts
• Significant market announcements
• Board performance
• Review of internal control and risk management
• Dividends and dividend policy
• Reports from Board Committee Chairpersons

In addition to the matters above, the Board also considered and reviewed a number of additional items as detailed below.

The Board approved a new Treasury Policy during the year, which clearly set out the treasury risks that the Company faces and documented our approach to managing those risks.

The Board also approved a Capital Allocation Policy; this has been set against a backdrop of good profit performance and a cash generative business. The capital available to allocate to investing in the business and creating shared value is the cash the business generates and the available funding. The capital will be allocated across three areas being organic growth, bolt-on strategic acquisitions and returns to shareholders.

Outside of the normal Strategic session that the Board holds in October, the Board received presentation and updates on some of the key strategic priorities of the Group:

• The Group’s plans to grow Project management both organically and globally.
• An update on renewables and the opportunities that were available through offshore wind projects as well as an update of the contracts secured to date.

In addition, the Board received the following presentations from management:

• On the impact that the long lockdown was having on the Netherlands business and the plans to rebuild and drive the business forward out of lockdown.
• From the Group Marketing Director on the Company’s program of “Influencing Conversations to Win” the goals of which were:
  − Building employees confidence to have different types of conversations with clients.
  − Learning to view the buying process from the client’s perspective.
  − Having a better understanding of what we do across RPS and how we cross-sell services to add value for our clients.
  − Leveraging these outcomes to enhance relationships with clients.

At the time of the latter presentation, 233 employees had gone through the 12-week program, with plans to extend it across all Segments of the business.
Detailed papers are available in advance of Board meetings in support of relevant agenda items through a Board portal. The Company Secretary assists the Chairman in ensuring that Board procedures are followed and is available to assist Directors generally as well as advising on matters of corporate governance.

Prior to the holding of a majority of the Board meetings, the Chairman will either hold a private session with the Non-Executive Directors, or phone each Director individually to discuss the forthcoming business of the meeting and any particular issues they should focus on, or areas of concern they may wish to raise. Outside of Board meetings, the Chairman holds regular discussions with all Directors on issues that may arise between meetings and to provide briefings. The Non-Executive Directors met once during the year without the Chairman present.

**Meetings Attended by Directors during the year**

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<th>Remuneration Committee</th>
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<td>Liz Peace</td>
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**Conflicts of Interest**

Each Director is required to declare any matters that may give rise to a conflict of interest with the Company on appointment and subsequently as they may arise, in accordance with the Companies Act 2006. Where such a conflict or potential conflict arises, the Board is empowered (under the Company’s Articles of Association) to consider such conflicts and authorise as appropriate and subject to such terms as the Board deems relevant. No such conflict arose during the year under review.

**Independent advice**

There is an agreed procedure for Directors to take independent professional advice at the Company’s expense. The Company maintains Directors and Officers liability insurance.

**Board performance and evaluation**

During the year, the Board conducted an internal evaluation of its performance, the performance of the Committees and the individual Directors, which was overseen by the Chairman. The evaluation of the Chairman was overseen by the Senior Independent Director. The Board Evaluation consisted of each Director receiving a questionnaire which they were asked to complete and return to the Company Secretary and the Chairman and this formed the basis for one-to-one discussions held between the Chairman and the individual Directors. Having received feedback from Directors, the Board concluded that this previously adopted method continued to be the best methodology for evaluation purposes.

The Board review identified a number of items for prioritisation during the year:

- To progress the process of refining the overarching Corporate Strategy for the Group.
- To further develop the succession plans for Board executive directors.
- To consider plans for refreshing Board membership taking into consideration the Parker Review recommendations relating to ethnicity and that a number of Non-Executive Directors are approaching six years’ tenure.
An evaluation of the Chairman was conducted by the Senior Independent Director who spoke with the Chief Executive Officer and Group Finance Director, discussing their working relationship and interaction with the Chairman. The Senior Independent Director then held a meeting with the Non-Executive Directors where she reported on her discussions with the Chief Executive Officer and Group Finance Director.

The Senior Independent Director also reviewed a number of areas: the Chairman's time commitment to his role; his leadership style; his ability to engage the Board and Committees in discussions by drawing on their skills, experience, knowledge and, where appropriate, independence; setting an effective agenda for the Board; acting on the results of the Board evaluation; and working well with the Chief Executive Officer. The Board concluded that the Chairman continued to perform a strong role on behalf of the Company and has an open dialogue with all members of the Board. This included speaking frequently to Board members prior to and after Board meetings to seek their views.

**Number of Directorships Held by the Chairman**

There have been concerns raised in the past regarding the number of directorships held by the Chairman. Liz Peace, as Senior Independent Non-Executive Director, has discussed these issues with our shareholders in meetings and via open letters that were published in both our 2019 and 2020 Annual Report. During the Chairman Evaluation process undertaken in the year, Liz Peace discussed at length with the Board the Chairman's time commitment. The Board remained of the firm view that the Chairman devoted more than adequate time to his duties at the Company, had never been unavailable when needed or been prevented or distracted from giving the issues at hand the time and attention that they deserve.

We have previously pointed out that the Chairman does not hold a full-time executive role and that taking into account his other directorships has more than enough adequate time during a working year to fulfil his duties and that this left him with more than sufficient free uncommitted time to deal with any unseen issues or problems.

It should be noted that the Chairman has now stood down as a director of Blue Prism plc following the delisting of that company. In addition the Chairman has informed the Board that following the shareholder support in December 2021 of the resolution put to the investment company Gresham House Strategic plc (now renamed Rockwood Realisation plc (“Rockwood”)) placing it into run-off, Rockwood will be appointing a new Chair who will be reviewing the composition of the Board and at which time Ken Lever’s position on that board will be considered. The Board of RPS believes that the Chairman plays a pivotal role in helping drive the strategy of the Group and remain fully supportive of the role and guidance he provides to the Company, particularly in these continued challenging times.

**Training and induction**

Directors receive information on the Company as well as the Board and its procedures on appointment. They also meet with other members of the Board to be briefed on strategy, financial matters and other key issues. Advice is available from the Company’s solicitors, auditor and brokers if required.

Updates on key technical matters are provided as required including those relating to corporate governance and corporate social responsibility. During the year, the Chairman and Non-Executive Directors met with and received presentations from members of the Group Leadership Team as well as engaging with the Group’s wider business activities more generally.

The Non-Executive Directors have access to a training academy managed by Deloitte LLP.

**Communication**

The Company attaches great importance to communication with its shareholders and other stakeholders. The Group website includes financial presentations, general information about the Group and its services, as well as regular corporate reporting including public details on projects the Company is engaged on.

In addition to presenting financial results, the Executive Directors hold meetings with the Company’s principal shareholders to discuss the Company’s strategy and performance. The Chairman
and Senior Independent Director also meet with major shareholders from time to time. An investor relations update is provided at all regular Board meetings to ensure that the Board is kept aware of the views of larger shareholders and the investment community generally.

The Chairman of each of the Board Committees attends the Annual General Meeting and is available to answer questions.

Compliance with the Code
The Board complied with the provisions of the Code throughout the year, with the exception of provision 38 in respect of which the pension of the Chief Executive was not fully aligned with that of the workforce. The Board has previously informed shareholders in the past its intention to bring his pension contribution down to 15% over time. Following this year’s pay review, we can confirm that the Chief Executive’s pension contribution has now reduced to 15%. Whilst the Board recognises that this is still not in compliance with the Code, it does not intend to reduce this any further. As stated in our Remuneration report on p. 116 and the Chair’s letter on p. 112, it is consistent with the fixed remuneration which was agreed with John Douglas when he joined the Company. In future, the pension contributions of all new appointees to the Board, including any future Chief Executives, will be in line with the wider workforce.

Descriptions of how the Board complies with the principles of the Code can be found on the following pages:

Board Leadership and Company Purpose — Our stakeholders report refers to how we engage with our stakeholders (see pages 44 to 50). We further developed our purpose and behaviours in the year and this can be found in the People report (see pages 24 to 28).

We further talk about the Board’s activities and action taken in relation to its assessment and monitoring of culture on p. 96. Our codes and associated policies ensure our workforce can meet our expected values (see pages 78 and 79).

Division of Responsibilities — We clearly define in this report the roles of the Chairman, the Chief Executive and the Non-Executive Directors (see pages 96 and 97). We also consider external appointments prior to Board approval to ensure there is no compromise on time commitment. The Directors also took into account the time commitment of the Chairman, whose ongoing tenure the Board fully supports (see p. 100).

Composition, Succession and Evaluation — We have a clear process when considering appointments to the Board and are further developing our succession plans (p. 104). Our Board biographies demonstrate the skills and competencies of the Board and the areas in which they contribute to the long-term success of the Company (see pages 88 to 90). The results of the Board evaluation and items to progress during the year are discussed on p. 99.

Remuneration — The report of the Remuneration Committee and how we apply the remuneration policy and determine Executive Director and Group Leadership Team remuneration, are discussed on pages 110 to 142. No Director is involved in deciding their own remuneration.

Audit, Risk and Internal Control — We understand the importance and benefits of ensuring that both the internal audit function and the external auditor remain independent and that the Report and Accounts present a fair, balanced and understandable assessment of the Company’s position. This is discussed further in the Audit Committee Report on pages 106 to 109. The effectiveness of our risk control environment is reviewed by the Board who considered both emerging risks and principal risks during the year (see pages 52 to 60).

The only instance where practice varies from the principles of the code is in relation to the Company’s Whistleblowing policy, which is overseen by the Audit Committee. The Board has previously reviewed the current structure of the Company’s whistleblowing arrangements, concluding that, in the first instance, the Whistleblowing policy should remain under the remit of the Audit Committee, but with the addition that any incidents reported through the policy be reported to the Board together with recommendations for follow-up actions or processes to be instigated.

As all Board members attend meetings of the Audit Committee either as a member or an invitee, it is to be expected that the Board will be aware at all times of any incidents that arise in this area.
Risk management and internal controls
Overview
The Board retains overall responsibility for setting the Group’s risk appetite as well as risk management and internal control systems. The Board has maintained procedures in accordance with this throughout the year and up to the date of approval of the financial statements, as recommended in the UK Corporate Governance Code and the supporting document issued by the Financial Reporting Council ‘Guidance on Risk Management, Internal Control and Related Financial and Business Reporting’.

The principal risks to which the Group is exposed and the measures to mitigate those risks are described on pages 53 to 60.

The key procedures established by the Company’s Directors to ensure effective internal financial controls are:

Financial reporting
The Financial results for the Group are reviewed at each Board meeting. The detailed formal budgeting process for all Group businesses culminates in an annual Group budget approved by the Board.

Financial and accounting principles and internal financial controls assurance
The Group’s accounting policies, principles and standards for effective financial control are clearly communicated to all its accounting teams and are monitored by the Internal Audit Manager through periodic detailed reviews to ensure close adherence to policies and procedures as well as to identify any control weaknesses.

Capital investment
The Group has clearly defined guidelines for capital expenditure. These include detailed appraisal and review procedures as well as due diligence procedures in respect of potential business acquisitions.

Treasury
The Group operates a central treasury function that undertakes required borrowing and foreign exchange transactions as well as daily monitoring of bank balances and cash receipts. Appropriate payment authorisation processes are in place throughout the Group. Speculative trading in financial instruments is not permitted.

During the year the Committee approved an updated treasury policy which established risk appetite and a more rigorous approach to risk management.

Base controls
An internal controls self-assessment system is operational throughout the Group. Within this, the Finance Directors of the Group’s operating units regularly assess their operational controls against a standard base control set, in order to identify and mitigate any shortcomings effectively and inform new controls where appropriate.

Delegated authorities
A system of delegated authorities is in place throughout the Group, whereby incurring expenditure and assumption of contractual commitments can only be approved by specified individuals and within pre-defined limits.

Review and reporting
Internal controls and in particular any failures are reported to and reviewed at Group and operating Board meetings to facilitate effective implementation of system changes wherever required. The Audit Committee maintains a brief to keep the overall internal control systems under review. A detailed review of the Group’s internal control system and risk management was undertaken and reviewed by the Board during the year. The Board and the Audit Committee were satisfied that the systems in place are appropriate and effective.

Annual review
A detailed report of the Group’s systems of risk management and internal control was prepared during the year. Having reviewed and discussed this report, the Board was satisfied that these systems are effective.

The respective responsibilities of the Directors and the independent auditor in connection with the financial statements are explained on pages 85, 86, 151 and 152. The statement of the Directors in respect of going concern appears on p. 61. The long-term viability statement is on pages 61 and 62.

Takeover directive
Disclosures required under the Takeover Directive are included on p. 87 and form part of the Report of the Directors.
I am pleased to report to shareholders in my capacity as Chairman of the Nomination Committee. This report outlines the key responsibilities of the Committee and activities during the year.

Membership and Meetings
I and all of our Non-Executive Directors, Allison Bainbridge, Catherine Glickman, Michael McKelvy and Liz Peace, are members of the Committee. The Company Secretary acts as secretary of the Committee while Executive Directors and external agents may be asked to attend as required. The Committee met once during the year under review.

Responsibilities and activities
The Committee’s key responsibilities include reviewing the Board structure, size and composition, as well as evaluating the balance of skills, knowledge and experience which may be required in the future and making recommendations to the Board accordingly. It is also responsible for nominating candidates to the Board when vacancies arise, recommending retiring Directors for re-election as relevant, and where appropriate considering any issues relating to any Director’s continuation in office. The Committee also maintains an ongoing brief to consider succession planning at Board and Senior Executive level.

All of these activities were undertaken during the year, some of which are described in more detail below. The Committee has written terms of reference, which are available on the Company’s website.

Board changes
There were no changes to the Board during the year.

Election and re-election of Directors
As in previous years and in accordance with the UK Governance Code, all Directors will stand for re-election at the Annual General Meeting. The range of skills and experience offered by the current Board is mentioned above and set out in full on pages 88 to 90. The Committee and the Board consider the performance of each of the Directors standing for election or re-election to be fully satisfactory and that they have demonstrated ongoing commitment to their roles. The Board strongly supports the election or re-election of all Directors and recommends that shareholders vote in favour of the relevant resolutions at the Annual General Meeting.

All of our Non-Executive Directors bring their skills and expertise to the Board:

- Ken Lever, our Chairman, has extensive experience of listed companies both in the UK and at an international level
- Liz Peace brings her property experience, which is especially relevant to the planning and development that RPS undertakes
- Catherine Glickman has 40 years of HR expertise, which is key to our strategic priority of making RPS a great place to do great work and brings considerable HR knowledge in her role as Chair of the Remuneration Committee
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- Allison Bainbridge is the recognised person on the Board having relevant financial experience from her role as Group Finance Director of Vp plc and has considerable knowledge and experience of the UK water and utilities sectors, which is particularly relevant to our Services segment.
- Michael McKelvy has deep expertise in infrastructure and environmental engineering acquired from senior roles over many years including at CEO level and has considerable knowledge of the North American market.

Succession planning
The Committee reviewed in some detail the succession planning for the Company. In 2020, the Group started to formulate a talent and succession planning framework built around a number of guiding principles. A talent and succession planning review took place across the Group Leadership Team and their direct reports within the business. A further review is due to take place in 2022, across the whole of the Senior Leadership Group and at the same time to identify emerging talent. The Committee noted that the introduction of the Succession Planning Framework and the taking of a proactive approach to succession planning had been positively received within the Company.

During the year, Diane Christensen, who was the Head of HR for our Australia Asia Pacific business replaced Liza Kane as the Group People Director. Meanwhile, Meegan Sullivan, who was our Executive Director — Advisory for Australia Asia Pacific replaced Ross Thompson as Chief Executive Officer for Australia Asia Pacific. These appointments continue to emphasise the strong talent pool that exists among the Management Team and the Company will continue to embed the framework in the business and provide our people with options for the future.

Diversity
The Committee is aware that the Code places an increased emphasis on the role of the Nomination Committee in the areas of diversity and inclusion. To achieve our purpose of creating shared value, deliver on our promise to “make complex easy” for our clients and provide our people with “a great place to do great work”, we aim to create and support a diverse and inclusive network.

We are committed to embedding diversity and inclusion principles in all people processes in order to be as diverse as the communities and clients we work with, thereby securing, developing and retaining the best available talent for the Company’s future.

The Your Voice Survey scored highly amongst our employees in believing that RPS treats employees fairly regardless of their age, family/marital status, gender, disability, race/colour, religion or sexual orientation, scoring above industry benchmarks at 83%.

The Committee is aware of the Parker Review, which seeks to improve the ethnic and cultural diversity of UK Boards to better reflect their employee base and the communities they serve. It is mindful of the recommendation towards a “One by 2024” target, to have at least one director from an ethnic minority background on the Board by December 2024.

When considering appointments to the Board, the Committee evaluates the skills, experience and knowledge required for a particular role with due regard to the benefit of diversity. While the Committee will look to recruit the best available candidate for any role, the Group has previously set and announced a target that a minimum of 25% of its Board should be female.
We continue to make great strides with gender diversity. Females now form the majority of our Board — the split in their favour being 57:43. This is a notable landmark and is considerably higher than the Government’s target of having 33% of women on FTSE350 Company boards by the end of 2020. During the course of 2022, we will take account of the Parker Review when considering the composition of the Board, and what, if any, changes need to be made.

We continue to increase the number of females in our Group Leadership Team with the ratio of females rising from 27% to 36% in 2021.

Further information on gender balance is also given in the People Report. The Committee is pleased to report these trends and believes that the enhanced balance of skills this has brought will be an important component in achieving the Group’s strategic priorities.

Ken Lever
Chairman
15 March 2022
I am pleased to present our Audit Committee Report for the year ended 31 December 2021. The report describes the Committee’s ongoing responsibilities as well as major activities undertaken in the year and its policies in key areas.

Membership and meetings
The Committee constitutes Liz Peace, Catherine Glickman, Michael McKelvy and myself. There were no changes to the membership of the Committee during the year.

As the serving Finance Director of a fully listed public Company, I am identified as the Committee member having recent and relevant financial experience, although the Board considers that all members of the Committee have the experience that is relevant to the role. The Company Secretary acts as secretary of the Committee.

We hold three meetings during the year, one to consider audit planning and one to coincide with each publication of the Group’s annual and interim financial results. Other matters that fall within the Committee’s terms of reference are included on the agendas of these meetings, as required. The Group Chairman, Group Chief Executive and Group Finance Director all attend the Committee’s meetings and members of the Group Finance team are asked to attend from time to time. The Deloitte Audit Partner and Director also attend meetings and in addition, a private session with the Committee without executive management present is held at least once a year.

Responsibilities and activities
The Audit Committee provides an independent overview of the effectiveness of the financial reporting process and internal financial control systems. The Committee also has responsibility for the appointment of the external auditor, including agreeing to its terms of engagement at the start of each audit, the audit scope and the audit fee.

After the full-year audit the Committee receives a detailed report from the auditor. The Committee reviews this report, as well as the integrity of the financial statements. This includes ensuring that statutory and associated legal and regulatory requirements are met as well as:

- considering significant reporting judgements and estimates
- the adoption of appropriate accounting policies and practices and compliance with accounting standards

It also incorporates consideration of significant accounting issues, as detailed below, and advises the Board about the fairness, balance and understandability of the Annual Report.

The Committee monitors the external auditor’s effectiveness, independence and objectivity, including the nature and appropriateness of any non-audit fees. The Committee additionally assists the Board in monitoring and reviewing the Group’s system of internal control and risk management, as described in the Corporate Governance Report. As part of this it reviews the Group’s Whistleblowing Policy. This provides a mechanism whereby employees may, on a
confidential basis, raise concerns where they discover information or observe behaviour that an employee believes shows serious malpractice or wrongdoing within the Group. There have been no whistleblowing reports made during the year.

All the activities detailed above were undertaken in the year, several of which are described in more detail below. The Committee’s detailed terms of reference can be found on the Company’s website.

**Significant accounting issues**

In respect of the year under review and as part of its role in reviewing estimates and judgements made by management, the following significant issues were reviewed and, in each case, addressed as indicated.

**Intangible assets**

This classification of assets is by far the largest on the Group balance sheet and as such receives careful attention from the Board and Committee who need to be satisfied that its carrying value is appropriate.

Goodwill impairment testing is normally undertaken on 30 November each year.

The Board and the Committee considered the appropriateness of the CGUs for goodwill testing along with the assumptions and estimates used in the modelling, including forecast 2021 performance, approved budgets for 2022 and the three-year strategic plan.

It was concluded that there were no indicators of impairment across the Group in 2021 and that no impairment charges were necessary.

**Income statement classifications**

In 2020, the Group began to report on Fee Revenue, Adjusted Operating Profit and Adjusted Profit Before Tax. Following the introduction of these measures, the Group Finance Director recommended that the Company now had comparable information to be able to report on Gross Profit and Administrative Costs in the 2021 year end income statement disclosure. The Board and Committee accepted the Group Finance Director’s recommendation.

**Contingent liability**

The Board and Committee considered in detail potential issues regarding RPS’ administration of government contracts and/or projects in the US. RPS has informed the US government of these potential issues and is continuing to identify the implications, if any, of the conduct under review. The related employment claims against the Group were also considered.

After careful consideration, the Board and Committee are satisfied that, at this stage, the impact (if any) is unknown and that it is not appropriate to recognise a provision in respect of these matters at this time. The Board and Committee are also satisfied that it is appropriate to treat these matters as contingent liabilities.

**Exceptional items**

The Group has presented exceptional items in the Income Statement since 2019. A paper was presented to the Committee detailing the items in question and confirming that those items are significant in quantum, treated consistently with prior years and are expected to be non-recurring. The Board and Committee are satisfied that it is appropriate to separately disclose those items.

**Recoverability of trade receivables and accrued income**

Potential risks arising from trade debtors not collected and/or non-billable accrued income therefore being overstated in the accounts are considered by the Board at its regular meetings as part of its review of business performance.

The Committee does not consider this to be a key area of risk. The number of fee-earning projects undertaken by the Company at any time is significant and there are relatively few that are individually material. The procedures in place for recognising such revenue are well-established and a good level of assurance is secured through the Committee’s comprehensive financial review of monthly results.
Other Matters Considered by the Committee:

Treasury Policy
The Board approved a fully updated Treasury policy during the year. One of the key pieces of work done to support the new policy was to identify and document the Treasury risks that the Group faces and determine our risk appetite and approach to managing these risks. The Committee was presented with a report on each key risk that had been identified and described along with the certainty of any cash flow and income statements movements associated with those risks. The document describes the risk management objective for each of the risks usually to either minimise income statement volatility or to protect the cash value of transactions. The Committee was satisfied following the review that the treasury risks are being appropriately managed.

Risk Management Framework
The Audit Committee received a presentation from management on how risk reporting could be improved across the Group. A systemic approach was adopted complementing the existing risk policies, procedures and activities for health, safety and wellbeing across the business. The approach includes three key components of how risk management will be reported across the business. Firstly, a standard risk register to report ongoing management of the Group principal risks, and secondly, a standard risk register for reporting of the key risks for each business segment and Group function, both of which will be reviewed by the Board every six months. The third component involves standardisation of the way emerging risks and opportunities are reported in the monthly Segment and group function reports.

Internal Audit reviews COVID-19 lessons learned
The internal audit reviewed our response to COVID-19, the aims of which were to capture the knowledge gained from responding to the pandemic, to identify what changes had been made to internal controls and, for those changes which strengthen our way of working, to assess whether they have been embedded in our policies, procedures and systems to enhance our resilience for future crisis management.

The overall consensus from the leadership team was that the Company managed well in responding to the many challenges caused by the pandemic.

Fair, balanced and understandable view
Having reviewed the Annual Report and Accounts, the Committee concluded and advised the Board that in its view, taken as a whole, it is fair, balanced and understandable. The Board concurred with the Audit Committee’s recommendation. In reaching this conclusion, the Committee and the Board were satisfied that the Group’s performance across its segments, business model, strategy and key risks are also clearly explained in the relevant sections.

New accounting standards
No new or revised accounting standards or interpretations that have a material impact on the Group have been adopted or early adopted for the first time in the year.

Auditor independence
Deloitte LLP was appointed as Group auditor in June 2012 following a tender process. As a matter of general policy, audit partners are rotated at least every five years and in accordance with requirements, the Group’s policy is that the Group audit appointment should be retendered at least every 10 years. The Board intends to put the audit out to tender in time for the 2022 audit.

The Group audit partner is Alex Butterworth who performed his first audit of the Group in 2019. Alex has informed the Group of his intention to retire in 2022 and has identified Peter Gallimore as his replacement. The Committee ensures that the Group auditor remains independent of the Group and reviews this on an annual basis, Deloitte will provide a written report to the Committee showing its compliance with professional and regulatory requirements designed to ensure its independence.
In addition, and as part of its responsibility to ensure audit independence and objectivity, the Committee has adopted a policy in relation to the use of the auditor for the provision of non-audit services. Under the terms of this policy, the provision of certain services is prohibited, including those listed below:

- Bookkeeping services
- Valuation services
- Investment advisory, broker and dealing services
- General management services
- Preparation of financial statements
- Design and implementation of financial systems
- Taxation services

Notwithstanding the general prohibition in respect of certain services, any other non-audit service to be provided by the Group auditor requires the approval of the Group Finance Director who will in turn refer the matter to the Audit Committee should any potential for conflict exist. The split between audit and non-audit fees for 2021 appears in note 11 in the consolidated financial statements.

Re-appointment of auditor
As noted above, the Audit Committee keeps the scope, cost and effectiveness of the external audit under review before making recommendations as to the annual re-appointment of the auditor. This assessment is based upon the Committee’s interactions with the external auditor throughout the year and the quality of the reports, advice and guidance received. The Committee also receives feedback from finance teams across the Group on the effectiveness of the audit covering areas such as procedures performed, suggested process improvements, competency of audit teams and their understanding of the Group and markets in which we operate, and adherence to our timetables.

The Committee is satisfied that Deloitte continues to provide an effective service across the Group and accordingly recommended to the Board that a resolution to re-appoint Deloitte as auditor be proposed at the Annual General Meeting.

Internal control and audit
The Committee also monitors the ongoing effectiveness of the Group’s internal financial controls and risk management processes as described on p. 102 as well as assisting the Board with its annual assessment of this area. Internal audit within the Group is undertaken by the Internal Audit Manager, who has a dual reporting line to the Chairman of the Audit Committee and the Group Finance Director. The Internal Audit Manager undertakes a planned program of reviews across the Group’s operations that is approved in advance by the Audit Committee. Detailed reports are produced following each review and related follow-up actions identified. Summary reports are provided to the Audit Committee for consideration.

Allison Bainbridge
Chair of the Audit Committee

15 March 2022
Dear Shareholder,

This year, as we have navigated out of the pandemic, I would like to thank fellow Board and Committee members, the Group Leadership Team and all our colleagues at RPS for their continued commitment, professionalism and flexibility throughout. This letter together with the People section on pages 24 to 28 outlines decisions made in relation to reward during 2021 along with our intended plans for 2022. You will find the Annual Report on Remuneration on pages 111 to 121.

Throughout the year, our reward decisions have continued to be guided by our established reward principles. We adopt a fair, prudent and balanced approach that considers the experience of our employees, shareholders and other stakeholders. Decisions for the Executive Directors are taken in the context of decisions for the wider workforce and within the policy approved by shareholders.

Last year, we said fee growth with a continued focus on tight cash management and lock-up days was key to sustainable, profitable growth.

The reports from the Chair, CEO and Group Finance Director all describe the progress we have made this year. Whilst we continue to navigate the pandemic and new challenges are emerging – including inflation and the battle for talent – overall, we are a stronger business today than we were before the pandemic struck. 2021 has been a year of solid progress. We have returned to growth on both fee revenue and profit; our contracted order book has strengthened and we have maintained strong financial disciplines, ending the year with a best-in-class lock up result and a strong balance sheet. We have reinstated dividends to shareholders and seen the share price grow from the low in 2020. For colleagues, we have retained jobs and capability whilst growing our absolute headcount, investing in reward and development; we are pleased with the results of our employee survey given the challenges the business and our people have faced.

BUSINESS HIGHLIGHTS

The following metrics are relevant to remuneration outcomes:

- Adjusted Profit Before Tax with benefit of CJRS — £21.5m
- Fee growth — 5% (at constant currency)
- Average lock up days — 57
- Refinancing of banking facilities completed
- Cash conversion over three years of 134%
- Reinstated dividends
- Employee engagement up 3%
- Path to NetZero published and science-based targets approved.
**Pay Policy**

Our pay policy for Executive Directors is to target the median for the relevant market taking into account both geography and role. Annual percentage increases, should they be awarded, are generally consistent with the range awarded across the Group. Percentage increases in salary above this level may be made in certain circumstances, such as a change in responsibility or a significant increase in the scale of a role, or the Group’s size and complexity.

Individuals who are recruited or promoted to the Board may on occasion have their salaries set below the targeted policy level until they become established in their role. In such cases, subsequent increases in salary may be higher than the average until the target positioning is achieved.

Further information on RPS’ pay for performance culture can be found on page 28 of our People Report.

During the year, there has been a focus on fee growth and strong financial management by the Group Leadership Team as we work our way through the lasting impacts of the global pandemic. In what has been a challenging season for many people, we have continued to support our employees and successfully launched flexible benefits in the UK. In addition, we continue our efforts to engage with our employees on a regular basis and carried out an engagement survey during the year which saw 85% participation and a 3% improvement in engagement.

**2021 AGM voting out-turn**

The Committee was disappointed with the out-turn of the AGM with 31% of our shareholders voting against the Remuneration Report. We would like to thank all shareholders who engaged with us following the vote to discuss their concerns and reasons for voting against.

The majority of our shareholders referenced the leaver treatment for our former Finance Director, Gary Young, upon his retirement as the main area of contention. In particular was the notice period which began on the date of AGM rather than the date of his leaving announcement in February 2020. We understand the strength of our shareholders’ views on this topic, i.e. when a Director makes the decision to step down from the Board, they should receive payment in line with their contracted period of notice. We will take this feedback into account when decisions are made for any future departing directors.

**Remuneration Policy Extension**

Our remuneration policy was last approved by shareholders in December 2019 and so we are required to further put a policy to shareholders by no later than December 2022. It is our intention to review our remuneration policy during 2022 but in the interim, and in order to align policy renewal to our corporate cycle, we are asking that at the forthcoming AGM shareholders allow us to carry forward our current remuneration policy. This is subject to minor change relating to pension contributions. Any Executive Director appointed after 1 January 2020 (which includes the current Group Finance Director) will receive an employer pension contribution in line with that available for the wider workforce in the relevant market and with equivalent service. In addition, the pension contribution of the Group Chief Executive is shown at 15% having now been reduced from 20%.

**2021 Variable Incentive Outcomes – Rewarding Fee and Profit growth**

**Annual Bonus for employees**

Bonuses play a key part in retaining employees in professional services and in allowing us to manage our cost base flexibly. The Annual Discretionary Bonus Plan (ADBP) rewards our employees for performance and gives them a share in the success of the business. This year followed our normal cycle and we were able to pay bonuses in April, according to performance against the relevant targets.

**Executive Director Short-Term Annual Bonus Plan (STABP)**

The Remuneration Committee reviewed the out-turn of the FY21 STABP. The results for the year were as follows:

- **Adjusted profit before tax:** above target achievement with £21.5m. Out-turn adjusted, see paragraph below
- **Fees:** £476m, achieving 45.6% of maximum for this measure
REMUNERATION COMMITTEE REPORT
CONTINUED

- Lock-up days: 57 days against a target range of 66–61 days, a lock up result that is best in class
- Personal objectives: 55% of maximum for John Douglas and 80% of maximum for Judith Cottrell.

Given the significant progress in 2021 — and no award under the STABP in 2020 — the Committee were unanimous that the performance of the business this year warranted payment to the Executive Directors under the STABP. The Committee considered the out-turn against each of the elements, and agreed that the formulaic outcome would be adjusted. During FY21, the company has claimed a modest sum — £370,000 — from the Coronavirus Job Retention Scheme (CJRS) or “furlough scheme”. Early in the pandemic, the EDs agreed employee retention was a key objective: they have used the scheme to maintain headcount, at a time when greater short-term cost reductions could have been made by reducing head count. The Committee felt this approach was responsible and in the best long-term interests of the Company, its employees and other stakeholders, but did not consider it appropriate for the bonus out-turn to include the benefit. The decision impacts the Adjusted PBT number for bonus purposes, reducing it for the calculation from the actual result of £21.5m to £21.1m. The impact on the bonus out-turn is to reduce John Douglas’s bonus by £27,970 from 59.7% of maximum to 56.1% and Judith Cottrell’s by £12,337 from 62.2% of maximum to 58.6%. 50% of any bonus paid is typically deferred into shares.

To date, John Douglas, our CEO, has voluntarily chosen to invest any cash element of bonus out-turn fully in shares. This, combined with John’s significant personal investment including at the placing, results in him being the Group’s 24th largest shareholder and the largest individual one.

Executive Long-Term Incentive Plan (ELTIP)
The three-year ELTIP is linked to the long-term growth of RPS, with performance metrics linked to total shareholder return (TSR), earnings per share (EPS) growth and cash conversion. The 2019 award will mature in March 2022: the cash conversion will be achieved in full with TSR and EPS both being below threshold. As a result, the projected vesting will be 25% of maximum. Further details are provided in the Report on pages 118 to 120.

Remuneration Decisions for 2022
Fixed Pay
RPS will be awarding salary increases to the wider workforce in recognition of their continued commitment, resilience and professionalism. On average, UK increases will be 3.5% with some segments in the UK receiving higher awards.

The Committee reviewed John’s salary and approved an increase of 3.5% effective 1 January 2022. In our 2019 report, we committed to reducing John’s pension contributions until it reaches 15% of salary. As such, from January 2022, the pension contribution will reduce from 16% of salary to 15% of salary. Whilst this is a higher pension contribution than that available to our wider workforce, it is consistent with the fixed remuneration agreed and detailed in John’s employment agreement. Once again, we thank our shareholders for their engagement and support on this matter.

Judith Cottrell was internally promoted to Group Finance Director and appointed as a Board Director in April 2020. Her salary was set lower than market expectations with the intention that there could be increases to her salary at a rate higher than general awards for employees as she became more established within role.

Over the last year, Judith has continued to demonstrate the skills and calmness of a seasoned Group Finance Director. She has successfully completed refinancing RPS’s banking facilities, tightly preserved cash so we are in a stronger position at year end, improved the capability and coherence of the Finance Team and under her sponsorship, delivered the key milestones of the ERP program for FY21. We thank our investors for their very positive feedback on Judith’s performance and successful collaboration with John. In recognition of this, and to ensure that she is paid fairly and competitively against her internal and external peers, we intend to increase her salary to £310,000 per annum with effect from 1 January 2022. We will continue to review Judith’s pay in future years to ensure it is fair and competitive rewarding her appropriately for her performance. Her pension contribution will continue at the rate of 7% of salary as available to the wider workforce with equivalent service, rising to 10% when she completes 10 years’ service in 2025.
FY22 Variable Incentives

The Committee has agreed that the 2021 STABP and ELTIP structures continue to be appropriate for the Executive Directors for FY22.

Targets under the 2022 STABP will be disclosed in the FY22 Remuneration Report as is usual due to market sensitivity. For FY21, we introduced ‘Fees’ with a weighting of 20% and replaced cash conversion with cash lock-up. This structure remains appropriate given the strategy of the business and the market context and will be retained for 2022. We believe average lock-up is a better annual target and removes historical duplication of cash conversion in the STABP and ELTIP.

Details of the FY22 ELTIP can be found on p.112. There are no changes to the metrics and weightings. We have revised the target range for cash conversion as 2022 will be a year of investment for RPS. As such, to ensure that the business is not dissuaded from making value-enhancing investment decisions, cash conversion target ranges will be revised from 80%–100% to 60%–90%. EPS targets will be published by the time of the interim results and in the 2022 Directors’ Remuneration Report.

Non-Executive Director Fees

During the year, we reviewed fees paid to our Chair and Non-Executives. We last increased the Chair’s fee in January 2019: effective from 1 January 2022, it will increase from £140,000 to £155,000. This recognises Ken’s contribution to RPS and is in line with the market. Base fees for Non-Executive Directors were last reviewed in 2017. The Board have agreed to simplify the fee structure and ensure it enables RPS to recruit and retain NEDs with the right experience and skills. From 1 January 2022, attendance fees have been removed; the base fee will increase from £45,000 to £52,500; the SID and Committee Chair roles will be paid £10,000. This positions the fees around median in the market and represents an effective increase of 9%.

In conclusion

We will continue to review any decision on Executive Director remuneration in the context of our broader workforce, stakeholders and shareholders. The Committee receives employee updates monthly, which include retention, morale, health and wellbeing, safety, reward, benefits and flexible working. We believe the decisions we have made this year align the experience of the Executive Directors with that of employees.

Both Ken Lever and I thank the shareholders that engaged with us in 2021 although the pandemic continued to restrict meeting in person. Please do contact us by emailing investor.relations@rpsgroup.com to discuss any aspect of this report and we will arrange a meeting in a format that works for you.

We very much hope that you will be happy to support the extension of the Remuneration Policy and the Annual Report on Remuneration.

Catherine Glickman
Chair of the Remuneration Committee
15 March 2022
## Remuneration at a Glance

### Summary of our current Remuneration Policy and structure for FY21

<table>
<thead>
<tr>
<th>Key reward component</th>
<th>Key features</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base salary and core benefits</strong></td>
<td>Competitive salary and benefits to attract right calibre of Executive</td>
</tr>
<tr>
<td><strong>Short-Term Annual Bonus Plan (STABP)</strong></td>
<td>Incentivise achievement of annual objectives</td>
</tr>
<tr>
<td>60% Adjusted PBT</td>
<td>Max potential 150% of salary for CEO</td>
</tr>
<tr>
<td>20% Fees</td>
<td>Max potential 125% of salary for GFD</td>
</tr>
<tr>
<td>10% Cash</td>
<td>Key financial KPIs and personal objectives</td>
</tr>
<tr>
<td>10% Personal</td>
<td></td>
</tr>
<tr>
<td><strong>Executive Long-Term Incentive Plan (ELTIP)</strong></td>
<td>Incentivise achievement of sustainable, strong, long-term performance, retain key individuals and align their interests with shareholders.</td>
</tr>
<tr>
<td>50% TSR</td>
<td>CEO Award up to 150% of salary</td>
</tr>
<tr>
<td>25% EPS</td>
<td>GFD Award up to 125% of salary</td>
</tr>
<tr>
<td>25% Cash</td>
<td></td>
</tr>
<tr>
<td><strong>Shareholding requirements</strong></td>
<td>Ensure material personal stake in the business</td>
</tr>
<tr>
<td></td>
<td>CEO: 200% of salary</td>
</tr>
<tr>
<td></td>
<td>GFD: 150% of salary</td>
</tr>
</tbody>
</table>

### Reward linked to performance. What did we do?

<table>
<thead>
<tr>
<th>Key reward component</th>
<th>What we have done</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base salary</strong></td>
<td>Increased salary for CEO by 2%, with corresponding 2% reduction in pension allowance, and GFD by 12% effective from 1 January 2021</td>
</tr>
<tr>
<td></td>
<td>CEO: £529,000</td>
</tr>
<tr>
<td></td>
<td>GFD: £280,000</td>
</tr>
<tr>
<td><strong>Short-Term Annual Bonus Plan (STABP)</strong></td>
<td>Bonus</td>
</tr>
<tr>
<td></td>
<td>CEO: £445,469 equating to 56.1% of maximum</td>
</tr>
<tr>
<td></td>
<td>GFD: £205,239 equating to 58.6% of maximum</td>
</tr>
<tr>
<td><strong>Executive Long-Term Incentive Plan (ELTIP)</strong></td>
<td>CEO: 858,023 shares, value of £793,500 at grant</td>
</tr>
<tr>
<td></td>
<td>GFD: 378,460 shares, value of £350,000 at grant</td>
</tr>
</tbody>
</table>

### ELTIP awards vesting in 2022

<table>
<thead>
<tr>
<th>Measure</th>
<th>Weighting</th>
<th>Performance Condition (20% vesting at threshold)</th>
<th>Result</th>
<th>Proportion Vesting</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSR</td>
<td>50%</td>
<td>Threshold of Median TSR Vest in full at upper quartile</td>
<td>Below Median</td>
<td>0%</td>
</tr>
<tr>
<td>EPS</td>
<td>25%</td>
<td>3% to 9%</td>
<td>Below Threshold</td>
<td>0%</td>
</tr>
<tr>
<td>Cash Conversion</td>
<td>25%</td>
<td>Threshold of 80% Vest in full for 100%</td>
<td>134%</td>
<td>100%</td>
</tr>
<tr>
<td>Total weighted result of amount vesting to Directors</td>
<td></td>
<td></td>
<td>25%</td>
<td></td>
</tr>
</tbody>
</table>

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114 Report and Accounts 2021
This Report details how the Company’s Remuneration Policy for Directors was implemented during the financial year ended 31 December 2021.

It has been prepared in accordance with the provisions of the Companies Act 2006, the Large and Medium-sized Companies, and Group’s (Accounts and Reports) Regulations 2008 (as amended in 2013) (the “Regulations”). An advisory resolution to approve this report and the Annual Statement will be put to shareholders at the forthcoming Annual General Meeting scheduled for 27 April 2022. The remuneration for the Executive Directors has been implemented in line with the policy approved by shareholders in 2019.

**Director remuneration for the financial year ended 31 December 2021 (audited)**

**Executive Directors’ total single figure remuneration**

The following table sets out the breakdown total of the remuneration received by each of the Executive Directors during the year under review, with the comparative figures for the prior financial year. Figures provided have been calculated in accordance with the Regulations.

<table>
<thead>
<tr>
<th>Executive Director</th>
<th>£000s</th>
<th>Base salary¹</th>
<th>Benefits¹, ²</th>
<th>Bonus</th>
<th>Long-term incentives</th>
<th>Pension⁷</th>
<th>Total fixed remuneration</th>
<th>Total variable remuneration</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Douglas</td>
<td></td>
<td>529</td>
<td>467</td>
<td>89</td>
<td>92</td>
<td>445</td>
<td>136</td>
<td>77</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td>93</td>
<td>703</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>581</td>
<td>1,284</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>77</td>
<td>729</td>
</tr>
<tr>
<td>Judith Cottrell¹</td>
<td>280</td>
<td>146</td>
<td>22</td>
<td>15</td>
<td>205</td>
<td>–</td>
<td>20</td>
<td>11</td>
<td>322</td>
</tr>
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<td></td>
<td></td>
<td>172</td>
<td>205</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>–</td>
<td>527</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>172</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. Judith Cottrell was appointed to the board on 30 April 2020 and the figures for 2020 pertain to her service from that date.
2. The increase in salary between 2020 and 2021 is partially accounted for the 20% reduction in salary between April and October 2020.
3. Benefits – the value for benefits for each Executive Director shown comprises a Company car or Company car allowance, private medical insurance, life assurance, tax advice, Group income protection and dividend and matching shares from the all-employee SIP. The SIP matching and dividend shares amount to £1,832 for John Douglas and £1,828 for Judith Cottrell.
4. In the case of John Douglas, the benefit figure includes the grossed-up value of a serviced apartment provided which, for 2021, amounted to a grossed-up value of £64,000.
5. Long-term incentives 2021 – this relates to the award made in 2019 and the projected vesting in March 2022; two elements are based on the three-year financial period ended 31 December 2021, and TSR will be measured on the 3rd anniversary of the award. Twenty-five per cent of the award is projected to vest (including dividend equivalents) and is calculated using the quarter four average share price of 123.93p per share. There is no gain from share price appreciation.
6. Long-term incentives 2020 – in respect of John Douglas, this relates to an exercise of 80,536 shares under the ELTIP which were exercised on 8 March 2021 at 95.4p per share. The value disclosed last year, £56,000, was based on the year end share price. There was no gain from share price appreciation between the award date and vesting date.
7. Pension – the Executive Directors are eligible to participate in defined contribution pension schemes or receive a salary supplement or a combination of the two, the value of which has been shown in the single figure remuneration for each.
ANNUAL REPORT ON REMUNERATION
CONTINUED

Pension allowance (audited)

RPS has committed to aligning pension contributions for any new appointees to the Board with those paid to the wider workforce. This approach was taken with the appointment of Judith Cottrell to the board; her pension contribution was cut from 10% to 5%, subsequently increasing to 7% when she reached her five-year anniversary.

As reported in 2019’s Annual Report, John Douglas volunteered to a gradual reduction in his pension contribution from 20% to 15%. While this is a higher percentage of salary than that available to the wider workforce, the total of salary and pension is consistent with the fixed remuneration detailed in John’s employment agreement on appointment as CEO in 2017. The Committee believes this is the most appropriate approach going forward and balances our commitment to the agreed terms provided to John while acting in the spirit of reducing pension contributions to align with those of the wider workforce. For 2021, John Douglas’ pension was reduced from 18% to 16% and will be reduced to 15% from 1 January 2022.

Short Term Annual Bonus Plan outcomes for the financial year ending 31 December 2021 (audited)

For 2021, John Douglas and Judith Cottrell had a maximum annual bonus opportunity of 150% and 125% of salary, respectively. For both Executive Directors, the 2021 annual bonus determination was based on performance against Adjusted PBT (60%), fee revenue (20%), average lock-up (10%) and personal objectives (10%). As covered in more detail in the Chair’s letter, discretion was applied to remove the impact of furlough from the bonus calculation. The proportion of the maximum due is 56.1% for the CEO and 58.6% for the GFD, both of which are lower than the average payment due for the 2021 ADBP which applies to approximately 300 of the most senior people in the organisation. Fifty per cent of any bonus due is subject to compulsory deferral into shares for a period of three years.

The table below shows the FY21 targets for each measure, actual performance and the amounts due.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Weighting</th>
<th>Performance required</th>
<th>Actual performance</th>
<th>John Douglas</th>
<th>Judith Cottrell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Profit Before Tax</td>
<td>60%</td>
<td>£17.8m (£0% vesting)</td>
<td>£21.5m (58% -&gt; 52%)</td>
<td>£250,145</td>
<td>£110,335</td>
</tr>
<tr>
<td>Fees</td>
<td>20%</td>
<td>£410.1m (£554.9m)</td>
<td>£476.1m (46%)</td>
<td>£72,331</td>
<td>£31,904</td>
</tr>
<tr>
<td>Cash lock-up</td>
<td>10%</td>
<td>66 days</td>
<td>57 days (100%)</td>
<td>£79,350</td>
<td>£35,000</td>
</tr>
<tr>
<td>Personal Objectives</td>
<td>10%</td>
<td>55% / 80% / 80%</td>
<td>£43,643 (55% / 80%)</td>
<td>£28,000</td>
<td></td>
</tr>
</tbody>
</table>

Bonus achieved for FY21
£445,469 (56.1%)  £205,239 (58.6%)

Note
1. The actual column shows the published result for adjusted PBT of £21.5m equating to 58.4% of the maximum. The figure used for the bonus calculation after removing the impact of furlough was £21.1m which equated to 52.5% of the maximum.
2. The amounts due under the Adjusted Profit Before Tax component are shown after the removal of the benefit of monies from the furlough scheme.
Performance against the personal objectives and the Committee’s assessment of performance for each Executive Director are set out in the table below.

| CEO objectives FY21 | | |
|---------------------|--------------------------|
| **Grow the business sustainably as we emerge from the pandemic** | • Grew Fee Revenue.  
• Improved Profit whilst investing in future business growth through people and other resources.  
• Progress made towards our business model targets of 5% organic growth and 10% margins.  
• Industry leading cash discipline: average lock-up days of 57 with strengthened balance sheet. |
| **Further develop RPS’ vision and strategy** | • An improved, tighter, strategy and budget process in 2021 produced high-calibre commercial insight to support decision-making on future plans.  
• Strong communication to shareholders through successful Capital Markets Day. |
| **Strengthen RPS’ sustainability credentials** | • Global Director of ESG and Sustainability appointed.  
• Development, approval and publication of science-based targets and a path to Net Zero.  
Grown our renewables business by leveraging our oil and gas expertise putting in place internal structures to connect renewables expertise around the business. |
| **Strengthen and develop the leadership team** | • Recent investment in robust succession planning and leadership development led to two key internal appointments to the Group Leadership Team (GLT): CEO, Asia Pacific and Group People Director. Both women, improved GLT gender diversity, benchmarking strongly against peers.  
• Strong credentials on gender diversity within the business maintained, including Board ratio 4F:3M and improved GLT diversity appointment of AAP CEO Meegan Sullivan. |
| **Build on the improvements in employee engagement** | • The second global employee engagement survey saw very significant improvements in perceptions of leadership (senior leadership effectiveness up 11%, line manager effectiveness up 6%, clear direction and objectives up 12%).  
• Participation rates for the survey increased 5% to 85%. Engagement increased 3% to 70%.  
• 85% of employees thought RPS took health safety and wellbeing seriously, supporting the strong and improving safety statistics.  
• Areas of focus identified for 2022 include “attraction, retention and development” and “a culture of innovation and creativity”. Very importantly, in a more inflationary era, we will work hard to build our employees’ understanding of the value that RPS provides to its clients. |
| **Further develop technology-enabled consulting solutions** | • Technology investment for tech-enabled consulting was prioritised, specifically solutions that delivered intelligent solutions focused on client experience.  
• Success with cloud-based data management, ocean science tech and the cross-sell of virtual consultation software.  
• First phase of a development centre in Malaysia was completed and is already near full utilisation.  
• Rollout of global Enterprise Resource and Planning (ERP) system was rebooted in 2021, with three successful rollouts in Australia. Further rollouts planned for 2022. |
ANNUAL REPORT ON REMUNERATION
CONTINUED

Group Finance Director objectives
FY21

Implement appropriate capital structure and review treasury policies

- Treasury policy updated and governance improved.
- A new, disciplined, capital allocation policy designed to maintain leverage within the Group’s target range announced in November 2021. The policy was well-received.
- Successful negotiation of two-year extension of the RCF and a replacement of the Pricoa loan notes on better rates.

Progress implementation of the ERP

- Steady progress with the implementation and management of associated risks of the ERP.
- Judith has played a key leadership role in the rollout of the system into Australia and management of the commercial position with Hitachi.

Improve engagement with investors and enhance reporting

- Judith quickly established a strong working relationship with the CEO. This was recognised by investors from whom she received strong support in 2021.
- A review of Group forecasting processes led to significant improvements to the quality and accuracy of forward-looking information, resulting in better commercial decision-making.

Effective leadership

- Judith is an effective and influential member of the group leadership team.
- Her stewardship of the global strategy and budget process resulted in significantly improved reporting, insight, and commercially astute outputs.

Continue improvements in cash management

- Judith led the business to again deliver best-in-class cash management.
- Judith continues to lead the company-wide focus on disciplined billing and cash collection, delivering average lock-up days of 57. An eight-day reduction on a strong performance in 2020.

Improve employee engagement within the finance function

- The finance function has benefited from several internal initiatives in 2021, including a reorganisation of the finance management structure.
- Regular, focused, global, and local department meetings were introduced in 2021. This has improved communication and led to improved engagement scores in the 2021 Your Voice employee survey compared to 2018.

Executive Long-Term Incentive Plan (“ELTIP”) awards vesting in the financial year ending 31 December 2021 (audited)

ELTIP awards that had been granted to John Douglas and Gary Young (previous GFD who retired at 30 April 2020) became exercisable during the year, subject to the achievement of performance targets. Twenty-five per cent of the award vested based on performance. No discretion was applied. The following table below shows the number of shares granted and the number vesting, including dividend reinvestment shares.
<table>
<thead>
<tr>
<th>Director</th>
<th>Date of Vesting</th>
<th>Number of shares granted at award</th>
<th>Shares vested after pro-rata</th>
<th>Number of shares that vested</th>
<th>Market price at date of grant</th>
<th>Market price at date of exercise</th>
<th>Value on exercise</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Douglas</td>
<td>08/03/2021</td>
<td>296,017</td>
<td>–</td>
<td>80,635</td>
<td>250.83p</td>
<td>95.4p</td>
<td>£76,831.34</td>
</tr>
<tr>
<td>Gary Young</td>
<td>08/03/2021</td>
<td>157,576</td>
<td>–</td>
<td>42,871</td>
<td>250.83p</td>
<td>93.01p</td>
<td>£39,876.03</td>
</tr>
</tbody>
</table>

Notes
1. The vested award made to John Douglas included 6,532 shares accrued as a dividend reinvestment under the rules of the ELTIP.
2. The vested award exercised by Gary Young included 3,477 shares accrued as a dividend reinvestment under the rules of the ELTIP.

**Executive Long-Term Incentive Plan (“ELTIP”) awards vesting in 2022 (audited)**

ELTIP awards that had been granted to John Douglas and Gary Young become exercisable on 7 March 2022 based on the EPS and cash conversion performance conditions at the end of 31 December 2021 and TSR at the date of vesting. The table below provides the information on the targets and performance for each measure. It is anticipated that TSR will not vest based on the current share price.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Weighting</th>
<th>Performance condition (20% vesting at threshold)</th>
<th>Result</th>
<th>Proportion vesting</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSR</td>
<td>50%</td>
<td>Threshold of Median TSR Vest in full at upper quartile</td>
<td>Below Median</td>
<td>0%</td>
</tr>
<tr>
<td>EPS</td>
<td>25%</td>
<td>3% to 9%</td>
<td>Below Threshold</td>
<td>0%</td>
</tr>
<tr>
<td>Cash conversion</td>
<td>25%</td>
<td>Threshold of 80% Vest in full for 100%</td>
<td>134 %</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total weighted result</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>25%</strong></td>
</tr>
</tbody>
</table>

The TSR comparator group is the FTSE All Share. The Remuneration Committee is satisfied that the vesting outcomes in respect of the ELTIP are appropriate and reflect the underlying performance of the Company and therefore no discretion has been applied. The value of these awards are reflected in the single figure table and amounts as at the date of vesting will be restated in next year’s DRR.
ELTIP awards granted in the financial year ended 31 December 2021 (audited)

The table below sets out the details of the ELTIP awards granted on 16 March 2021 to John Douglas and Judith Cottrell. Vesting will be determined according to the achievement of certain performance measures. The Committee believes that the current application of the ELTIP drives behaviours that are consistent with the Company’s purpose, promise, behaviours and strategy.

<table>
<thead>
<tr>
<th>Director</th>
<th>Type of award</th>
<th>Basis of award</th>
<th>Face value of award at grant date (£)</th>
<th>Number of shares under option</th>
<th>Vesting date</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Douglas</td>
<td>Nil cost options</td>
<td>150% of salary</td>
<td>793,500</td>
<td>858,023</td>
<td>16 March 2024</td>
</tr>
<tr>
<td>Judith Cottrell</td>
<td>Nil cost options</td>
<td>125% of salary</td>
<td>350,000</td>
<td>378,460</td>
<td>16 March 2024</td>
</tr>
</tbody>
</table>

Note
1. The number of shares to constitute these awards was calculated by reference to the average of the Company’s closing share price over the period 9–15 March 2021, being 92.48p.

The awards will vest subject to achievement of the following TSR and EPS targets over the performance period from 1 January 2021 to 31 December 2023. Targets for cash conversion have been set for the period 1 January 2022 to 31 December 2023: because of the exceptionally high cash conversion in FY20, it was difficult to set a sensible year 1 target, so suitably stretching targets have been set over a two-year period. The award is subject to a two-year holding period from the date of vesting.

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Weighting</th>
<th>Measurement period</th>
<th>Performance target</th>
<th>Vesting level (% maximum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Shareholder Return relative to the FTSE All Share</td>
<td>50%</td>
<td>Over the period to 31 December 2023</td>
<td>Upper Quartile</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Median to Upper Quartile</td>
<td>Pro-rata on a straight-line basis between 20% and 100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Below Median</td>
<td>0%</td>
</tr>
<tr>
<td>Average annual growth in Earnings Per Share (measured on a constant currency basis)</td>
<td>25%</td>
<td>Over the period to 31 December 2023</td>
<td>Between 8p and 12p</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Pro-rata on a straight-line basis between 20% and 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Below 8p</td>
<td>0%</td>
</tr>
<tr>
<td>Cash conversion</td>
<td>25%</td>
<td>Over the period 1 January 2022 to 31 December 2023</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Between 80% and 100%</td>
<td>Pro-rata on a straight-line basis between 20% and 100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>80% and below</td>
<td>0%</td>
</tr>
</tbody>
</table>

Share Incentive Plan ("SIP") awards granted in the financial year ended 31 December 2021 (audited)

The following table sets out the number and value of matching and dividend shares that were awarded to the Executive Directors under the all-employee Share Incentive Plan during 2021. Executive Directors participate in the SIP on the same terms as other employees.

<table>
<thead>
<tr>
<th>Executive Directors</th>
<th>Number of shares</th>
<th>Value of shares (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Douglas</td>
<td>1,383</td>
<td>£1,800</td>
</tr>
<tr>
<td>Judith Cottrell</td>
<td>1,383</td>
<td>£1,800</td>
</tr>
</tbody>
</table>

Shares are valued by reference to their price as at date of award.
Payments to past Directors (audited)
As disclosed last year, Gary Young received private medical insurance until 31 March 2021 at a cost of £529. His 2018 ELTIP award vested on 8 March 2021 at a value of £39,876 consisting of 42,871 shares at a price of 93.01p each, of which 3,477 shares related to dividend equivalents. There were no STABP payments made to Gary in 2021. His 2019 ELTIP award, which has been pro-rated for time, will be released in 2022.

Payments for loss of office (audited)
No payments for loss of office were made during the year.

Non-Executive Directors’ total single figure remuneration (audited)
The following table sets out the breakdown total of the remuneration received by each of the Non-Executive Directors during the year under review, with the comparative figures for the prior financial year. It should be noted that there was no change in fees between 2020 and 2021 other than the removal of the temporary 20% reduction in fees that applied between April and October 2020. Figures provided have been calculated in accordance with the Regulations.

<table>
<thead>
<tr>
<th>Non-Executive Director</th>
<th>Fee £000s</th>
<th>Fee £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Ken Lever</td>
<td>140</td>
<td>127</td>
</tr>
<tr>
<td>Allison Bainbridge</td>
<td>55</td>
<td>50</td>
</tr>
<tr>
<td>Liz Peace</td>
<td>60</td>
<td>54</td>
</tr>
<tr>
<td>Michael McKelvy</td>
<td>50</td>
<td>46</td>
</tr>
<tr>
<td>Catherine Glickman</td>
<td>55</td>
<td>50</td>
</tr>
</tbody>
</table>

Note
1. No fees are paid in respect of membership, or Chair, of the Nomination Committee.
Statement of Directors’ shareholding and share interests (audited)

Directors’ share interests as at 31 December 2021 or at date of retirement from the Board are set out below.

<table>
<thead>
<tr>
<th>Director</th>
<th>Number of beneficially owned shares</th>
<th>Interests subject to performance conditions¹</th>
<th>Interests subject to employment conditions²</th>
<th>Total interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Douglas</td>
<td>2,112,408</td>
<td>1,811,796</td>
<td>182,632</td>
<td>4,106,836</td>
</tr>
<tr>
<td>Judith Cottrell</td>
<td>50,859</td>
<td>592,794</td>
<td>62,797</td>
<td>706,450</td>
</tr>
<tr>
<td>Ken Lever</td>
<td>126,818</td>
<td>–</td>
<td>–</td>
<td>126,818</td>
</tr>
<tr>
<td>Allison Bainbridge</td>
<td>22,078</td>
<td>–</td>
<td>–</td>
<td>22,078</td>
</tr>
<tr>
<td>Liz Peace</td>
<td>18,363</td>
<td>–</td>
<td>–</td>
<td>18,363</td>
</tr>
<tr>
<td>Catherine Glickman</td>
<td>55,590</td>
<td>–</td>
<td>–</td>
<td>55,590</td>
</tr>
</tbody>
</table>

Notes:
1. Interests held under the Executive Long-Term Incentive Plan.
2. Interests held under (i) The RPS Group Plc Short-Term Annual Bonus plan and (ii) matching shares held for less than three years under the Share Incentive Plan.

Between 31 December 2021 and 14 March 2022, no changes in the share interests shown above occurred.

The Company’s Remuneration Policy provides that John Douglas and Judith Cottrell are required to build and maintain shareholdings of 200% and 150% of basic salary, respectively. Executive Directors are required to retain 50% of the post-tax number of shares vesting under the STABP and the ELTIP until this requirement is met and maintained.

As at 31 December 2021, John Douglas held 2,112,408 beneficial shares in the Company ranking him as our 24th largest shareholder; this equates to 494% of his salary. Judith Cottrell held 50,859 shares equating to 22% of her salary.
### Short Term Annual Bonus Plan

The interests of the Executive Directors under the STABP are set out below:

<table>
<thead>
<tr>
<th></th>
<th>Number of awards at 1 January 2021</th>
<th>Number of awards granted</th>
<th>Number of awards lapsed</th>
<th>Number of awards exercised</th>
<th>Number of awards as at 31 December 2021</th>
<th>Market price at date of grant</th>
<th>Market price at date of exercise</th>
<th>Date from which released</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Douglas</td>
<td>56,789</td>
<td>5,013</td>
<td>—</td>
<td>61,802</td>
<td>—</td>
<td>250.83p</td>
<td>95.4p</td>
<td>08/03/2021</td>
</tr>
<tr>
<td></td>
<td>98,198</td>
<td>—</td>
<td>—</td>
<td>98,198</td>
<td>181.47p</td>
<td>—</td>
<td>07/03/2022</td>
<td></td>
</tr>
<tr>
<td>Judith Cottrell</td>
<td>78,456</td>
<td>—</td>
<td>—</td>
<td>78,456</td>
<td>145.80p</td>
<td>—</td>
<td>24/02/2023</td>
<td></td>
</tr>
<tr>
<td>Gary Young</td>
<td>25,403</td>
<td>2,242</td>
<td>—</td>
<td>27,645</td>
<td>—</td>
<td>250.83p</td>
<td>93.01p</td>
<td>08/03/2021</td>
</tr>
<tr>
<td></td>
<td>49,005</td>
<td>—</td>
<td>—</td>
<td>49,005</td>
<td>181.47p</td>
<td>—</td>
<td>07/03/2022</td>
<td></td>
</tr>
</tbody>
</table>

### Executive Long Term Incentive Plan

The interests of the Executive Directors under the ELTIP are set out below:

<table>
<thead>
<tr>
<th></th>
<th>Number of awards at 1 January 2021</th>
<th>Number of awards granted</th>
<th>Number of awards lapsed</th>
<th>Number of awards exercised</th>
<th>Number of awards as at 31 December 2021</th>
<th>Market price at date of grant</th>
<th>Market price at date of exercise</th>
<th>Date from which released</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Douglas</td>
<td>296,017</td>
<td>6,532</td>
<td>222,013</td>
<td>80,536</td>
<td>—</td>
<td>250.83p</td>
<td>95.4p</td>
<td>08/03/2021</td>
</tr>
<tr>
<td></td>
<td>420,234</td>
<td>—</td>
<td>—</td>
<td>420,234</td>
<td>181.47p</td>
<td>—</td>
<td>07/03/2022</td>
<td></td>
</tr>
<tr>
<td></td>
<td>533,539</td>
<td>—</td>
<td>—</td>
<td>533,539</td>
<td>145.80p</td>
<td>—</td>
<td>24/02/2023</td>
<td></td>
</tr>
<tr>
<td>Judith Cottrell</td>
<td>214,334</td>
<td>—</td>
<td>—</td>
<td>214,334</td>
<td>145.80p</td>
<td>—</td>
<td>24/02/2023</td>
<td></td>
</tr>
<tr>
<td>Gary Young</td>
<td>157,576</td>
<td>3,477</td>
<td>118,182</td>
<td>42,871</td>
<td>—</td>
<td>250.83p</td>
<td>93.01p</td>
<td>08/03/2021</td>
</tr>
<tr>
<td></td>
<td>160,546</td>
<td>—</td>
<td>—</td>
<td>160,546</td>
<td>181.47p</td>
<td>—</td>
<td>07/03/2022</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

1. The award exercised by John Douglas included 6,532 shares accrued as a dividend reinvestment under the rules of the ELTIP.
2. The award exercised by Gary Young included 3,477 shares accrued as a dividend reinvestment under the rules of the ELTIP.
3. Following the retirement from the Board by Gary Young on 30 April 2020 this award will vest in full on 7 March 2022 subject to the prevailing performance conditions and the credit of dividend equivalent shares.
ANNUAL REPORT ON REMUNERATION
CONTINUED

Total Shareholder Return Performance

The graph below shows the value of £100 invested in RPS over the past ten years compared with the value of £100 invested in the FTSE All Share and FTSE All Share support services. The Company has selected the FTSE All Share and the FTSE All Share Support Services as the broad equity market indices against which to compare the Company’s total shareholder return performance as the Company has been a constituent member of these indices throughout the nine-year period.

Chief Executive Officer Remuneration

The table below shows the Group Chief Executive’s total remuneration and percentage of opportunity achieved for variable remuneration elements.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Remuneration</td>
<td>1,650</td>
<td>883</td>
<td>922</td>
<td>748</td>
<td>981</td>
<td>627</td>
<td>351</td>
<td>888</td>
<td>934</td>
<td>729</td>
<td>1,284</td>
</tr>
<tr>
<td>(single figure for the year – £000s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual bonus</td>
<td>77%</td>
<td>47%</td>
<td>32%</td>
<td>0%</td>
<td>20%</td>
<td>33%</td>
<td>33%</td>
<td>24%</td>
<td>15%</td>
<td>0%</td>
<td>56%</td>
</tr>
<tr>
<td>(% of maximum opportunity)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term incentives</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>12%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>(% of maximum number of shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>capable of vesting)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes
1. Single figure for 2012 includes the payment of deferred balances under the previous bonus banking plan from 2010 and 2011. These balances were earned during these years but subject to deferral until the end of 2012 and at risk of performance-based forfeiture.
2. The remuneration shown for Alan Heare for 2017 in respect of the period to 31 August at which time he retired from the Board. The total remuneration shown for John Douglas is in respect of 2017 is the period from 1 September 2017, when he was appointed as Group Chief Executive. The remuneration for John Douglas in 2017 includes a proration of the annual bonus that was earned from 1 June 2017 being the date at which he joined the Board.
3. The total remuneration figure for 2020 has been updated to reflect the value of the 2018 ELTIP on the date of vesting, 8 March 2021.
Chief Executive Officer Pay Ratio

As required by the reporting regulations, the Committee has set out below the CEO pay ratio. The table provides the ratio between the CEO single figure total remuneration and total remuneration for all employees and the details of the salary and total remuneration for UK employees in 2020 and 2021. We have chosen option B as our method for calculating the pay ratio for this report, consistent with the methodology for reporting of the gender pay gap, as bonus payments for 2021 performance are not determined for some employees until after the publication of this report. The three individuals were identified using Gender Pay Gap reporting salary data with the snapshot date of 5 April 2021. The Committee is satisfied that the three individuals representing each quartile are reflective of the UK population. The salary figures shown below are based on the amounts paid for calendar years 2020 and 2021. Figures are correct as of 31 December 2021.

<table>
<thead>
<tr>
<th>Year</th>
<th>Method</th>
<th>25th percentile</th>
<th>Median</th>
<th>75th percentile</th>
<th>25th percentile</th>
<th>Median</th>
<th>75th percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Salary</td>
<td></td>
<td>Total remuneration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>B</td>
<td>21</td>
<td>15</td>
<td>11</td>
<td>£21,856</td>
<td>£30,448</td>
<td>£41,336</td>
</tr>
<tr>
<td>2021</td>
<td>B</td>
<td>22</td>
<td>16</td>
<td>13</td>
<td>£24,100</td>
<td>£32,437</td>
<td>£42,052</td>
</tr>
<tr>
<td>2020</td>
<td>B</td>
<td>30</td>
<td>23</td>
<td>16</td>
<td>£23,756</td>
<td>£31,383</td>
<td>£45,588</td>
</tr>
<tr>
<td>2021</td>
<td>B</td>
<td>52</td>
<td>39</td>
<td>28</td>
<td>£24,826</td>
<td>£33,300</td>
<td>£45,101</td>
</tr>
</tbody>
</table>

The Committee is mindful that the ratio of total remuneration will be volatile over time, in large part due to the relative weighting in the CEO's package of variable performance-based incentives. For example, the large increase in the ratio between 2020 and 2021 is primarily due to the CEO receiving no bonus in 2020. The Committee has therefore decided to also publish the pay ratio for salary. We believe this additional perspective on relative pay (in particular the trend over time) will help ensure that RPS Group is delivering against its stated policy for Executive Director salary increases generally to be consistent with the range awarded across the Group more broadly.

The Committee has considered the findings of the pay ratio analysis, which appear to be reasonable in the context of the RPS Group's sector and taking into account the composition of the Group's UK workforce against which CEO remuneration is compared. Going forward, the Committee will review the trend in pay ratios as well as the ratio for the relevant year and seek to understand the drivers of any short and medium-term changes to this.

Percentage change in the remuneration of Directors

The following table shows the percentage change in the Executive and Non-Executive Directors’ salaries, fees, benefits and annual bonuses between financial years compared to the percentage change for all UK-based employees. It should be noted that the 2021 increases in salary for the Executive and Non-Executive Directors are largely driven by the 20% reduction in pay for six months of 2020 and, with the exception of the Chairman's increase in January 2019, all other changes to Non-Executive Directors’ fees relate to changes in responsibility.
ANNUAL REPORT ON REMUNERATION
CONTINUED

Percentage change from 2020 Financial Year to 2021 Financial Year

<table>
<thead>
<tr>
<th></th>
<th>Salary / Fees</th>
<th>Taxable benefits</th>
<th>Annual bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>1.2%</td>
<td>4.4%</td>
<td>10.8%</td>
</tr>
<tr>
<td>John Douglas</td>
<td>-8.2%</td>
<td>13.3%</td>
<td>-49.0%</td>
</tr>
<tr>
<td>Judith Cottrell</td>
<td>N/A</td>
<td>24.4%</td>
<td>N/A</td>
</tr>
<tr>
<td>Ken Lever</td>
<td>-9.3%</td>
<td>10.2%</td>
<td></td>
</tr>
<tr>
<td>Allison Bainbridge</td>
<td>-9.1%</td>
<td>10.0%</td>
<td></td>
</tr>
<tr>
<td>Liz Peace</td>
<td>-6.9%</td>
<td>11.1%</td>
<td></td>
</tr>
<tr>
<td>Michael McKelvy</td>
<td>-11.5%</td>
<td>8.7%</td>
<td></td>
</tr>
<tr>
<td>Catherine Glickman</td>
<td>-7.4%</td>
<td>10.0%</td>
<td></td>
</tr>
</tbody>
</table>

Note
1. The salary of the Group Finance Director is based on an annual equivalent figure, i.e. the salary she would have received if she had been appointed on 1 January 2020, not 30 April 2020.
2. Employee data reflects the earnings of all UK-based employees.
3. The CEO and Group Finance Director received bonuses for 2021 but not for 2020.

Relative importance of spend on pay
The chart below shows the total remuneration paid to or receivable by all employees and total distributions to shareholders by way of dividends for 2021.

Executive Director service contracts and non-executive letters of appointment

Executive Director service contracts
When setting notice periods, the Remuneration Committee has regard to market practice and best governance practice. The Company’s general policy is to provide contracts to Executive Directors with no greater than 12 months’ notice.
The table below summarises the service contracts for the current Executive Directors.

<table>
<thead>
<tr>
<th>Executive Director</th>
<th>Date of contract</th>
<th>Notice period</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Douglas</td>
<td>June 2017</td>
<td>12 months</td>
</tr>
<tr>
<td>Judith Cottrell</td>
<td>February 2020</td>
<td>12 months</td>
</tr>
</tbody>
</table>

None of the Directors’ contracts provide for extended notice periods or automatic compensation in the event of a change of control.

Non-Executive Director letters of appointment

The Non-Executive Directors do not have service contracts but are appointed under letters of appointment which provide for a review after an initial three-year term. Following the expiry of the initial term, each Non-Executive Director is then subject to annual re-election at the Annual General Meeting, irrespective of which, all Directors are subject to annual re-election at the Company’s AGM. Details of the terms of appointment of the Non-Executive Directors are shown below:

<table>
<thead>
<tr>
<th>Non-Executive Director</th>
<th>Date of appointment</th>
<th>Unexpired term as at 31 December 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ken Lever</td>
<td>November 2016</td>
<td>4 months</td>
</tr>
<tr>
<td>Allison Bainbridge</td>
<td>June 2017</td>
<td>4 months</td>
</tr>
<tr>
<td>Liz Peace</td>
<td>August 2017</td>
<td>4 months</td>
</tr>
<tr>
<td>Catherine Glickman</td>
<td>August 2018</td>
<td>4 months</td>
</tr>
<tr>
<td>Michael McKelvy</td>
<td>May 2018</td>
<td>4 months</td>
</tr>
</tbody>
</table>

Committee organisation

Role of the Remuneration Committee (“Committee”)

The Committee held six meetings during the year timed to ensure the proper discharge of the activities described below. The Group Chairman attends the meetings of the Committee. The Group Chief Executive, Group Finance Director, Group People Director and Group Reward Director also attend meetings, although they and the Chairman are not present when discussion relates to their own remuneration. The Company Secretary acts as Secretary to the Committee and representatives from the Committee’s advisers, Mercer Limited, attend meetings as and when required. The Committee considers reputational and other risks when assessing remuneration, particularly in relation to excessive and behavioural risks and believe that these risks have been properly mitigated. The table below shows the members of the Committee during 2021 and the number of meetings attended.

<table>
<thead>
<tr>
<th>Non-Executive Director</th>
<th>Number of meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catherine Glickman (Chair)</td>
<td>6/6</td>
</tr>
<tr>
<td>Allison Bainbridge</td>
<td>6/6</td>
</tr>
<tr>
<td>Michael McKelvy</td>
<td>6/6</td>
</tr>
<tr>
<td>Liz Peace</td>
<td>6/6</td>
</tr>
</tbody>
</table>

The Committee is responsible for determining the overall policy for Executive remuneration which is then subject to Board and shareholder approval. Within the context of the shareholder-approved policy, the Committee is responsible for determining the specific remuneration packages for the Executive Directors. This incorporates review of salaries as well as determining opportunities under the incentive plans and performance conditions relating to these plans. Activities also include the determination of terms for any Executive leaving or joining the Board.
The Committee also has direct responsibility for the terms and conditions of those Senior Executives that sit immediately below Board level and form the Group Leadership Team. During the year, the Committee reviewed the terms and conditions of the Group including salary and incentives, approving any changes.

How the Committee addressed the factors in Provision 40 of the 2018 Code when determining remuneration

| Clarity | Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce. |
| Simplicity | Remuneration structures should avoid complexity and their rationale and operation should be easy to understand. |
| 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. |
| 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. |
| 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. |
| Alignment to culture | Incentive schemes should drive behaviours consistent with Company purpose, values and strategy. |

Remuneration is transparent and competitive. The outcomes of the variable elements are dependent on performance measures aligned with our strategy and the interests of all stakeholders. Performance targets are set in line with Group budgets and reviewed and tested by the Committee. Executive Directors are required to build meaningful personal shareholdings in the Company: this is monitored by the Committee.

We follow a standard UK market approach to remuneration with variable incentive schemes that are clear and consistent. The measures we have selected are used to monitor business performance, support the operation of the business and are reviewed regularly by management. Measures pay out on a straight-line basis.

The remuneration structure contains an appropriate balance of short and long-term incentives. Limits are set on the maximum incentive scheme awards that can be granted. The ELTIP incentivises Executive Directors to deliver against strategy over the longer term, and support the creation of sustainable shareholder value. The Committee also has discretion to override formulaic outcomes, with the ability to flex payments through malus and clawback.

Scenario analysis is provided on page 137 and the policy details the limits and the Committee’s ability to apply discretion to adjust the result of the STABP and ELTIP.

When the policy was developed, the Committee was clear that it should support our Purpose and Promise, and align with our Behaviours. Our Promise of “making complex easy” informed our remuneration policy: we will continue to have a simple policy, rewarding short and long term sustainable growth, through financial and non-financial metrics which are reviewed regularly to ensure they continue to support our strategy. The introduction of a new measure – Fees – and replacing Cash Conversion with Lock-Up Days in the short-term incentive are examples of this.

The Committee’s detailed terms of reference can be found on the Company’s website.

Consideration of employee remuneration and shareholders

Consideration of shareholder views
The Remuneration Committee takes the views of shareholders very seriously and these have been influential in shaping remuneration policy and practice. The Remuneration Committee will continue to consult with shareholders prior to any significant changes to the remuneration policy.
Employment conditions elsewhere in the Group
The Committee is cognisant of the provisions of the Code including their responsibility for the review of the wider workforce. During the first half of the year, the Committee received regular updates from the Group People Director on the number of employees that were on furlough, reduced pay or reduced hours. All employee cost reduction measures concluded by end of August 2021. The decisions taken in respect of the Executive Directors’ and the Group Leadership Team’s pay were taken whilst always considering the experience of the wider workforce.

In setting the remuneration policy for Directors, the Board is regularly updated by the CEO, Group People Director and Reward Director on pay, incentive plans and conditions of the RPS wider workforce. Decisions on the Executive Directors and Group Leadership Team are always taken in alignment with decisions on employees, including base salary increases, incentive awards and benefit changes. Although the 2020 Executive Director bonuses were not paid, RPS honoured all 2020 employee bonus schemes where the measures were achieved. No employee bonus payments were delayed in 2021.

The Remuneration Committee has not expressly sought the views of employees but the investment in people – their reward, development and retention – is a topic of debate regularly at the Board meetings. No remuneration comparison measurements were used when drawing up the Policy.

External advice
During the year the Committee received external advice in relation to Executive remuneration from Mercer Limited (“Mercer”). Mercer were selected following a competitive tender process and are a member of the Remuneration Consultants Group. Mercer voluntarily operates under the code of conduct in relation to Executive remuneration consulting in the UK. The fees paid to Mercer during the year were £39,890 in respect of advice for the Remuneration Committee and IFRS valuation of the ELTIP award. Another part of Mercer also provided support to the Company in relation to the 2021 employee engagement survey. The Committee is confident that the additional fees earned for the employee engagement survey are not sufficiently large to impact Mercer’s independence as Remuneration Committee advisers. There is no connection between our advisers at Mercer Limited and any of our individual directors.

Shareholder voting
The Remuneration Committee’s Annual Report for 2020 was approved at the Company’s 2021 Annual General Meeting on 28 April 2021. The voting for this resolution is shown below.

<table>
<thead>
<tr>
<th>Annual Report</th>
<th>Number of Votes cast</th>
<th>% of Votes cast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Votes for</td>
<td>160,010,434</td>
<td>68.98</td>
</tr>
<tr>
<td>Votes against</td>
<td>71,965,553</td>
<td>31.02</td>
</tr>
<tr>
<td>Total</td>
<td>231,975,987</td>
<td>100.00</td>
</tr>
<tr>
<td>Withheld</td>
<td>53,270</td>
<td>–</td>
</tr>
</tbody>
</table>

As stated in the Chair’s letter, the Committee was disappointed with the out-turn of the AGM with 31% of our shareholders voting against the Remuneration Report. We would like to thank all shareholders who engaged with us following the vote to discuss their concerns and reasons for voting against.

The majority of our shareholders referenced the leaver treatment for our former Finance Director, Gary Young, upon his retirement as the main area of contention. In particular was the notice period which began on the date of the AGM rather than the date of his leaving announcement in February 2020.
We understand the strength of our shareholders’ views on this topic, i.e. when a director makes the decision to step down from the Board, they should receive payment in line with their contracted period of notice. We will take this feedback into account when decisions are made for any future departing Directors.

The Company’s remuneration policy was approved by shareholders at the General Meeting held on 16 December 2019 and applies for three years until 31 December 2022. The Company is asking that at the forthcoming AGM shareholders give further approval to the Company’s existing remuneration policy subject to one change relating to pension contributions. The Remuneration Committee is intending to undertake a review of remuneration policy during 2022. In respect of the Remuneration Policy that was approved at a General Meeting on 16 December 2019, the voting in respect of the report was as shown below:

<table>
<thead>
<tr>
<th>Remuneration policy</th>
<th>Number of votes cast</th>
<th>% of votes cast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Votes for</td>
<td>162,451,438</td>
<td>87.15</td>
</tr>
<tr>
<td>Votes against</td>
<td>23,949,709</td>
<td>12.85</td>
</tr>
<tr>
<td>Total</td>
<td>186,401,147</td>
<td>100.00</td>
</tr>
<tr>
<td>Withheld</td>
<td>58,147</td>
<td>-</td>
</tr>
</tbody>
</table>

**Implementation of the remuneration policy in 2022**

This section of the report details the Committee’s intentions for remuneration arrangements in 2022. The key components of this policy as they apply to the Executive Directors of the Company are set out in the following section. The full policy statement is available on the Company’s website.

**Base Salary**

With effect from 1 January 2022, John Douglas will receive a salary of £547,500 and Judith Cottrell will receive a salary of £310,000. This represents an increase of 3.5% for John Douglas and 10.7% for Judith Cottrell. The 3.5% increase received by John Douglas is in line with the average award within the UK and the wider business. John’s pension will be reduced from 16% to 15%, in line with our commitment to shareholders.

Judith Cottrell was appointed as Group Finance Director and Board Director in April 2020. Judith was internally promoted and we stated that there may be increases to her salary at a rate higher than general awards for employees. This increase brings her in line with internal peers and closer to the market median for organisations of a comparable size and or sector. The Committee has discretion to review and provide further above inflation increases should this be deemed appropriate.

**Benefits**

As previously stated, John Douglas will continue to be provided with a serviced apartment up to a total value of £76,000 per annum including tax and national insurance. The grossed up value for 2021 was £64,000.

**Pension**

Pensions will be provided in accordance with the policy. As previously stated, John Douglas agreed to reduce his pension contribution over time to 15% which will come into effect from 1 January 2022. Judith Cottrell’s contribution will continue to be 7% of salary in line with treatment for the wider UK workforce with equivalent service.

**Annual Bonus**

The bonus opportunity is unchanged for 2022 and will be 150% of salary for John Douglas and 125% of salary for Judith Cottrell.

For 2021, we introduced fees into the bonus and replaced cash conversion with cash lock-up. RPS will continue its focus on fee growth in 2022 and we believe retaining the use of cash lock-up for 2022, with cash conversion as part of the ELTIP, remains appropriate; as such the bonus awards for 2022 will consist of the following four
measures: Adjusted PBT (60% weighting), fees (20% weighting), cash lock-up (10% weighting) and personal objectives (10% weighting).

The Committee considers prospective disclosure of targets to be commercially sensitive but will disclose targets retrospectively following the financial year end. The bonus will normally be paid 50% in cash and 50% in shares deferred for a period of three years.

**ELTIP**

ELTIP awards opportunities remain unchanged at 150% of salary for John Douglas and 125% for Judith Cottrell. Awards will be granted based on the five-day average share price prior to the day of grant.

The 2022 ELTIP awards will vest subject to the achievement of three measures: TSR (50% weighting), EPS (25% weighting) and cash conversion (25% weighting). The performance targets applicable for the 2022 ELTIP award are summarised below.

We have revised the target range for cash conversion as 2022 will be a year of investment for RPS. As such, to ensure that the business is not dissuaded from making value-enhancing investment decisions, cash conversion target ranges will be revised from 80%–100% to 60%–90%.

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Weighting</th>
<th>Measurement period</th>
<th>Performance target</th>
<th>Vesting level (% maximum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Shareholder Return relative to the FTSE All Share</td>
<td>50%</td>
<td>Over the period to 31 December 2024</td>
<td>Upper Quartile</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Median to Upper Quartile</td>
<td>Pro-rata on a straight-line basis between 20% and 100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Below Median</td>
<td>0%</td>
</tr>
<tr>
<td>Average Annual Growth in Earnings Per Share (measured on a constant currency basis)</td>
<td>25%</td>
<td>Over the period to 31 December 2024</td>
<td>Targets and vesting levels will be published by the time of the interim results and in the 2022 Directors’ Remuneration Report.</td>
<td></td>
</tr>
<tr>
<td>Cash conversion</td>
<td>25%</td>
<td>Over the period to 31 December 2024</td>
<td>90%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>60% to 90%</td>
<td>Pro-rata on a straight-line basis between 20% and 100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>60%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Non-Executive Director Fees**

There was no change in Non-Executive Director fees in 2021 and, with the exception of the Chairman, there have been no changes in fees for any of the Non-Executives since appointment other than to reflect changes in responsibility. Fees have been reviewed for 2022 taking into account relevant market data and employee increases in the corresponding period.

The Chairman’s fee, which was last reviewed in January 2019, has been increased from £140,000 to £155,000, i.e. a 10.7% increase.

For the other Non-Executive Directors, who were all appointed in 2017 or 2018, we have increased the base fee to £52,500 and the fee for the SID and for chairing the Remuneration and Audit Committees to £10,000, whilst removing attendance fees. The net effect of this is an average increase of 9.1%.

This report was approved by the Board and has been signed on its behalf by:

*Catherine Glickman*
Chair of the Remuneration Committee
15 March 2022
# REMUNERATION POLICY

Our remuneration policy was last approved by shareholders in December 2019 and so we are required to further put a policy to shareholders by no later than December 2022. Our intention is to undergo a review of remuneration policy in 2022, but in the interim, and in order to align with our corporate cycle, we are asking shareholders to approve our existing policy at the forthcoming AGM, this being subject to minor change relating to pension contributions.

## BASE SALARY

<table>
<thead>
<tr>
<th>Element purpose and link to strategy</th>
<th>To provide competitive fixed remuneration that will attract and retain key employees and reflect their experience and position in the Group.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation and maximum opportunity</td>
<td>An Executive Director’s basic salary is considered by the Remuneration Committee on appointment and normally reviewed once a year, or when there is a significant change to the role or responsibility. When making a determination as to the appropriate remuneration, the Remuneration Committee, where it is relevant, benchmarks the remuneration against the Company’s comparator group (organisations of comparable size and or sector to RPS in the FTSE All Share). The results of benchmarking will only be one of a number of factors taken into account by the Remuneration Committee which includes:</td>
</tr>
<tr>
<td></td>
<td>• individual performance and experience of the Executive Director;</td>
</tr>
<tr>
<td></td>
<td>• pay and conditions for employees across the Group;</td>
</tr>
<tr>
<td></td>
<td>• the general performance of the Group; and</td>
</tr>
<tr>
<td></td>
<td>• the economic environment.</td>
</tr>
<tr>
<td></td>
<td>The Remuneration Committee policy in relation to salary is:</td>
</tr>
<tr>
<td></td>
<td>• to position this around the median salary for the role on appointment, depending on experience and background; and</td>
</tr>
<tr>
<td></td>
<td>• on promotion, to increase salary up to the median salary for the new role.</td>
</tr>
<tr>
<td></td>
<td>Annual percentage increases are generally consistent with the range awarded across the Group. Percentage increases in salary above this level may be made in certain circumstances – such as change in responsibility or significant increase in the scale of a role or the Group’s size and complexity.</td>
</tr>
<tr>
<td></td>
<td>Individuals recruited or promoted to the Board may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases, subsequent increases in salary may be higher than the average until the target positioning is achieved.</td>
</tr>
</tbody>
</table>

## BENEFITS

<table>
<thead>
<tr>
<th>Element purpose and link to strategy</th>
<th>To provide competitive benefits and to attract and retain high-calibre employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation and maximum opportunity</td>
<td>The Remuneration Committee’s policy is to provide a market competitive benefits package. The Executive Directors may receive the following benefits:</td>
</tr>
<tr>
<td></td>
<td>• healthcare;</td>
</tr>
<tr>
<td></td>
<td>• life assurance;</td>
</tr>
<tr>
<td></td>
<td>• disability schemes;</td>
</tr>
<tr>
<td></td>
<td>• Company car or car allowance; and</td>
</tr>
<tr>
<td></td>
<td>• other benefits as provided from time to time, such as relocation allowances on recruitment. Benefit values vary year-on-year depending on premiums and the maximum potential value is the cost of the provision of these benefits.</td>
</tr>
</tbody>
</table>

## Performance measures and assessment

<table>
<thead>
<tr>
<th>Performance measures and assessment</th>
<th>A broad assessment of individual and business performance is used as part of the salary review.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Performance measures and assessment</th>
<th>Not applicable.</th>
</tr>
</thead>
</table>
**PENSION**

**Element purpose and link to strategy**
To provide a competitive Company contribution that enables effective retirement planning.

**Operation and maximum opportunity**
The Executive Directors are eligible to:

- participate in defined contribution pension schemes;
- or receive a salary supplement;
- or a combination of the two.

Other than basic salary, no element of the Directors’ remuneration is pensionable. Salary supplements are not included in base salary in order to calculate other benefits and incentive opportunities.

The CEO’s pension contribution has been reduced to 15%. Any new Executive Director appointments from 1 January 2020 will receive an employer contribution in line with that available for the wider workforce in the relevant market.

**Performance measures and assessment**
Not applicable.

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**THE RPS GROUP PLC SHORT TERM ANNUAL BONUS PLAN (THE “STABP”)**

**Element purpose and link to strategy**
To incentivise achievement of annual objectives which support the Group’s short-term performance goals.

**Operation and maximum opportunity**
Maximum awards each year under the STABP are equal to 150% of salary.

The performance period is one financial year with pay-out determined by the Remuneration Committee following the year end, based on achievement against a range of financial and non-financial targets.

50% of the bonus award will be paid out in cash with the remaining 50% deferred into shares subject to a further three year vesting period. There are no further performance targets applicable to the deferred amount.

Malus and clawback provisions may apply at the discretion of the Remuneration Committee where it considers such actions necessary and appropriate.

The malus period would be up to the date of the bonus determination and three years after in respect of deferred shares under the STABP. The clawback period will be three years from the date of the bonus determination for any cash payments under the STABP.

Participants may be entitled to dividend equivalents representing the dividends paid during the deferral period of the shares.

**Performance measures and assessment**
Performance targets will be set by the Remuneration Committee annually based on a range of financial and non-financial measures.

Financial targets govern the majority of bonus payments, although non-financial metrics may also be used.

The Remuneration Committee will determine the weighting of the various measures and targets to ensure that they support the business strategy and objectives for the relevant year.

Targets are typically structured on a challenging sliding scale, with zero pay-out for achieving threshold performance through to full pay-out for maximum performance.

The Remuneration Committee has the discretion to adjust targets or performance measures for any exceptional events that may occur during the year.

The Remuneration Committee has the discretion to make downward or upward movements to the amount of bonus earned resulting from the application of the performance measures, if it believes that the bonus outcomes are not a fair and accurate reflection of business performance.
REMUNERATION POLICY
CONTINUED

THE RPS GROUP PLC EXECUTIVE LONG TERM INCENTIVE PLAN (THE “ELTIP”)

<table>
<thead>
<tr>
<th>Element purpose and link to strategy</th>
<th>To incentivise Executives to achieve sustainable, strong, long-term performance for the Company, to retain key individuals and to align their interests with shareholders.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation and maximum opportunity</td>
<td>Under the ELTIP, the Remuneration Committee may award annual grants of performance share awards in the form of nil-cost options or conditional shares (“ELTIP awards”). Maximum ELTIP awards each year are equal to 150% of base salary (200% of salary in exceptional circumstances). ELTIP awards will normally vest after a three-year performance period subject to the achievement of the performance measures. The Remuneration Committee will retain the discretion to determine whether to attach a holding period to a particular award at the date of each grant. Malus and clawback provisions may apply at the discretion of the Remuneration Committee where it considers such action necessary and appropriate. The malus period will be up to the date of vesting (i.e. three years from the date of grant). The clawback period will be two years from the date of vesting. Participants may be entitled to dividend equivalents during the deferral period of the shares.</td>
</tr>
<tr>
<td>Performance measures and assessment</td>
<td>Financial and non-financial measures may be applied to awards under the ELTIP. Targets are typically structured on a challenging sliding scale, with no more than 20% of the maximum award vesting for achieving the threshold performance level through to full vesting for maximum performance. The Remuneration Committee has the discretion to adjust targets or performance measures for any exceptional events that may occur during the vesting period. The Remuneration Committee has the discretion to make downward or upward movements in the vesting of the ELTIP resulting from the application of the performance measures, if the Remuneration Committee believes that the outcomes are not a fair and accurate reflection of business performance. The Remuneration Committee will review the performance measures annually, in terms of the range of targets, the measures themselves and weightings applied to each element of the ELTIP. Any revisions to the measures and/or weightings in future years will only take place if it is necessary due to developments in the Group’s strategy and, where these are material, following dialogue with the major shareholders.</td>
</tr>
</tbody>
</table>

ALL-EMPLOYEE INCENTIVES

<table>
<thead>
<tr>
<th>Element purpose and link to strategy</th>
<th>To encourage all employees to become shareholders and thereby align their interests with those of shareholders.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation and maximum opportunity</td>
<td>Eligible employees may participate in the Share Incentive Plan or country equivalent. Executive Directors will be entitled to participate on the same terms. Maximum participation levels for all employees are set by reference to the plan rules and relevant legislation.</td>
</tr>
<tr>
<td>Performance measures and assessment</td>
<td>Not applicable.</td>
</tr>
</tbody>
</table>

Remuneration policy
SHAREHOLDING GUIDELINES

<table>
<thead>
<tr>
<th>Element purpose and link to strategy</th>
<th>To ensure that Executive Directors’ interests are aligned with those of shareholders over the longer term.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation and maximum opportunity</td>
<td>The Executive Directors are required to build or maintain a minimum shareholding in the Company.</td>
</tr>
<tr>
<td></td>
<td>Shares included in this calculation are those held beneficially by the Executive Director and their spouse/life partner.</td>
</tr>
<tr>
<td></td>
<td>The shareholding requirement is determined by the Remuneration Committee and may be up to 200% of salary.</td>
</tr>
<tr>
<td></td>
<td>Executive Directors will be required to retain 50% of their post-tax number of shares vesting under the STABP and ELTIP until their requirement is met and then maintained.</td>
</tr>
<tr>
<td>Performance measures and assessment</td>
<td>Not applicable.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Element purpose and link to strategy</th>
<th>Post-Employment Shareholding Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation and maximum opportunity</td>
<td>The Post-Employment Policy stipulates that the post-employment shareholding for the Executive Directors will be:</td>
</tr>
<tr>
<td></td>
<td>• In Year One, the shareholding to be the lessor of the in-employment shareholding requirement or the current shareholding.</td>
</tr>
<tr>
<td></td>
<td>• In Year Two, this will reduce to 50% of the figure.</td>
</tr>
<tr>
<td>Performance measures and assessment</td>
<td>Not applicable.</td>
</tr>
</tbody>
</table>

The Remuneration Committee has confirmed that the Post-Employment Shareholding will apply from 1 January 2020. It will not apply to any historical awards, or voluntary shares purchased, including the voluntary deferral into shares of any bonus above the mandatory deferral requirement (50%) under the STABP.
REMUNERATION POLICY
CONTINUED

Legacy remuneration payments and awards
Any remuneration payments or awards, notwithstanding that they are not in line with the Policy set out above, where the terms of the payment or award were agreed under a previous Policy will remain in place. Such payments or awards will be set out in the Annual Report on Remuneration for the relevant year.

Performance measures and targets
The short and long-term incentives have a number of different financial performance measures which the Remuneration Committee believes provide a direct link to the Company’s strategy. The following table sets out the rationale behind the measures that will apply for STABP and ELTIP in 2022.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Link to Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>STABP</td>
<td>Adjusted Profit Before Tax (Adj PBT) is the key metric, hence its weighting in the incentive structure. It measures the overall success of the strategy, together with improving operating margins, operational efficiency, disciplined capital allocation and tight overhead management. We introduced a new metric in FY21 – Fee Revenue. As we emerge from the pandemic, an improving trajectory on Fee Revenue growth, in both core markets and the targeted areas of sustainability, urbanisation and natural resources, is a key measure of our successful recovery. Average lock-up days is tracked and industry benchmarked: it demonstrates financial discipline – how efficiently we are billing and collecting fees from our clients. The use of personal objectives allows tailoring of the STABP to each participant and ensures there is an element of pay-out that is assessed by reference to specific measures which reflect successful performance of individuals in their roles, as well as that of the Company. The use of profit, fees, average lock-up and personal performance as measures in the STABP is mirrored in the Annual Discretionary Bonus Plan (ADBP) which applies to approximately the top 300 employees in the organisation, ensuring alignment of management objectives.</td>
</tr>
<tr>
<td>ELTIP</td>
<td>EPS is considered to be an appropriate measure for aligning the interests of the Executive Directors with those of shareholders as well as being an established measure of RPS’ long-term sustainable profitability.(^1) The use of a relative TSR measure will ensure that the Executives’ interests are aligned with investors and that maximum vesting will only occur if stretching levels of returns are achieved. Long-term cash conversion has been used to place emphasis on achieving cash efficiency over the longer term. In addition, it is an important measure for the Company to measure the efficiency of its profit and capital allocation.</td>
</tr>
</tbody>
</table>

1. The Remuneration Committee will review the amount of EPS growth delivered by organic growth and acquisitions at the time of vesting to ensure that the outcomes are a fair and accurate reflection of business performance.

The Remuneration Committee is of the opinion that, given the commercial sensitivity of RPS’ operations, disclosing precise targets for the STABP in advance would not be in shareholders’ interests. Except in circumstances where elements remain commercially sensitive, actual targets, performance achieved and awards made will be published at the end of the performance periods so shareholders can fully assess the basis for any pay-outs. ELTIP targets will normally be disclosed prospectively to shareholders in the Annual Report on Remuneration each year, or by the announcement of the interim results.

Discretion within the Policy
The Remuneration Committee has discretion in several areas of Policy as set out in this report. It may also exercise operational and administrative discretions under relevant plan rules approved by shareholders as set out in those rules. In addition, the Remuneration Committee has the discretion to amend Policy with regard to minor or administrative matters where, in its opinion, it would be disproportionate to seek or await shareholder approval.
Illustration of Policy
The composition and value of the Executive Directors’ remuneration packages for 2022 at minimum, mid-point, maximum, and maximum plus 50% share price growth scenarios are as set out in the charts below. The Remuneration Committee seeks to ensure that a significant proportion of the Executive Directors’ remuneration is performance-related and that performance targets are aligned with the Group’s business objectives.

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
<th>Minimum</th>
<th>Mid-point</th>
<th>Maximum</th>
<th>Maximum + 50% share price growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed remuneration</strong></td>
<td>Salary, benefits, pension</td>
<td>See note 1 below</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Annual variable remuneration</strong></td>
<td>STABP (including deferred shares)</td>
<td>None</td>
<td>50% of maximum²</td>
<td>100% of maximum</td>
<td>100% of maximum</td>
</tr>
<tr>
<td></td>
<td>Maximum opportunity of 150% of salary for CEO and 125% for GFD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Long-term variable remuneration⁴</strong></td>
<td>Maximum opportunity of 150% of salary for CEO and 125% of salary GFD</td>
<td>None</td>
<td>60% of maximum³</td>
<td>100% of maximum</td>
<td>100% of maximum (+ the impact of a 50% growth in share price over the vesting period)</td>
</tr>
</tbody>
</table>

1. Represents current base salary, 2022 benefits payments and pension contribution (15% of salary for John Douglas and 7% of salary for Judith Cottrell).
2. As previously, represents the mid-point between zero bonus payment and maximum.
3. As previously, represents the mid-point between 20% vesting at threshold and maximum.
4. No allowance has been made for dividend equivalents.
RECRUITMENT POLICY

The Company will pay total remuneration for new Executive Directors that enables it to attract appropriately skilled and experienced individuals, whilst not, in the opinion of the Remuneration Committee, being excessive. Where an existing employee is promoted to the Board, the Policy set out above will apply from the date of promotion but there would be no retrospective application of the Policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing employee would be honoured and form part of the ongoing remuneration of the employee. These would be disclosed to shareholders in the following year’s Annual Report on Remuneration.

RPS is an international consultancy business competing globally for staff and clients. It will need to recruit its next generation of Executives from a pool of talent which understands and can operate effectively in that market.

<table>
<thead>
<tr>
<th>Element</th>
<th>Policy description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base salary</td>
<td>The Remuneration Committee will offer salaries at around median level for comparative roles in line with its Policy for existing Executive Directors. Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set below the targeted Policy level until they become established in their role. In such cases, subsequent increases in salary may be higher than the employee average until the target positioning is achieved.</td>
</tr>
<tr>
<td>Benefits</td>
<td>The Remuneration Committee will offer the Company’s standard benefit package.</td>
</tr>
<tr>
<td>Pension</td>
<td>Maximum employer contribution will be in line with that offered to the wider workforce in the relevant market.</td>
</tr>
<tr>
<td>Annual Bonus</td>
<td>A new Executive Director will be eligible to participate in the STABP with a maximum award of 150% of salary. In the year of recruitment, the Remuneration Committee may set specific objectives for the new Executive Director which differ from the standard performance measures for that bonus year in order to reflect the circumstances of his or her appointment.</td>
</tr>
<tr>
<td>Long term incentives</td>
<td>A new Executive Director will be eligible to participate in the ELTIP with a maximum award of 150% of salary. The Remuneration Committee retains the discretion to, in exceptional circumstances, increase the first ELTIP Award to the new Executive Director to 200% of salary.</td>
</tr>
<tr>
<td>Maximum Variable Pay</td>
<td>In the year of recruitment, the maximum variable pay is 300% of salary or, in exceptional circumstances, 350%.</td>
</tr>
</tbody>
</table>
| Buy-outs      | The Remuneration Committee does not have an automatic policy to buy out subsisting incentives granted by an Executive Director’s previous employer and which would be forfeited on cessation. Should, however, the Remuneration Committee determine that it is appropriate to do so, it will apply the following approach. The fair value of these incentives will be calculated taking into account the following:  
  • the proportion of the performance period completed on the date of an Executive Director’s cessation of employment;  
  • the performance measures attached to the vesting of these incentives and the likelihood of these being satisfied; and  
  • any other terms and conditions having a material effect on their value. The Remuneration Committee may then grant up to the same fair value where possible under the Company’s incentive plans, subject to the annual limits under these plans. It does, however, retain the discretion to provide the fair value under specific arrangements in relation to the recruitment of the particular individual. |
Element | Policy description
---|---
Relocation policies | In instances where the new Executive Director is relocated from one work location to another, the Company will provide compensation to reflect the cost of that relocation, or in cases where he or she is expected to spend significant time away from their home location, in accordance with its normal relocation package for employees.

The level of the relocation package will be assessed on a case-by-case basis but may take into consideration any cost of living differences, housing allowance and schooling, in accordance with the Company’s normal relocation package for employees.

**EXECUTIVE DIRECTOR LEAVER TREATMENT**

**Payments for loss of office**
In determining any compensation, the Committee will take into account the best practice provisions of the UK Corporate Governance Code as well as published guidance from recognised institutional investor bodies. It will also take legal advice on the Company’s liability to pay compensation and the quantum of any such compensation. There are no contractual arrangements that would guarantee a pension with limited or no abatement on severance or early retirement. There is no agreement between the Company and its Directors, or employees, providing for compensation for loss of office or employment that occurs because of a takeover bid.

When determining any loss of office payment for a departing Director, the Remuneration Committee will always seek to minimise the cost to the Company whilst complying with the contractual terms and seeking to reflect the circumstances in place at the time. The Remuneration Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director’s office or employment.
On loss of office occurring, salary, benefits and pension contributions would normally be paid over the notice period, although the Company has discretion to make a lump sum payment on termination equal to the value of these elements of remuneration. In all cases and in accordance with the above Policy, the Company will seek to apply mitigation to any payments due. Payments for loss of office under the Company’s incentive plans may be made in line with the respective Plan rules as summarised in the table below:

<table>
<thead>
<tr>
<th>Cessation of employment</th>
<th>Change of control</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STABP</strong></td>
<td></td>
</tr>
<tr>
<td>Where a participant’s employment is terminated after the end of a performance year but before the payment is made, the participant may remain eligible for a bonus award for that performance year subject to an assessment of the performance targets over the period. Where an award is made the payment may be delivered fully in cash unless the Remuneration Committee decides in its absolute discretion that such award should be delivered in the same way and at the same time as if the participant had not ceased to be in employment. No award will be made in these circumstances in the event of gross misconduct. If the participant is a good leaver during the performance year, a bonus will normally be paid in cash at the end of the year pro-rated for length of service and the achievement of performance targets measured over the full year. Any unvested deferred share bonus awards will vest in full on the normal vesting date. The Remuneration Committee has the discretion to determine that a bonus award may be paid in cash at the date of cessation, and/or that deferred share bonus awards will vest early, and/or in exceptional circumstances whether to pro-rata the award for the proportion of the relevant period completed on cessation of employment.</td>
<td>The participant will receive the annual bonus in cash immediately prior to the date of the change of control. The level of cash payment will be determined by the Remuneration Committee at its discretion by reference to the time elapsed from the start of the performance year to the change of control date and the performance levels achieved as at the date of the change of control (where applicable). The Remuneration Committee has the discretion to determine, in exceptional circumstances, whether to pro-rata the award for the relevant period completed on the change of control. Any unvested deferred bonus shares will also vest immediately prior to a change of control. In the event of an internal corporate reorganisation, the Remuneration Committee may decide (with the consent of the acquiring company) to replace unvested deferred awards with equivalent new awards over shares in the acquiring company.</td>
</tr>
</tbody>
</table>

A “good leaver” is defined as a participant ceasing to be in employment by reason of death, ill-health, injury, disability, redundancy, retirement, the company employing the participant ceasing to be a member of the Group, the participant’s employing business being sold out of the Group or at the Remuneration Committee’s discretion. Anyone who is not a good leaver will be a bad leaver. For a bad leaver, there will be no cash bonus pay-out for the year in which they leave and any unvested deferred share bonus awards will lapse.
### Cessation of employment

**ELTIP**

For good leavers, unvested awards will vest on the normal vesting date subject to (i) the extent any applicable performance targets have been satisfied at the end of the normal performance period; and (ii) pro-rating to reflect the period of time elapsed between grant and cessation of employment as a proportion of the normal vesting period.

The Remuneration Committee has the discretion to determine that the end of the performance period is the date of cessation and in exceptional circumstances whether to dis-apply the pro-rating of awards for the proportion of the relevant period completed on cessation of employment.

A “good leaver” is defined as a participant ceasing to be in employment by reason of death, ill-health, injury, disability, redundancy, retirement, the company employing the participant ceasing to a member of the Group, the participant’s employing business being sold out of the Group, or at the Remuneration Committee’s discretion.

Anyone who is not a good leaver will be a bad leaver. Bad leavers will forfeit all unvested awards.

Vested awards that are subject to a post-vesting holding period will normally continue to be subject to that requirement post-employment.

### Change of control

Unvested awards will vest early subject to (i) the extent that any applicable performance measures have been satisfied at that time; and (ii) pro-rating to reflect the reduced period of time between grant and early vesting as a proportion of the vesting period that has then elapsed. At its discretion in exceptional circumstances the Remuneration Committee may consider whether to dis-apply pro-ration for time.

In the event of an internal corporate reorganisation, the Remuneration Committee may decide (with the consent of the acquiring company) to replace unvested awards with equivalent new awards over shares in the acquiring company.
# REMUNERATION POLICY

## NON-EXECUTIVE DIRECTOR REMUNERATION POLICY

### Policy table

The Board as a whole is responsible for setting the remuneration of the Non-Executive Directors, other than that of the Chairman whose remuneration is determined by the Remuneration Committee and recommended to the Board. The table below sets out the key elements of the Policy for Non-Executive Directors:

<table>
<thead>
<tr>
<th>Element, purpose and link to strategy</th>
<th>Operation and maximum opportunity</th>
<th>Performance measures and assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>To provide compensation that attracts high-calibre individuals and reflects their experience and knowledge, enabling them to guide the Company to successfully execute the business strategy.</td>
<td>Non-Executive Directors may receive a base fee and additional fees for the role of Senior Independent Director or membership and/or Chairmanship of certain committees. In exceptional circumstances, Non-Executive Directors may receive additional fees where additional time commitments are required. Fee levels are reviewed periodically taking into account the time commitment required of Non-Executive Directors. The fees paid to the Chairman and other Non-Executive Directors aim to be competitive with other fully listed companies which are considered to be of equivalent size and complexity and relative to the same comparator group as is utilised in assessing Executive Director remuneration. Their remuneration is determined within the limits set by the Articles of Association. The Company’s policy is to set fees at up to median level and at a level necessary to attract and retain experienced and skilled Non-Executive Directors with the necessary experience and expertise to advise and assist in establishing and monitoring the strategic objectives of the Company. Fees also reflect the time commitment and responsibilities of the roles. Non-Executive Directors do not receive any bonus, do not participate in awards under the Company’s share plans, and are not eligible to join the Company’s pension scheme. Non-Executive Directors receive reimbursement of reasonable expenses (and any tax thereon) incurred undertaking their duties and/or Company business.</td>
<td>None</td>
</tr>
</tbody>
</table>