



## Ultimate Products plc Remuneration policy

### 1. Introduction

The Group's Directors' Remuneration Policy is intended to enable the Group to attract, retain and motivate the Executive Directors and other senior executives necessary to achieve the Group's annual goals and long-term purpose, values and strategy and deliver sustainable shareholder value. The Committee believes that:

- individuals should be properly rewarded where justified by the Group's financial performance and their personal contribution;
- the Group should pay no more than is necessary;
- remuneration packages should be constructed so as to include stretching performance objectives linked to the long-term success and strategy of the Group; and
- remuneration structures should discourage the taking of excessive risk that is not aligned with the long-term interests of shareholders.

The Ultimate Products Executive Remuneration Policy (the 'Policy') has been prepared to comply with the Companies Act 2006, Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the UK Listing Authority's Listing Rules. Due consideration has also been given to the recommendations of the UK Corporate Governance Code (the 'Code') and to guidance provided by investors, including the Investment Association's Principles of Remuneration. This Policy is subject to approval by Shareholders at the 2023 Annual General Meeting and is intended to operate for a three-year term. The Group will only make remuneration payments to current or prospective Directors, or payments for loss of office if the payment is in line with the Policy. If the Committee wishes to change the Policy within this period, or is required to do so, it will submit a revised Policy to shareholders for approval.

The Committee is of view that the proposed Policy is well-aligned with the Code's six principles:

- **Clarity:** The Policy supports the financial and strategic objectives of the Group and aligns EDs' interests with those of shareholders. There is clear disclosure of metrics, weightings and assessment of variable remuneration outcomes;
- **Risk:** The Policy ensures risk is reflected in outcomes through the Committee's discretion to adjust formulaic outcomes to properly reflect any risk events, deferral provisions, subject to malus and clawback which mitigates against future risk and shareholding requirements;
- **Simplicity:** We intend to operate a simple remuneration framework, comprising fixed pay elements and a single variable pay plan per individual. This provides clear line of sight for both EDs and shareholders;
- **Proportionality:** Incentive elements are closely aligned to our strategic goals and robustly assessed, with the Committee having full discretion to adjust outcomes to ensure they align with overall Group performance;
- **Predictability:** The Policy sets out the possible future value of remuneration which EDs could receive, including the impact of share price appreciation of 50%; and
- **Alignment to culture:** As well as aligning with the strategy of the business, the Policy has been formed to allow strong alignment between Executive Directors and senior management by operating incentive plans that can easily cascade throughout the business.



## 2. Changes to Policy

The Directors' Remuneration Policy in its current form was originally approved by the Company's shareholders at the December 2020 AGM by 99.37% of the Company's shareholders. Over the period since the 2022 AGM, we have undergone a comprehensive review of the approach to remuneration for senior management and Executive Directors. The Committee has conducted a detailed review of the overall remuneration structure at UPGS, taking into consideration the Company's strategic objectives, developments in market practice over recent years, the views of the management team and the external environment in which the Company operates.

The Committee is proposing to simplify the Policy by replacing the existing annual bonus and performance share plan with one single incentive going forward, the Incentive Plan for all Executive Directors save for Simon Showman and Andy Gossage.

Annual awards will be no higher than 200% of base salary for the Executive Directors (but the Committee does not intend to make use of this limit in the first year of operation of the Policy). The Committee will set stretching performance targets which will be measured over each financial year. The majority of the award will be assessed against financial performance metrics, with the balance assessed against non-financial strategic/personal objectives. This will create a direct focus on delivery against strategic objectives on an annual basis, which in turn will drive long-term growth and value creation for shareholders.

Subject to the achievement of these annual targets, up to 50% of any award would be paid at the end of the performance year in cash, with the remaining proportion (i.e. minimum of 50%) being deferred into shares for four years.

Vesting of the deferred shares will be subject to continued employment and the satisfaction of a discretionary performance underpin.

The rationale for the new Incentive Plan is as follows:

- Increased line of sight - feedback from the business indicated that the existing PSP was not motivational in a cyclical industry, which has meant that setting meaningful and challenging long term targets has been challenging for the Company. In contrast, the use of one year targets improves line of sight for management, and is likely to have a greater motivational effect on participants to achieve targets over the shorter term.
- Long-term shareholder alignment - while performance measurement under the new incentive will be measured on an annual basis, in line with institutional guidelines a material proportion of total remuneration is delivered over the long-term. The Committee believes that the significant level of deferral, with vesting subject to continued employment and an ongoing level of performance, will provide strong long-term alignment with shareholders. To the extent that the performance that generated the outturn from the Incentive Plan is sustained, this will be reflected in the growth in value of the deferred element.
- Simpler - the replacement of the annual bonus and performance share plan with one variable remuneration plan simplifies the structure of remuneration at UPGS, and ensures clear understanding for all stakeholders including participants and shareholders. The revised structure is consistent with the simplicity factor as set out in Provision 40 of the 2018 Corporate Governance Code - "remuneration structures should avoid complexity and their rationale and operation should be easy to understand".
- Wider alignment with corporate governance best practice – the updated Policy conforms with best practice in relation to corporate governance, specifically:
  - Five-year overall term until release of the awards under the Incentive Plan.



- Robust procedures granting the Committee the right to exercise discretion over remuneration outcomes to ensure they are reflective of the wider Company performance and shareholder experience.
- Clear and full malus and clawback provisions operating for each award over a five year period in total.

As set out in the Chair’s statement, S Showman and A Gossage will not be eligible to participate in this plan and will continue to participate in the existing Annual Bonus Plan. The Committee has made adjustments to the operation of the Annual Bonus Plan for flexibility, to modernise it to align with the provisions of the Incentive Plan and in the context of the significant shareholdings of S Showman and A Gossage as follows:

- Increased flexibility in relation to the delivery mechanism and deferral schedule of awards so that the Committee has a choice in how any bonus award will be paid.
- Removal of EBITDA as a fixed metric under the plan (although the Committee currently intends to continue using EBITDA as a measure).
- Changes in the treatment of leavers so that a) good leavers are more narrowly defined to be those who die or other leavers at the discretion of the Committee and b) deferred awards for leavers other than good leavers lapse rather than the treatment under the legacy Policy whereby the default treatment was vesting at the normal vesting date for other leavers.

The Committee is comfortable that all other elements of the current Policy remain fit for purpose, and so no other changes are proposed.



### 3. Summary of components of Executive Directors' remuneration:

Fixed remuneration: Salary

<b>Element, purpose and link to strategy</b>	To provide an appropriate amount of basic fixed income to enable the recruitment and retention of individuals who can facilitate the achievement of the Group's strategy.
<b>Operation</b>	<p>The Committee reviews base salaries on an annual basis, taking into account:</p> <ul style="list-style-type: none"> <li>• absolute and relative Group profitability;</li> <li>• any changes to the scope of each role and its responsibilities;</li> <li>• any changes to the size and complexity of the Group;</li> <li>• salaries in comparable organisations;</li> <li>• pay increases elsewhere in the Group; and</li> <li>• the impact of any increases to base salary on the total remuneration package.</li> </ul>
<b>Maximum opportunity</b>	<p>The Committee has set no overall maximum on salary increases, as it believes that this creates an anchoring effect for Executive Directors and other employees. In most circumstances, salary increases for Executive Directors will not exceed the average increase awarded to other employees in the Group. Increases above this level will only be granted in exceptional circumstances including (without limitation):</p> <ul style="list-style-type: none"> <li>• a material increase to the responsibilities attaching to a role;</li> <li>• a material increase in the scope of a role;</li> <li>• a promotion to a different role;</li> <li>• where a salary has fallen out of step with market norms; or</li> <li>• where an Executive Director has been recruited on a below-market salary and the Committee is gradually transitioning that person to a market rate.</li> </ul> <p>In considering any increases to salary for Executive Directors, the Committee shall carefully consider the impact of such changes on associated indirect costs including pension contributions.</p>
<b>Performance measures</b>	None, although the Committee takes into account individual performance, skills and experience when setting and reviewing salaries.

Fixed remuneration: Benefits

<b>Element, purpose and link to strategy</b>	To provide market-competitive and cost-effective benefits to attract and retain suitable Executive Directors and where appropriate, assist an Executive Director in the performance of his or her duties.
<b>Operation</b>	The Group provides a range of benefits to its Executive Directors in line with market norms. These currently include the provision of a company car (or a car allowance), sick pay and private medical insurance for the Executive Director and his or her spouse and dependent children. Other than in respect of the Chief Executive Officer, for whom a life assurance



policy with critical illness cover is provided, the Group does not currently provide life assurance or permanent health insurance to Executive Directors. However, the Remuneration Committee notes that the provision of such benefits is common at comparable companies and if the Remuneration Committee in future determines that such provision is necessary to attract or retain suitable Executive Directors, then it may elect to provide these to one or more of the Executive Directors.

The Group reimburses reasonable work-related expenses to Executive Directors, such as business travel and subsistence whilst on work trips, or expenses incurred in the performance of their duties along with any tax liabilities that may arise.

Any additional benefits provided to Executive Directors are reviewed by the Committee and approved only if reasonable, in line with good market practice and obtainable at a proportionate cost.

For Executive Directors based outside of the UK, the Committee may consider providing additional allowances where this is in line with local market practice and expectations and is necessary in order to recruit or retain suitably skilled individuals.

<b>Maximum opportunity</b>	The maximum opportunity will depend upon the cost of providing the relevant benefits and individual's personal circumstances. The Committee has full regard to the cost of providing any benefits and is committed to only providing benefits that are in line with market practice, cost-effective for the Group and appropriate to the requirements of a specific role or individual.
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<b>Performance measures</b>	None.
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Fixed remuneration: Retirement provision

<b>Element, purpose and link to strategy</b>	To provide an income for Executive Directors in their retirement and enable the Group to recruit and retain suitable individuals by aligning their overall package with those offered by competitors for talent.
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<b>Operation</b>	The Group operates a defined contribution pension plan in which the Executive Directors are eligible to participate and may provide contributions to the Executive Directors' personal pension arrangements or a cash allowance in lieu of pension contributions.
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<b>Maximum opportunity</b>	<p>The Executive Directors currently receive between 3.5% and 7% of basic salary as a contribution to their pension arrangements (or as an equivalent cash allowance). For S Showman and A Gossage, the Remuneration Committee are gradually aligning the pension opportunity with the wider workforce. C Dent's pension is aligned with the arrangements offered to the wider workforce.</p> <p>For newly appointed Executive Directors, the contribution level (or payments in lieu) will be aligned with those available to the Group's broader workforce, other than in exceptional circumstances.</p>
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<b>Performance measures</b>	None.
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Variable remuneration: Annual Bonus Plan (S Showman and A Gossage only)

<b>Element, purpose and link to strategy</b>	To incentivise Executive Directors to deliver the Group’s corporate strategy by focusing on annual goals that are consistent with longer-term strategic objectives and rewarding the delivery of exceptional performance.
<b>Operation</b>	<p>Annual bonus targets are reviewed and set on an annual basis to ensure that they:</p> <ul style="list-style-type: none"> <li>• align with the Group’s long-term strategy;</li> <li>• are focused on the Group’s immediate strategic priorities;</li> <li>• are appropriate given broader market conditions; and</li> <li>• remain stretching.</li> </ul> <p>Pay-out levels are determined by the Committee after the year end, based upon a rigorous assessment of performance against the targets. The threshold payment is between 0% and 25% of the maximum award. Other levels of payout are set by the Committee from year-to-year depending on the appropriate level of stretch in the targets to align with the business plans. Bonuses may be paid in the form of cash or shares, and a proportion may be deferred for a period of time, as determined by the Committee each year in the light of the significant shareholdings of S Showman and A Gossage. Malus provisions apply for the duration of the performance period and to shares or cash held under the deferral arrangements, allowing the Committee to reduce to zero any unvested or deferred awards. Clawback provisions apply to cash amounts paid and shares or cash released for three years following payment or release (as the case may be), allowing the Committee to claim back all or part of any amount paid or released.</p>
<b>Maximum opportunity</b>	The maximum annual bonus opportunity that can be earned for any year is capped at 100% of base salary in the case of S Showman and A Gossage. For the avoidance of doubt, no other Executive Director can participate in this plan.
<b>Performance measures</b>	<p>The awards under the annual bonus will be earned based on achievement against a scorecard of measures set on an annual basis. At least 50% of the awards will be assessed against financial performance metrics, with the balance assessed against non-financial strategic/personal objectives.</p> <p>The Committee is of the opinion that, given the commercial sensitivity of the detailed performance measures used for the annual bonus plan, disclosing precise targets in advance would not generally be in the interests of the Group or its shareholders. Actual targets, performance levels achieved, and the resulting payments made will therefore be disclosed, in most circumstances, retrospectively at the end of the performance period. In exceptional circumstances such that the Committee believes the original measures and/or targets are no longer appropriate, the Committee has discretion to amend performance measures and targets during the year.</p>



Variable remuneration: Incentive Plan

<b>Element, purpose and link to strategy</b>	To incentivise Executive Directors to deliver on our financial and strategic goals, align with longer-term shareholder value over a total term of five years from award, and reward exceptional performance.
<b>Operation</b>	<p>Awards will be subject to performance targets measured over a one-year period. Targets are reviewed and set on an annual basis to ensure that they:</p> <ul style="list-style-type: none"> <li>• align with the Group’s long-term strategy;</li> <li>• are focused on the Group’s immediate strategic priorities;</li> <li>• are appropriate given broader market conditions; and</li> <li>• remain stretching.</li> </ul> <p>Pay-out levels are determined by the Committee after the year end, based upon a rigorous assessment of performance against the targets.</p> <p>The threshold payment is between 0% and 25% of the maximum award. Other levels of payout are set by the Committee from year-to-year depending on the appropriate level of stretch in the targets to align with the business plans.</p> <p>Up to 50% of any award is paid in cash following the end of the performance year, with the remaining proportion (i.e. minimum of 50%) being deferred into shares for four years.</p> <p>Deferred awards vest subject to continued service and the satisfaction of a discretionary performance underpin, assessed by the Committee at the end of the deferral period. The value of any dividends during the deferral period may be payable to the Executive Directors upon vesting at the choice of the Committee.</p> <p>In light of the significant shareholdings of S Showman and A Gossage and their continued participation in the MIP, these Executive Directors will not participate in the Incentive Plan and will instead remain in the current Annual Bonus Plan.</p> <p>In determining whether the performance measures have been satisfied, the Committee shall take account of the extent to which the measured outcome reflects overall corporate performance and the experience of the shareholders of the Company in terms of value creation. Where the Committee is of the opinion that the formulaic application of any performance measure produces an outcome that is unjust to the Group, its shareholders or the Executive Director it shall be entitled, acting in its absolute discretion, to make such adjustments as it sees fit to its determination of whether (and, if relevant, to what extent) the performance measure has been satisfied, at all times having due regard to the interests of shareholders of the Group. The Committee shall not exercise any such discretion to the material advantage of an Executive Director other than in exceptional circumstances and following consultation with key shareholders.</p> <p>Malus provisions apply for the duration of the performance period and to deferral awards, allowing the Committee to reduce to zero any in-year or deferred awards. Clawback provisions apply to amounts paid following the performance period for four years following payment, allowing the Committee to claim back all or part of any amount paid.</p>
<b>Maximum opportunity</b>	200% of salary, with the majority of the award earned being subject to deferral for four years.



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**Performance measures**

- The awards under the Incentive Plan will be earned based on achievement against a scorecard of measures set on an annual basis. At least 50% of the awards will be assessed against financial performance metrics, with the balance assessed against non-financial strategic/personal objectives.
  - The Committee is of the opinion that, given the commercial sensitivity of the detailed performance measures used for the annual bonus plan, disclosing precise targets in advance would not generally be in the interests of the Group or its shareholders. Actual targets, performance levels achieved, and the resulting payments made will therefore be disclosed, in most circumstances, retrospectively at the end of the performance period.
  - In exceptional circumstances such that the Committee believes the original measures and/or targets are no longer appropriate, the Committee has discretion to amend performance measures and targets during the year.
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Variable remuneration: All-employee share plans

<b>Element, purpose and link to strategy</b>	To align the broader employee base with the interests of shareholders and aid recruitment and retention.
<b>Operation</b>	The Group operates an all-employee save-as-you-earn plan approved by HM Revenue & Customs under Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003. Executive Directors are, as required by the relevant legislation, entitled to participate on the same basis (and subject to the same maximums) as other Group employees.
<b>Maximum opportunity</b>	In line with HMRC limits in force from time-to-time.
<b>Performance measures</b>	None.

Other: Shareholding guidelines

<b>Element, purpose and link to strategy</b>	To create alignment between the Executive Directors' interests and those of shareholders.
<b>Operation</b>	The Remuneration Committee expects all Executive Directors, within a period of five years from appointment, to build up a meaningful shareholding in Ultimate Products.
<b>Maximum opportunity</b>	<p>The Chief Executive Officer and the Managing Director will be required to build up interests in the Group's shares worth 250% of base salary. All other Executive Directors will be required to build up interests in shares worth 125% of base salary.</p> <p>The Remuneration Committee requires that all Executive Directors continue to comply with a tapered shareholding requirements for two years following termination of their directorship, whereby they shall reduce their holding from the 250% or 125% of base salary level by no more than 50% in year 1 and 50% in year 2.</p>
<b>Performance measures</b>	None.

Malus and clawback

Malus and/or clawback provisions under the Incentive Plan may be triggered in the following scenarios:

- the Executive Director has participated in or was responsible for conduct which resulted in significant losses to a Group company;
- the Executive Director has failed to meet appropriate standards of fitness and propriety;
- the Remuneration Committee has reasonable evidence of fraud or material dishonesty by the Executive Director;



- the Company has become aware of any material wrongdoing on the part of the Executive Director;
- the Executive Director has acted in any manner which in the opinion of the Committee has brought or is likely to bring any Group company into material disrepute or is materially adverse to the interests of any Group company;
- there is a breach of the Executive Director's employment contract that is a potentially fair reason for dismissal;
- the Executive Director is in breach of a fiduciary duty owed to any Group company;
- an Executive Director who has ceased employment was in breach of their employment contract or fiduciary duties in a manner that would have prevented the grant or release of an award had the Remuneration Committee been aware (or fully aware) of that breach, and of which the Remuneration Committee was not aware (or not fully aware) at the relevant time;
- there was a material error in determining whether an award should be made or in determining the size and nature of the award or in assessing the extent to which any performance measure was satisfied;
- a Group company misstated any financial information for any part of any year that was taken into account in determining whether an award should be made or in determining the size and nature of such award or assessing the extent to which any performance measure was satisfied; or
- a Group company or business unit that employs or employed the Executive Director, or for which the Executive Director is or was responsible, has suffered a material failure of risk management.

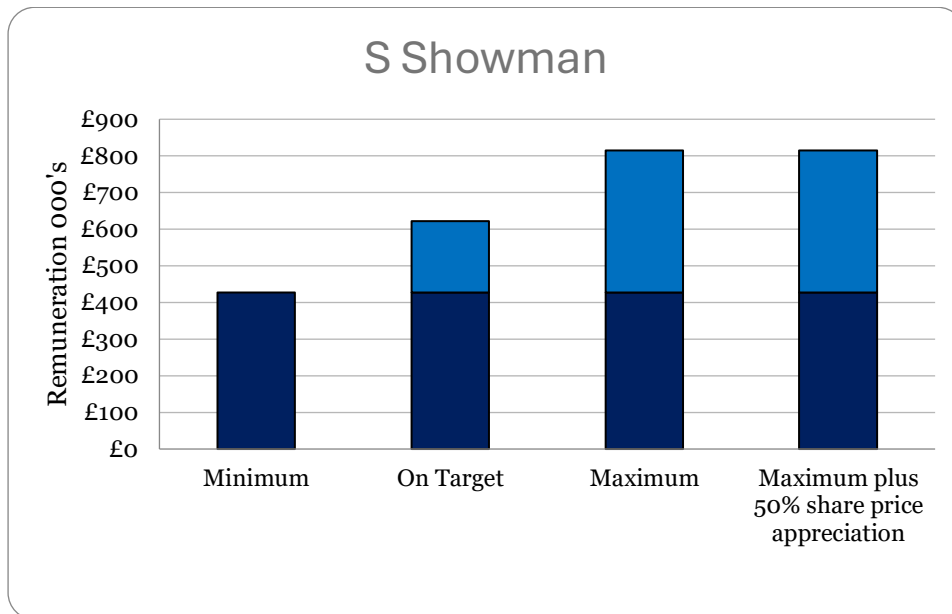
#### Performance conditions

As detailed in the Policy table above, the Committee determines the performance conditions to be used under the variable pay plans on an annual basis. The Committee's intention is that Adjusted EBITDA will continue to be included as it is a key measure of the Group's financial performance. The performance conditions chosen for each year's incentive awards will be disclosed in the Directors' Remuneration Report following the end of the relevant year.

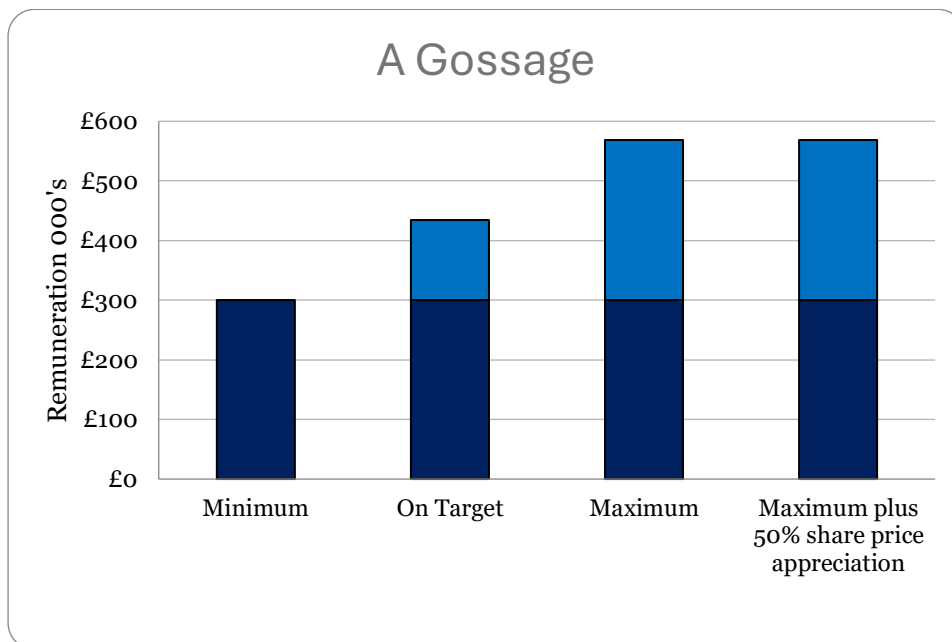
#### Illustrations of application of Policy

The charts below illustrate the potential value of the remuneration packages for the Executive Directors under the operation of the Policy during FY24 and under the scenarios in the following table.

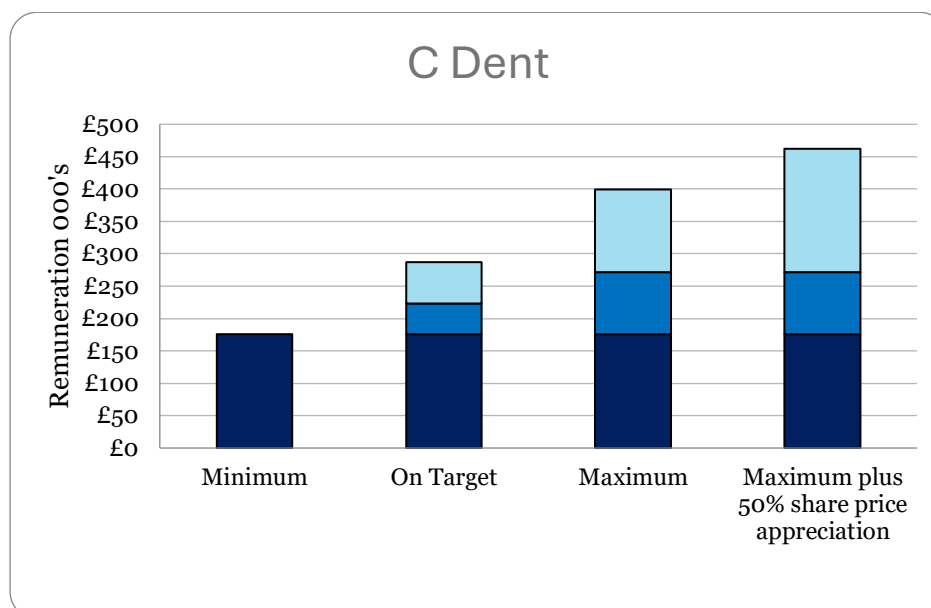
### S Showman



### A Gossage



## C Dent



Performance level	Fixed Pay	Incentive Plan / Annual bonus plan
<b>Minimum</b>		No award
<b>On Target</b>	<p>Fixed elements of remuneration – base salary, car allowance, benefits and pension only.</p> <p>Base salary is as at 31 July 2023 and the value for benefits has been calculated as per the single figure table for FY23.</p>	<p>50% of maximum:</p> <p>70% of salary for C Dent of which 40% of salary is deferred into shares</p> <p>50% of salary for S Showman and A Gossage, of which 15% of salary is deferred</p>
<b>Maximum</b>		<p>100% of maximum:</p> <p>140% of salary for C Dent of which 80% of salary is deferred into shares</p> <p>100% of salary for S Showman and A Gossage, of which 30% of salary is deferred</p>
<b>Maximum plus share price growth</b>	As for Maximum above, but with the value of 50% share price growth included within the deferred element of the Incentive Plan for C Dent.	

Note that the SAYE plan has not been incorporated into the scenarios above on the basis of materiality.

#### 4. Statement of consideration of employment conditions elsewhere in the Group

In designing the Policy and in making decisions in relation to the remuneration of Executive Directors pursuant to the Policy, the Committee has and will continue to take into account the remuneration of employees across the Group. The Committee and Executive Directors believe



that the success of the Group in meeting its strategic objectives is highly dependent upon the talents and performance of the Group's wider employee base. The Group regularly reviews the remuneration of Group employees in a process led by the Group HR Director. In line with the policy of the Committee towards the Executive Directors, the Group's policy is to set competitive pay levels that allow the Group to attract and retain the talent necessary to thrive, without paying more than is necessary in the markets in which it operates. The main pay review takes place in June of each year, with an extra "hindsight" review in December of each year. The Group HR Director reports the results of the pay review to the Committee.

Whilst the Committee does not have a formal process for directly consulting employees on the remuneration of Executive Directors, it does take full account of the pay, benefits and employment conditions of the wider workforce when setting the remuneration of Executive Directors. In particular, the Committee has determined that in most circumstances, salary increases for Executive Directors should not exceed the average increase awarded to other employees in the Group. Increases above this level will only be granted in exceptional circumstances as set out in the policy table under Fixed Remuneration: Salary above.

The Group's Employee Consultation Group (ECG), which is chaired by the HR Director, is used as a formal communication channel between employees and the Executive Directors to communicate and consult on matters of importance both to and from the employees in a constructive manner. The ECG produces papers for the Board at least twice per year, which are discussed by the Board, and responded to where required.

#### 5. Statement of consideration of shareholders' views

The Committee actively welcomes the input of shareholders in respect of its remuneration policies and decisions and is committed to engaging in an open and transparent dialogue with shareholders in relation to executive remuneration.

In developing the Policy, the Chair of the Committee sought the views and input of the Group's key shareholders. The Committee considered all views expressed by shareholders in refining and developing the Policy and will continue to engage with shareholders in the year ahead. Shareholders have expressed a strong preference for the Committee to demonstrate transparency in all aspects of the operation of the Policy, and the Committee remains committed to open and clear communication with its shareholders. The Committee agrees that such transparency is a legitimate interest of shareholders, and intends to provide maximum disclosure in all circumstances except where such disclosure would materially prejudice the interests of the Group.

As a listed company, the Group strives hard to build a long-term, two-way relationship with its investors and will consider their views in all areas of its business, including on the remuneration of its key employees.

#### 6. Recruitment remuneration

The Committee will determine the remuneration of new Executive Directors in accordance with this Remuneration Policy, taking into account the individual's skills, experience and current remuneration package, together with the responsibilities attaching to the role concerned.

Where the Committee considers it appropriate to offer a below-market salary initially, for example where a recruit's current remuneration package is considerably below the market norm for the role that they are being recruited to perform, a series of planned above inflation, annual increases to reach a market salary may be used. Such increases may be made subject to Group



and individual performance. In some circumstances, to recruit individuals of an appropriate calibre, it may be necessary to buy out their variable remuneration arrangements, which would be forfeited due to leaving their previous employment. Where this is done, the Committee will take into account the form of any such award, any performance conditions attaching to it (including the likelihood of such performance conditions being achieved) and the period of vesting.

Any buyout payments made will generally seek to reflect the structure and level of the award it replaces, as far as reasonably practicable. The Committee will pay no more than is necessary to compensate such individuals for the awards they will be losing, taking into account anticipated vesting levels. The Committee would normally impose clawback provisions on such recruitment awards made to Executive Directors, activated should such individual resign or be summarily dismissed within two years of joining the Group.

Shareholders will be informed of any such payments at the time of recruitment along with the reasons for making such payments.

The maximum level of annual variable pay, which may be awarded to a new Executive Director, will be in line with the maximum amounts specified in the Incentive Plan, as set out in the above, being a total of 200% of salary. For the avoidance of doubt, this excludes the value of any buyout payments associated with forfeited awards.

The Committee may approve the meeting of an Executive Director's reasonable and proportionate relocation expenses where this is considered appropriate in all the circumstances.

Where an Executive Director is recruited partway through a financial year, the individual may be invited to participate in the Incentive Plan on a pro-rated basis in that first year.

For the recruitment of an Executive Director in a non-UK jurisdiction, the Committee may approve the payment of alternative or additional benefits and pension arrangement in line with local market practice. In some circumstances, the Remuneration Committee may agree to pay an expatriate allowance, reimbursement of advisers' fees and/or offer tax equalisation arrangements.

## 7. Service agreements and termination payments

It is the Group's policy that Executive Directors' service agreements may be terminated by no more than one year's notice by the employer at any time and by payment of no more than one year's basic salary and other fixed benefits in lieu of notice by the employer. Upon the termination of an Executive Director's employment, in addition to considering the terms of the individual's service agreement, the Committee has the following policies:

- The Committee shall be guided by the core principle of seeking an outcome that is in the best interests of the Group and its shareholders and shall take into account all of the circumstances of the termination.
- If the termination is as a result of death or any other reason that the Committee considers to be appropriate (a 'Good Leaver Reason'), the Committee shall consider making a payment to the Executive Director under the Annual Bonus Plan or Incentive Plan. This would normally be pro-rated for the period worked during the financial year and any deferred amounts (whether held in shares or cash) will normally be released at their normal vesting date subject to performance and/or underpins under their original terms.



- If the termination is as a result of anything other than a Good Leaver Reason, no payment will be made under the Annual Bonus Plan or Incentive Plan on cessation of employment of an Executive Director and any deferred amounts will normally lapse.
- In the event of a compromise or settlement agreement, the Committee shall consider agreeing to reasonable payments in respect of the settlement of legal claims, including any compensation relating to the breach of the Executive Director's statutory or contractual rights and in respect of any reasonable professional fees incurred by the individual in relation to the agreement.

The service contracts of Executive Directors and the letters of appointment of Non-executive Directors are available for inspection at the Group's registered office during normal business hours and will be available at the Annual General Meeting.

#### 8. Change in control

On a change in control, awards under the Group's incentive plans will generally vest but in most circumstances, such vesting will be subject to:

- i. the extent to which the Committee considers that the performance conditions have been satisfied; and
- ii. time apportionment in accordance with the rules of each plan.

On a change in control, any shares held under compulsory deferral arrangements under the Group's incentive plans (i.e. after the end of any performance periods) shall normally vest in full.

#### 9. Fees retained for external non-executive directorships

The Committee is of the view that Executive Directors can, in some circumstances, benefit by holding non-executive directorships in other companies. The Committee therefore permits such non-executive directorships and permits the Executive Directors to personally retain the fees from such non-executive directorships, providing that the Committee's advance permission is sought and that such appointment does not conflict with the Director's duties and commitments to Ultimate Products.

#### 10. Discretion

The Committee has an element of discretion in several areas of the Policy and has discretion in some areas under the rules of certain incentive plans. These discretions include:

- selecting participants for each plan and arrangement;
- determining the quantum of awards under each plan or arrangement, subject to the maximums stated in the policy table above;
- selecting the most suitable timing for granting awards and making payments;
- assessing the extent to which performance conditions have been satisfied and thereby the extent to which awards shall vest;
- setting the targets applicable to the various performance measures used in the Group's plans and arrangements;
- conducting an annual review of performance measures and the relative weightings thereof;



- determining whether a participant shall be considered to be a Good Leaver in exceptional circumstances, outside of the prescribed circumstances; and
- making necessary adjustments to any plan or arrangement in circumstances such as a rights issue, restructuring, special dividend or change of control (subject to the rules of the relevant plan or arrangement).

If an event occurs which means, in the opinion of the Committee, that the performance conditions or associated targets are no longer an appropriate measure of the performance of the Group's business or its adherence to strategy then, in exceptional circumstances, the Committee shall have the discretion to adjust, supplement or amend any performance condition or target, subject always that the adjusted, supplemental or amended performance condition must be not materially less difficult to satisfy. Other than in the case of minor or administrative changes, any such action would be taken only after consultation with the Group's major shareholders and would be disclosed in the subsequent Annual Report on Remuneration.

Specifically, in determining whether the performance measures have been satisfied for awards made under the Annual Bonus Plan, Incentive Plan or PSP, the Committee is required to take account of the extent to which the measured outcome reflects overall corporate performance and the experience of the shareholders of the Company in terms of value creation.

Where the Committee is of the opinion that the formulaic application of any performance measure produces an outcome that is unjust to the Company, its shareholders or the Executive Director it shall be entitled, acting in its absolute discretion, to make such adjustments as it sees fit to its determination of whether (and, if relevant, to what extent) the performance measure has been satisfied, at all times having due regard to the interests of shareholders of the Company. The Committee shall not exercise any such discretion to the material advantage of an Executive Director other than in exceptional circumstances and following consultation with key shareholders.

The Committee has the discretion to amend the Policy with regard to minor or administrative matters where, in the opinion of the Committee, it would be disproportionate to seek or await shareholder approval for such an amendment.

## 11. Legacy agreements

In addition to payments provided for under this Policy, the Committee may authorise payments to honour commitments made prior to its adoption to any current or former Executive Directors.

In particular, Awards under the following plans have not yet vested, and therefore all the terms of these awards (outlined in previous Directors' Remuneration Reports) will continue to apply under the Policy, including performance conditions, vesting and holding schedule and malus and clawback provisions:

- Deferred share awards under the Annual Bonus plan granted to C Dent, which vest in equal tranches after one, two and three years;
- Awards granted to C Dent under the Performance Share Plan (PSP), which vest three years from the date of grant subject to EPS and strategic performance conditions; and
- Awards granted under the Management incentive plan (MIP), which participants may exercise at any point up to 28 February 2026, whose value is based on growth in the Company's share price above a hurdle (which increases from 166.4p to 193.02p with effect from 28 February 2024).



For the avoidance of doubt, no new awards will be granted under any of these legacy plans, except for deferred awards under the Annual Bonus plan for S Showman and A Gossage.

Where appropriate, in the case of an internal promotion to an Executive Director position, the Committee may make payments to such Executive Director in relation to terms agreed with them at a time when the relevant individual was not an Executive Director of the Group – providing that such payment was not in consideration for the individual becoming an Executive Director. Any such payments will only be made with a view to transitioning the Executive Director to terms compatible with this Remuneration Policy as soon as possible. Details of any such payments will be included in each Annual Report on Remuneration.

## 12. Terms and conditions of Non-executive Directors

Non-executive Directors are appointed for an initial period of three years and will stand for re-election at each AGM of Ultimate Products. Thereafter, the Board may invite them to serve for an additional period of three years, subject to re-election at each AGM.

The fees paid to Non-executive Directors are determined by the Board in light of independent surveys of fees paid to Non-executive Directors of comparable companies and with regard to the time commitment and responsibilities involved.

The Chairman is paid a single fee covering all of his responsibilities and other Non-executive Directors receive a basic fee, with Committee Chairs being paid additional fees to reflect their extra responsibilities. Non-executive Directors are entitled to be reimbursed for reasonable expenses, in relation to the performance of their duties and for any related tax liabilities that may arise.

The appointment of Non-executive Directors is terminable by either party on one month's written notice. No compensation is payable upon termination of their appointment and they are not entitled to participate in the Group's incentive or pension arrangements.