Guide to Directors' Remuneration 2024

A wide-ranging overview of Executive and Non-Executive Directors' remuneration trends in FTSE 350 companies

Summary findings

The table below summarises median market practice in FTSE 100 companies for Chief Executives, Finance Directors and Other Executive Directors.

FTSE 100	Chief Executive	Finance Director	Other Executive Directors
Salary increase	4%	5%	3%
Basic salary (£'000s)	902	556	536
Annual Bonus			
Maximum potential bonus (percentage of salary)	200%	200%	200%
Total bonus paid (percentage of salary)	140%	132%	121%
Long Term Incentive			
Maximum award (percentage of salary)[a]	300%	250%	250%
Pension			
Contribution limits (percentage of salary)[b]	10%	10%	8%
Shareholding Requirements			
Minimum shareholding requirement (percentage of salary)	350%	275%	250%
Total earnings[c] (£'000s)	4,000	1,924	2,089

Notes: This guide is based on data gathered from external data providers (see methodology appendix for more information) and covers companies with financial year ends up to and including 31 March 2024.

a) Face value of award.

b) This is the median pension contribution limit across all roles.

c) Includes benefits, total bonus and cash value of share awards vested in the year.

Summary findings (cont.)

The table below summarises median market practice in FTSE mid 250 companies for Chief Executives, Finance Directors and Other Executive Directors.

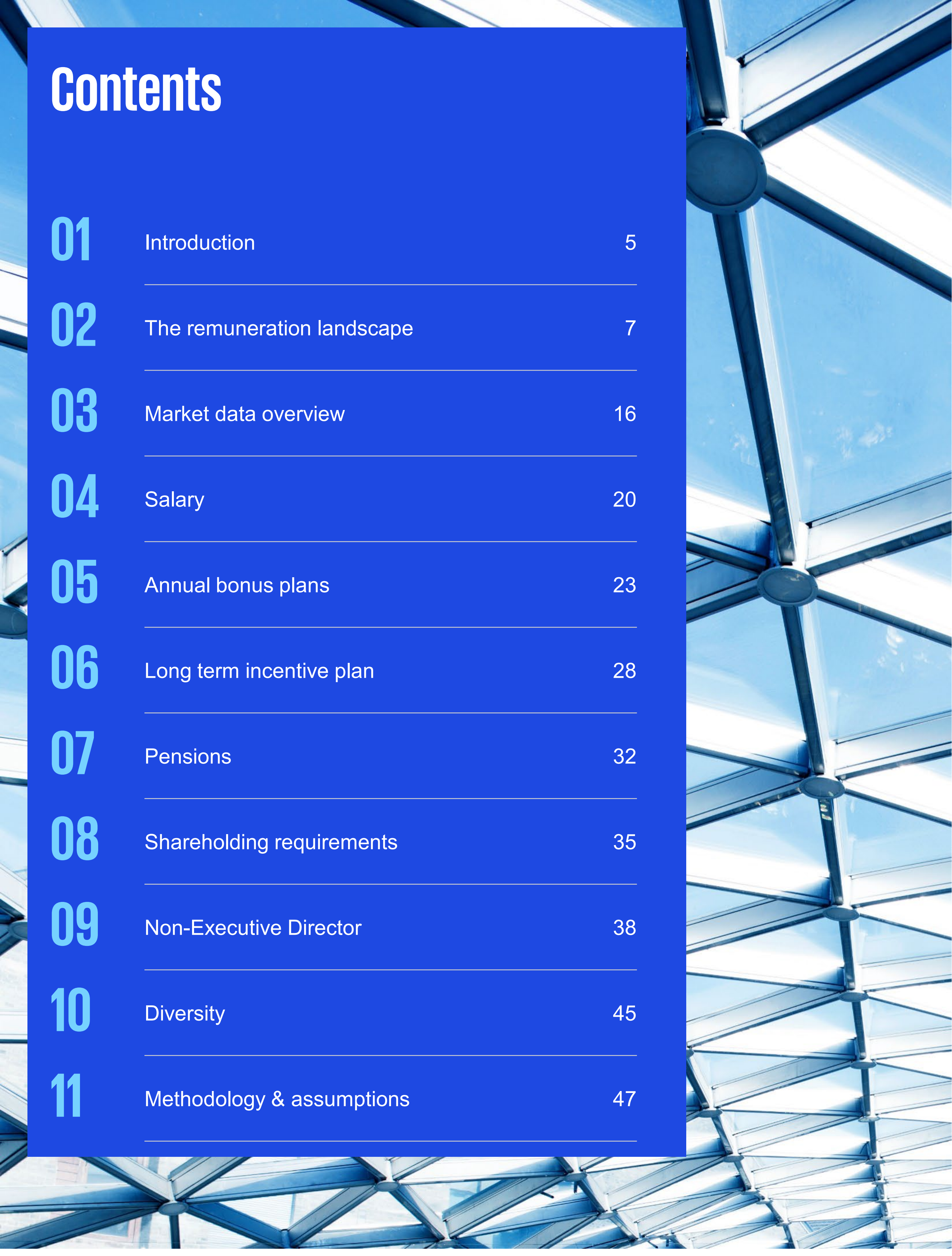
FTSE mid 250	Chief Executive	Finance Director	Other Executive Directors
Salary increase	5%	5%	6%
Basic salary (£'000s)	623	425	420
Annual Bonus			
Maximum potential bonus (percentage of salary)	150%	150%	150%
Total bonus paid (percentage of salary)	116%	104%	85%
Long Term Incentive			
Maximum award (percentage of salary)[(a)]	200%	200%	200%
Pension			
Contribution (percentage of salary)[(b)]	8%	8%	11%
Shareholding Requirements			
Minimum shareholding requirement (percentage of salary)	200%	200%	200%
Total earnings[(c)] (£'000s)	1,962	1,040	900

Notes: This guide is based on data gathered from external data providers (see methodology appendix for more information) and covers companies with financial year ends up to and including 31 March 2024.

a) Face value of award.

b) This is the median pension contribution limit across all roles.

c) Includes benefits, total bonus and cash value of share awards vested in the year.



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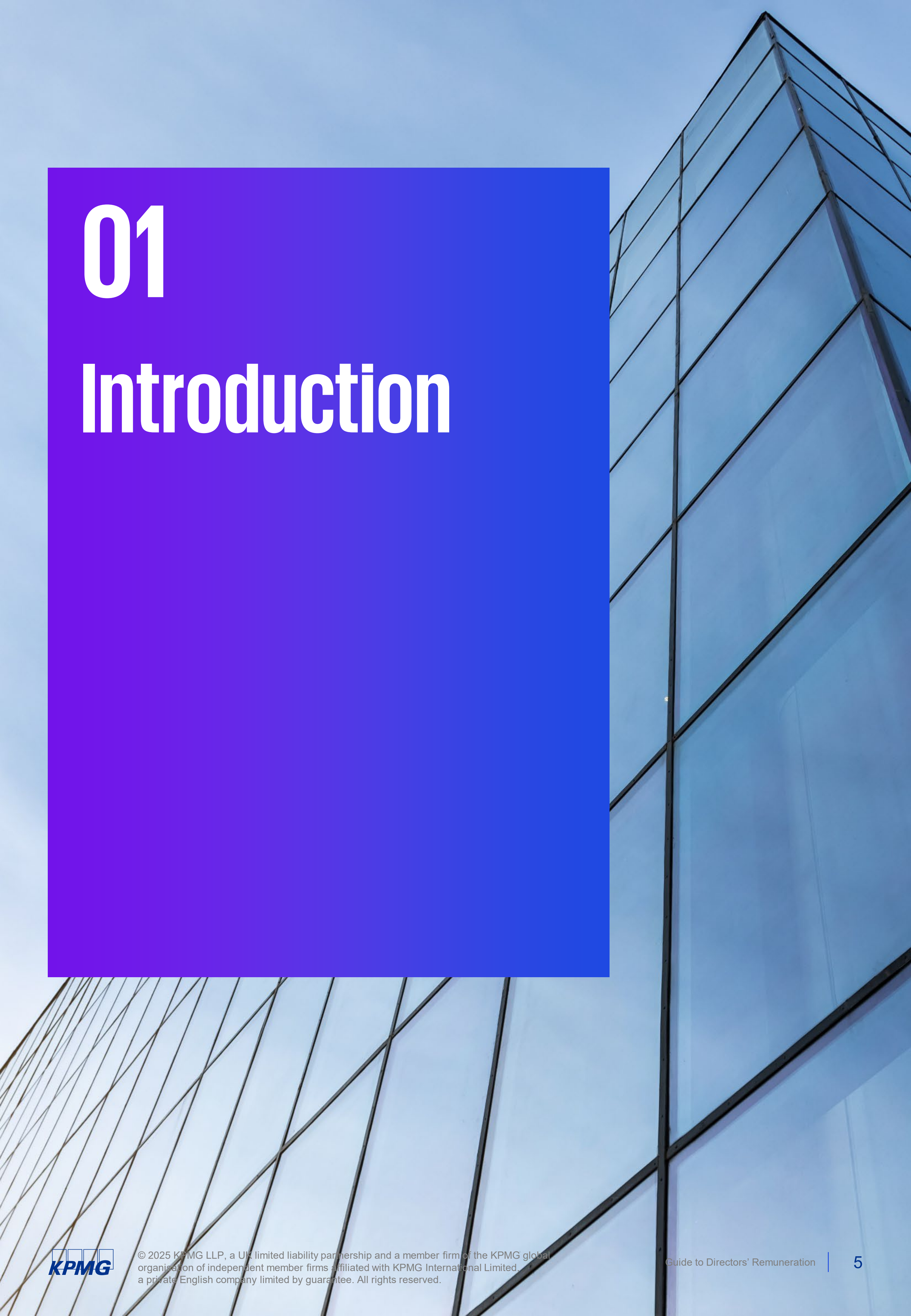


01

Introduction

Use of this guide

This guide analyses the latest trends in FTSE 350 directors' pay. It covers basic salary, incentives and pensions. We also look at the wider factors that impact executive pay and how these have changed over the year.

This publication is designed to be a wide-ranging guide to support remuneration planning at companies. Where possible, we have categorised the data obtained from the FTSE 350 into groupings by market capitalisation to increase the relevance to readers of this guide.

We recommend that this guide is used in conjunction with other information available and in consultation with consultants to ensure the data is interpreted correctly and is relevant to each company.

While data provides a useful guide, it is important to note its historical nature, together with the personal circumstances that are attached to each role and benchmark.

This guide is designed to provide a broad view of remuneration trends for Executive and Non-Executive Directors in FTSE 350 companies (broken down by FTSE 100 and FTSE mid 250).

The guide includes a detailed look at the market in terms of pay, together with information on the wider remuneration landscape for Directors, including analysis of shareholder activism and trends in long term incentive plans.

This guide is structured to show information by position; namely Chief Executive, Finance Director, Other Executive Directors and Non-Executive Directors, to enable all the remuneration components of each position to be considered and discussed together.

Where we show total earnings figures, we have based this on current disclosures, following the methodology for the single figure table for remuneration in Directors' Remuneration Reports. Additional information on pensions and plan design for short and long term incentives is shown separately.

This guide is based on data gathered from external data providers (see methodology appendix for more information) and covers companies with financial year ends up to and including 31 March 2024.

How KPMG can help

KPMG is one of the UK's leading advisers on employee incentives and executive remuneration. We are a member of the Remuneration Consultants Group (RCG) and signatory to its Code of Conduct. We have a multi-disciplinary team, able to advise on market practice, corporate governance, incentive plan design, tax, regulatory and accounting aspects of UK and global incentive plans.

We work regularly with clients ranging from Main Market and AIM listed companies to private equity- backed and larger unlisted companies, as well as multinational groups headquartered both in and out of the UK. We have significant experience in advising on all of the following matters:

- Reward strategy and approach
- Pay structuring and benchmarking
- Remuneration Committee advisory and Directors' Remuneration Reports
- Legal, regulatory and pay governance
- Design, implementation and on-going operation of incentive plans
- Corporate transactions
- Accounting, compliance, valuations and modelling
- Performance
- Job evaluation, grading and architecture design
- Benefits, wellbeing and Employee Value Proposition

02

The remuneration landscape

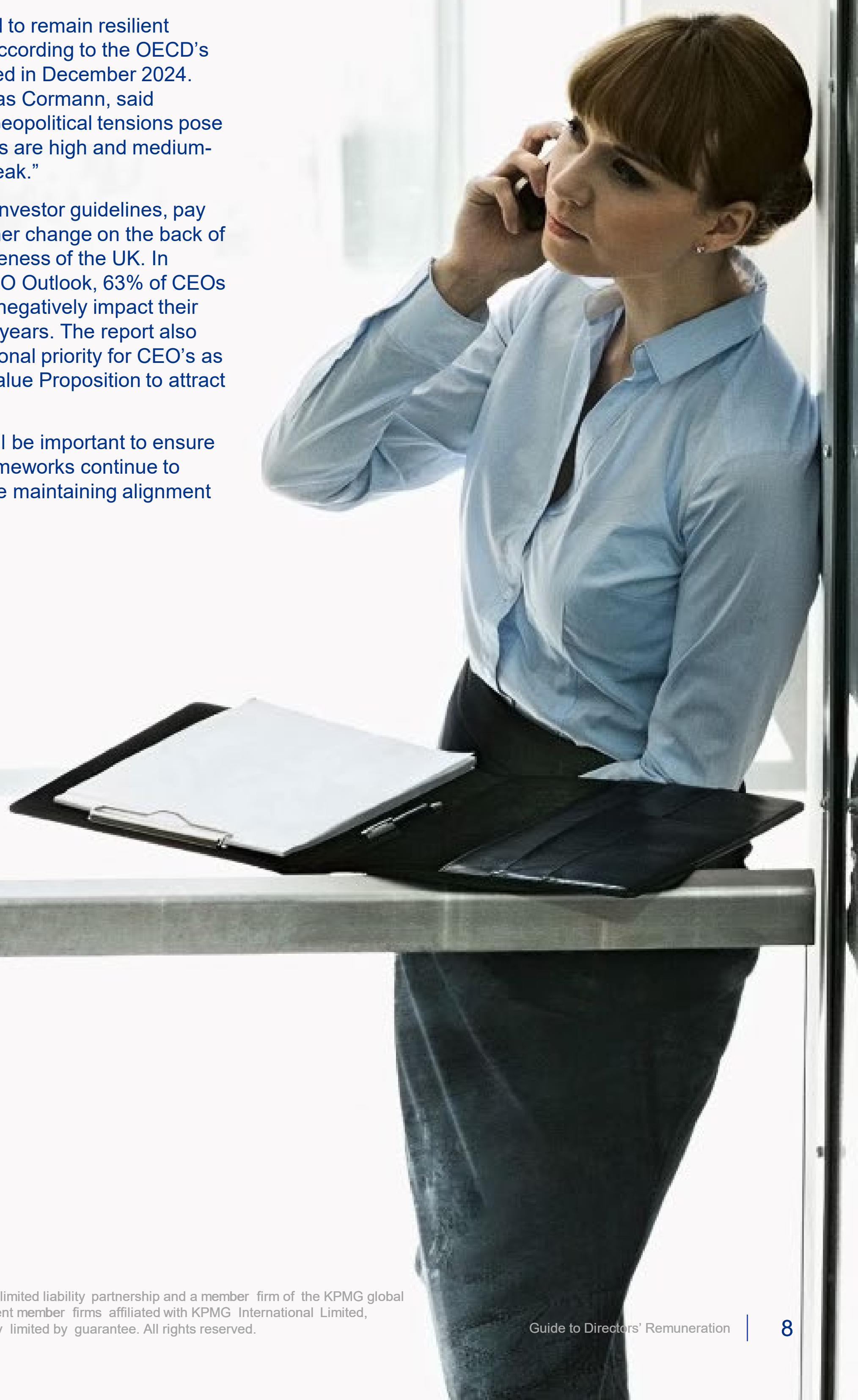
Overview

As firms plan for 2025 and beyond, they are likely to face a continuing period of global economic uncertainty.

"The global economy is projected to remain resilient despite significant challenges", according to the OECD's latest Economic Outlook published in December 2024. OECD Secretary-General, Mathias Cormann, said "Significant challenges remain. Geopolitical tensions pose short-term risks, public debt ratios are high and medium-term growth prospects are too weak."

We are also seeing a change in investor guidelines, pay regulation and proposals for further change on the back of a drive to improve the competitiveness of the UK. In addition, in KPMG UK's 2024 CEO Outlook, 63% of CEOs said a lack of the right talent will negatively impact their firm's growth over the next three years. The report also identified the 2nd highest operational priority for CEO's as "having an effective Employee Value Proposition to attract and retain the top talent."

Given these factors, in 2025 it will be important to ensure that performance and reward frameworks continue to attract, retain, and motivate, while maintaining alignment with shareholder expectations.



Competitiveness of UK remuneration practices

The competitiveness of the UK is a concept that is running through the majority of relevant considerations for remuneration decisions as we approach 2025, from the government and regulators to trade bodies and proxy voting advisors. We are already starting to see firms analysing these various considerations and formulating proposals regarding not only CEOs but for C-suite and C-suite -1.

The Investment Association (IA)

In October 2024, the Investment Association (IA) published its long-awaited update to the Principles of Remuneration ("Principles"). The update marks a significant development in the Principles and there are several important changes that UK listed companies should be aware of, particularly as the annual reporting season is fast approaching. The updated guidance is based on 3 overarching principles:

1. Remuneration policies should promote long term value creation through transparent alignment with the board's agreed corporate strategy.
2. Remuneration policies should support individual and corporate performance, encourage the sustainable long term financial health of the business and promote sound risk management for the benefit of material stakeholders.
3. Remuneration policies should seek to deliver remuneration levels which are clearly linked to company performance.

The updated Principles follow the IA's letter to Remuneration Committee Chairs on 23 February 2024 and signals a change in the IA's thinking to reflect the competitive landscape in the UK and evolving investor expectations. The Principles do not seek to prescribe any particular remuneration structure or quantum and are intended to assist in the making of informed and responsible decisions that are consistent with the long-term interests of the company and its shareholders.

The language used in the updated Principles moves away from a prescriptive tone towards more nuanced, flexible language. This encourages companies to shape their remuneration approach to align with their own journey, market and strategic objectives. Indeed, the Principles recognise that a "one size fits all" approach is not appropriate. This in turn places an emphasis on the need for companies to provide a clear rationale for their decisions.

Simplicity and alignment of pay outcomes with wider shareholder outcomes and companies' long-term strategy remains key. A clear link between pay and performance remains a central theme.

The updated Principles encourage a proactive, constructive and transparent approach for shareholder engagement on changes under consideration and emphasise the importance of early dialogue with investors to allow time for feedback.

The Principles refer to situations where a company is "deriving significant revenue from particular markets such as the US or competing for talent globally", which allows companies to consider how competitive their pay is in comparison to pay in other markets internationally. Given this, it is expected that this year's round of remuneration policies may see additional investor and press scrutiny.

The new guideline allows a Hybrid Scheme – which is typically a combination of performance shares and restricted shares (but could also be a combination of other short or long-term incentives). Shareholders recognise that hybrid schemes are sometimes used by companies that have a significant US footprint and/or compete for global talent and would expect committees to explain why the hybrid model is preferred over a single structure.

This change in perspective by the IA represents an opportunity for remuneration committees and Boards to review the current remuneration packages for senior employees in their firms. We are now seeing evidence of firms undertaking such reviews. A detailed analysis of the Principles can be found on our website by following this link **Principles of Remuneration 2025**

Competitiveness of UK remuneration practices (cont.)

Financial Services' Regulatory Drive to Enhance the Competitiveness of the UK

A joint consultation by the UK financial services regulators - the Prudential Regulation Authority and the Financial Conduct Authority ("the Regulators") provides a clear indication of the direction of travel. On 26 November 2024, the Regulators issued a consultation paper, in which substantial proposed changes to the remuneration regime are set out. The proposed changes are relevant to banks, building societies, and PRA-designated investment firms.

The proposed changes are designed to support more "balanced and competitive outcomes for consumers and markets". With these changes, the Regulators intend to make the UK remuneration regime more "effective, simple and proportionate", stating that "the proposals complement previous remuneration regime changes enhancing proportionality for small firms, and removing the bonus cap."

The global financial crisis was a trigger for the introduction of a strict remuneration regime under the EU Capital Requirement Directives which the UK followed. In recent years, however, these rules have increasingly been criticised as excessively punitive and a deterrent to attracting global talent to the UK. The regulators and the government recognise that the current regulations have made the UK a less attractive location for global firms and talent.

The first response to this was the removal of the "bonus cap" in October 2023, allowing firms to set their own ratio of variable to fixed remuneration. The "bonus cap" also led to increased base salaries which were harder to adjust in response to economic uncertainties. We have evidence that a significant number of UK headquartered banks have changed their bonus cap with the balance continuing to review their position.

The proposed changes by the Regulators retain the core foundations of the existing remuneration regime but seek to address some of the most complex and burdensome areas of the remuneration requirements. The key proposals are:

Identifying Material Risk Takers (MRTs)

The remuneration rules primarily apply to MRTs, whose activities are considered to have a potentially material impact on a firm's risk profile. MRTs are identified by firms through a continuous identification process based on both quantitative and qualitative criteria. The quantitative criteria are not considered to be fit for purpose for the UK.

The Regulators are proposing to replace these with a single criterium based on an employee's total remuneration. The Regulators also propose to remove the concepts of "higher paid material risk taker" and "significant firm". This is a further simplification as firms would only need to consider whether an MRT is above or below a single proportionality threshold.

Deferral Periods and Vesting

The Regulators are proposing the following key changes:

- To reduce the vesting period from 7 years to 5 years for the most senior executives in a firm
- To reduce the vesting period to 4 years in all other cases
- Where previously the portion subject to a deferred vesting schedule rose from 40% to 60% where variable remuneration was above £500,000, this threshold has now been raised to £660,000 (adjusting for inflation).

The consultation also proposes to allow vesting to start immediately, rather than three years from the point at which the award is made. This is a simpler approach which will allow bonuses to be received faster. The requirement for a proportion of an award to be made in financial instruments will remain but "holding periods" will be removed, also allowing non-cash elements to be received faster.

The consultation also proposes that the prohibition on payment of interest or dividends on deferred instruments is removed.

Competitiveness of UK remuneration practices (cont.)

Increased Accountability for Senior Managers

The Senior Managers and Certification Regime (SMCR) was introduced in 2016, resulting in the most senior executives becoming increasingly personally accountable for breaches of law and regulation and this trend continues in the Consultation. The proposals aim to ensure that variable remuneration better reflects risk-taking outcomes and individual responsibilities with better links between the SMCR and remuneration regimes. SMCR is currently under separate review by the Regulators.

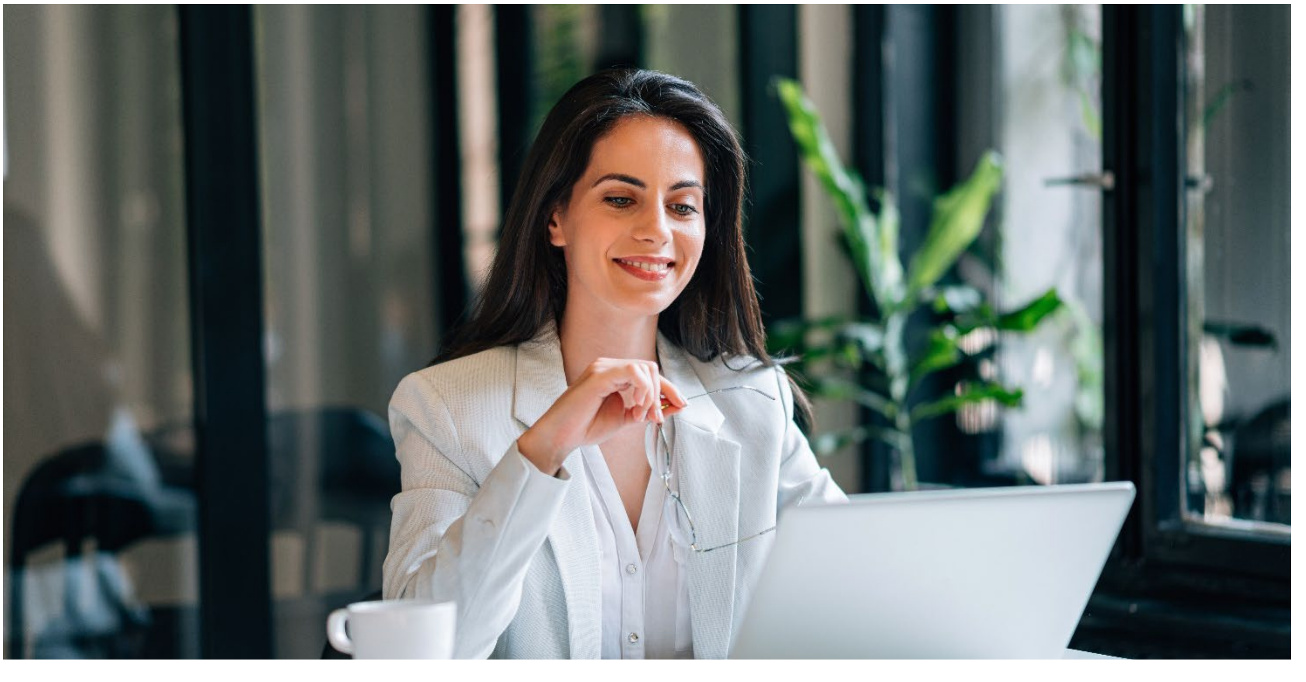
Simplification of Handbook

The Regulators are proposing to consolidate rules which are currently duplicated in the Financial Conduct Authority ("FCA") Handbook and the Prudential Regulation Authority Rulebook. This will remove the need for the FCA to maintain its own set of parallel remuneration rules.

The change in the quantitative criteria for identifying MRTs could potentially result in a material reduction of identified MRTs. This is likely to be a key area of focus for many banks. Firms are also likely to focus on preparing cashflow projections, particularly for their most senior executives given the change in deferral requirements. More generally the proposed changes represent an added complexity to the global landscape with the UK regime potentially being very different to that of EU member states which brings added complexity in terms of tax, social security and accounting requirements.

Whilst the potential increased flexibility will allow firms to review their incentive compensation structures, there will also be a need to ensure that they have robust consequence management frameworks and policies in place. In addition, employee consents to the malus and clawback policy should be included in all relevant bonus and share plan documentation.

Please follow this link for more detailed guidance [FCA & PRA consult on remuneration reform – changes – KPMG UK]



Proxy Voting Advisors

Glass Lewis

Glass Lewis has issued their 2025 Benchmark Policy Guidelines which set out its updated framework for evaluating the governance policies and practices of UK listed firms and its approach in respect of proxy voting recommendations effective from January 2025. The key changes are aligned to the IA Principles (set out above). They state that they aim to give companies "more flexibility to adopt tailored remuneration policies that are most suitable for them".

Glass Lewis also states that they apply a "highly nuanced approach when analysing executive remuneration" and will review the company holistically when making recommendations. There is a new emphasis on flexibility within long-term incentive plans and the need to fully disclose the rationale of decisions that deviate from standard market practice. The key updates are:

Overall Approach to Executive Remuneration

The discussion of Glass Lewis' overall nuanced approach has been expanded to reviewing executive remuneration proposals. In particular, a holistic review of all relevant factors will be conducted, with a negative recommendation being based on an individual factor only in particularly egregious cases.

Pension Contributions

Glass Lewis will generally recommend against the relevant remuneration proposal where executive pension contribution rates exceed those applying to the majority of the workforce. No element of variable pay to be pensionable.

Hybrid Plans

This is a new section which clarifies their general expectation that companies provide:

- A rationale as to why a hybrid model is preferred over a single structure.
- A reduction in maximum opportunity compared to the previous LTIP, with an explanation on the methodology used to determine the discount rate; and
- A total vesting and post-vesting holding period of at least five years.
- Where competition for talent in the United States or internationally is cited as part of the rationale for introducing a hybrid plan, the benchmark policy expects companies to disclose their consideration of relevant peers.

Dilution Limits

in consideration of recent changes to the Investment Association's Principles of Remuneration, potential dilution of over 5% over a ten-year period in relation to executive (discretionary) schemes will no longer generally lead to a recommendation to oppose equity awards.

Remuneration Committee Engagement

The guidelines have been updated to encourage companies to provide enhanced disclosure concerning their remuneration consultation process following engagement with shareholders.

Proxy Voting Advisors (cont.)

Salary

Where a newly appointed executive is recruited at a higher salary than their predecessor, the expectation is that the remuneration committee's rationale should be fully disclosed.

Annual Bonus Deferral

Where the remuneration policy otherwise provides adequate long term alignment, and executive shareholding guidelines have been met, Glass Lewis will generally support a reduction in the level of annual bonus deferral, provided awards remain subject to malus and clawback provisions.

Restricted Share Plans

These guidelines have been updated to more closely align their benchmark policy approach with updated Investment Association guidance in relation to the operation of restricted share plans.

is clear that while Glass Lewis support greater flexibility, remuneration decisions need to backed up by a detailed narrative with the rationale and why any changes are important for the firm's business aspirations.

Institutional Shareholder Services

Institutional Shareholder Services (ISS) are in the process of preparing their 2025 Voting Guidelines which will apply from 1 February 2025. The proposed changes are to "acknowledge the updates to the IA's Principles of Remuneration, which inform our policy and approach to reviewing executive remuneration proposals for listed companies in the UK and Ireland. In respect of the changes made to malus and clawback guidance, these reflect both the update to the IA's Principles and updates to the UK Corporate Governance Code, which provide additional guidance for the disclosure of malus and clawback provisions."

The proposed changes are primarily adjustments to the current guidelines to remove some more prescriptive requirements and to provide greater flexibility for firms.

UK Corporate Governance

Financial Reporting Council

The Financial Reporting Council (FRC) has published their annual review of corporate governance reporting as companies prepare to implement the new 2024 UK Corporate Governance Code from 2025. The 2018 UK Corporate Governance Code (the Code) remains in effect for annual reports to be published in 2025. Companies will, however, be preparing now for the transition to the new Code, which is applicable (for remuneration) for financial years from 1 January 2025.

This report highlights ongoing improvements in the quality of reporting against the UK Corporate Governance Code but also identifies areas where many companies are still falling short.

In our view, their perspective is consistent with what we are seeing more broadly, as noted throughout this document. FRC Regulatory Standards executive director Mark Babington shares his view that "the flexibility of the Code remains fundamental, and we are pleased to see companies using this appropriately." The following are some points of interest from a remuneration perspective:

Transparency

The FRC encourages wider adoption of clear and transparent disclosures regarding remuneration, enabling shareholders to engage effectively on remuneration.

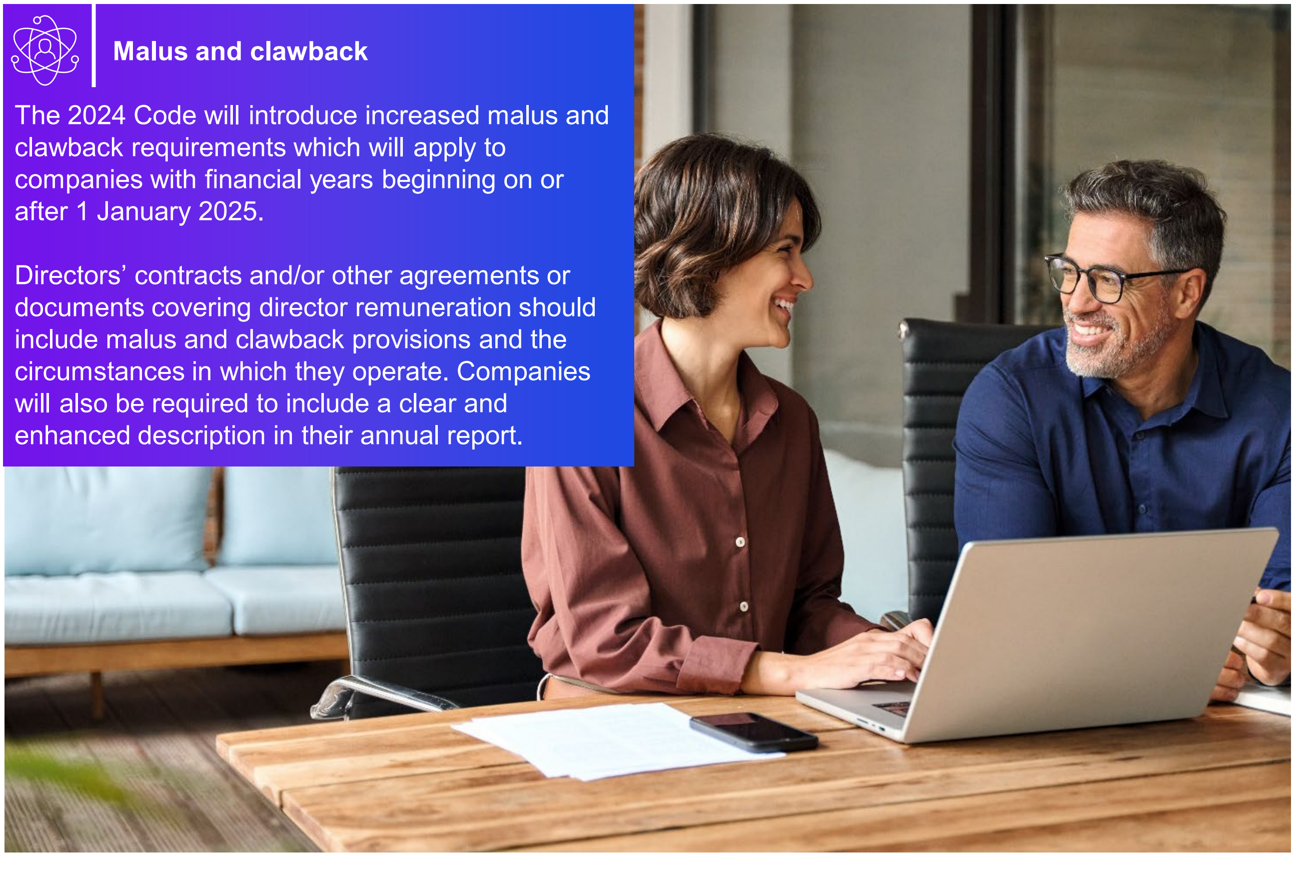
Looking ahead

Looking forward to 2024/25, the FRC are asking companies to "ensure that the strategic report includes a fair, balanced and comprehensive review of the company's development, position, performance and, future prospects.

Malus and clawback

The 2024 Code will introduce increased malus and clawback requirements which will apply to companies with financial years beginning on or after 1 January 2025.

Directors' contracts and/or other agreements or documents covering director remuneration should include malus and clawback provisions and the circumstances in which they operate. Companies will also be required to include a clear and enhanced description in their annual report.



Diversity & Inclusion

Firms are continuing to prioritise the development of inclusive and diverse strategies and frameworks The latest edition of the FTSE Women Leaders Review (the “Review”) was published on 27 February 2024. The Review is co-sponsored by KPMG and its purpose is to achieve gender equality across the workplace. Overall, the report shows that progress continues to be made – the representation of women in FTSE 100 Leadership roles has increased steadily this year to 35.2%, up from 34.3% last year against a reduction in the total number of roles.

Bina Mehta (Chair, KPMG UK) notes that “we have seen great progress in women’s representation at leadership level since the launch of the Review more than a decade ago. Achieving the 40 percent target for women on boards last year, three years ahead of deadline, was a significant milestone – and this year we have made further progress towards the broader 2025 target, with 35 percent of women holding leadership roles. This progress, achieved through voluntary action, without quotas, is encouraging and demonstrates the power of businesses working together toward clear goals while holding each other to account. I am confident we will achieve our ambitions of 40% female representation across the whole leadership level, but with just two years of the review remaining, we need to maintain focus.”

03

Market data overview

Total earnings

The following tables show the median basic salary, total cash and total earnings for the executive directors of FTSE 100 and FTSE mid 250 constituents.

Across both FTSE 100 and FTSE mid 250, median basic salary for Chief Executives has increased by 1% from 2023. In FTSE 100, Finance Directors have seen a slight 0.3% increase, while in FTSE mid 250, Finance Directors' salaries have gone up by 2%. Additionally, salaries for Other Executive Directors have increased by at least 5%, with Other Executive Directors in FTSE mid 250 increasing by almost 10%.

Other Executive Director category encompass many different roles, suggesting that changes in the composition of the executive boards have likely influenced the observed salary adjustments.

Total cash for Chief Executives and Finance Directors remains broadly aligned with 2023 figures. However, all figures show a slight increase across all roles in both FTSE 100 and FTSE mid 250.

In total earnings, which include both total cash and share-based awards, FTSE 100 Chief Executives have seen a slight increase of 1%. Conversely, their counterparts in FTSE mid 250 experienced a substantial 11% increase. Total earnings for Finance Directors shows a 5% decrease for FTSE 100, and there is a slight increase of 0.6% for FTSE mid 250. Other Directors have encountered a noteworthy decrease of approximately 15% in total earnings across FTSE 100, and 10% for FTSE mid 250.

Generally, total earnings for executives are predominantly influenced by performance bonuses and share-based awards. This approach not only aligns executive compensation with shareholder interests but also fosters a results-driven culture, where remuneration is contingent upon achieving strategic objectives and delivering sustained value to stakeholders.

Chief Executive	Basic Salary (£'000)	Total Cash (£'000)	Total Earnings (£'000)
FTSE 100	902	2,442	4,000
Mid-250	623	1,400	1,962

Finance Director	Basic Salary (£'000)	Total Cash (£'000)	Total Earnings (£'000)
FTSE 100	556	1,433	1,924
Mid-250	425	864	1,040

Other Executive Director	Basic Salary (£'000)	Total Cash (£'000)	Total Earnings (£'000)
FTSE 100	536	1,172	2,089
Mid-250	420	732	900

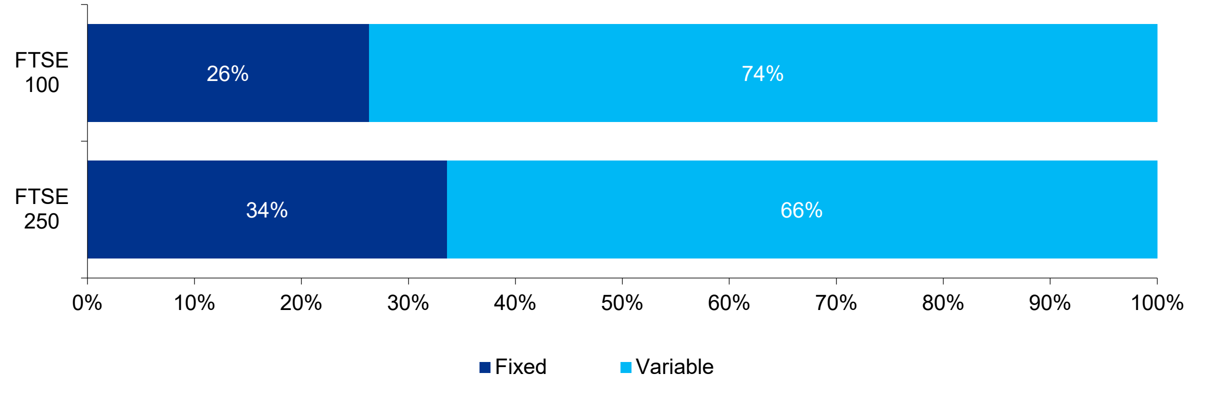
Remuneration mix

The charts below show the mix between fixed and variable remuneration as well as the short-term and long-term remuneration mix for Chief Executives. These are based on median total earnings received within the review period.

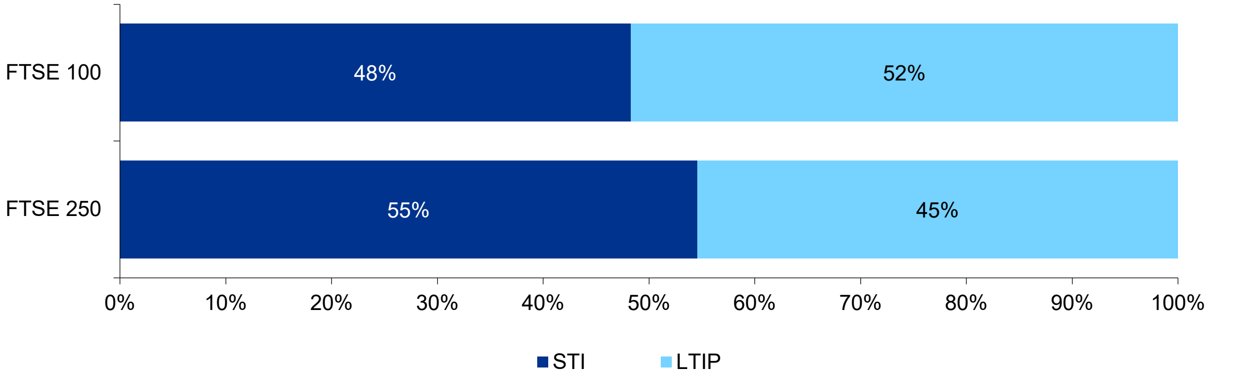
The proportion of remuneration delivered via variable pay elements has increased by 4% for both FTSE 100 and FTSE mid 250.

For Incentive mix, which includes short-term incentives (STI) and long-term incentives (LTIP), the proportion delivered as LTIP has increased by 1% for FTSE 100, and 4% for FTSE mid 250, indicating a slight and continuous move towards performance-driven long-term remuneration.

Total earnings mix



Incentive mix



Remuneration mix

The charts below show the median remuneration mix for Chief Executives split by pay elements, as reported in the single figure table contained within the annual report and accounts published by each surveyed company.

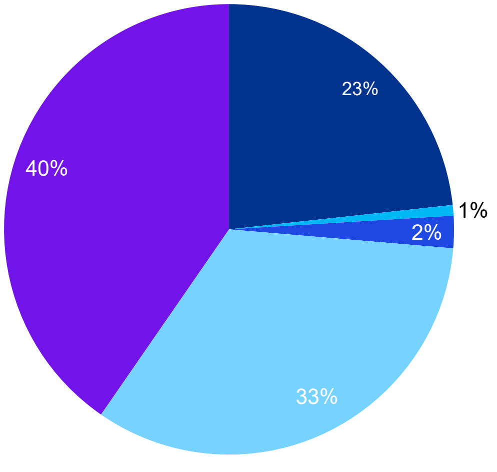
The charts below show a mix of fixed and variable remuneration components for Chief Executives designed to incentivise long-term company performance while aligning their interests with those of shareholders, resulting in a larger part of remuneration being delivered through variable remuneration components.

Across both FTSE 100 and FTSE mid 250, LTIP has made up the largest portion of the remuneration mix of 40% and 33% respectively, followed by annual bonus and basic salary.

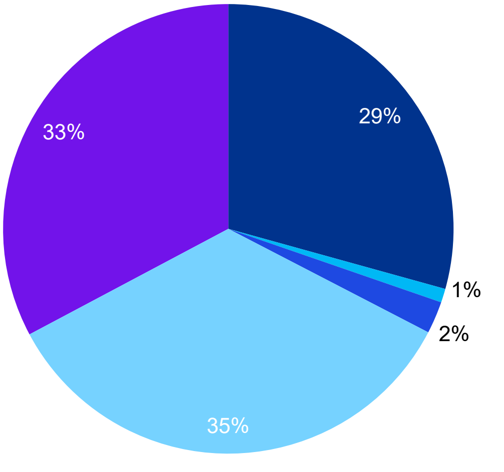
When compared to the 2023 edition of this survey, remuneration mix for FTSE 100 and FTSE mid 250 Chief Executives remains largely the same with up to 3% variances in the figures for each of the outlined remuneration elements.

Chief Executive Remuneration mix

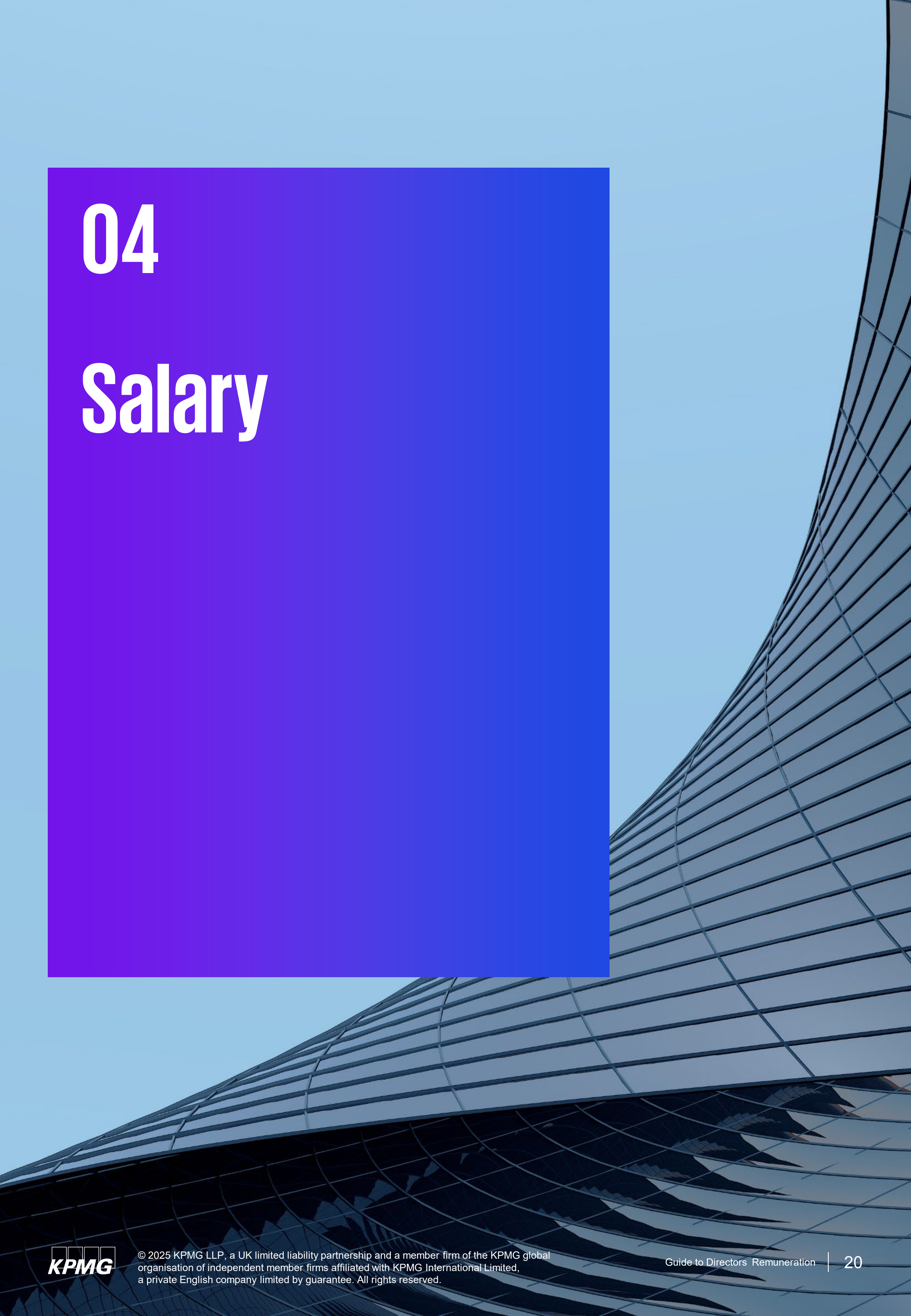
FTSE 100



FTSE mid 250



■ Basic Salary ■ Other Fixed Pay ■ Pension ■ Total Bonus ■ LTIP



04

Salary

Basic salary increases

The table below shows the median basic salary increase in the FTSE 100 and FTSE mid 250 for the Chief Executive, Finance Director and Other Executive Director (for both 2024 and the previous year).

We are seeing evidence of basic salary increases for CEO and C-suite. We may be starting to see firms reviewing the remuneration for these roles in light of the views around the competitiveness of the UK.

Across both FTSE 100 and FTSE mid 250, median basic salary increases of **4%** to **6%** can be observed for executive roles.

	Chief Executive		Finance Director		Other Director	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
FTSE 100	4%	3%	5%	5%	3%	3%
MID-250	5%	4%	5%	5%	6%	5%

Salary differentials by reference to role

The table below shows the ratio between the salaries of the Finance Director and Other Executive Director positions as a percentage of the Chief Executive's salary.

The figures remain broadly consistent with previous years.
This is possibly due to salary increases across the whole breadth of these roles.

Salary differentials by reference to role

	Position	Lower quartile	Median	Upper quartile
FTSE100	Finance Director	59%	63%	68%
	Other Executive Director	55%	63%	76%
MID-250	Finance Director	62%	67%	74%
	Other Executive Director	51%	61%	79%

Salary position and pay comparator groups

Market practice is for the size of a company to correlate with the level of basic salary awarded to their executive directors. This trend is supported by the data within this survey, which shows an increase in basic salary awarded to Chief Executives as the market capitalisation of each surveyed company increases.

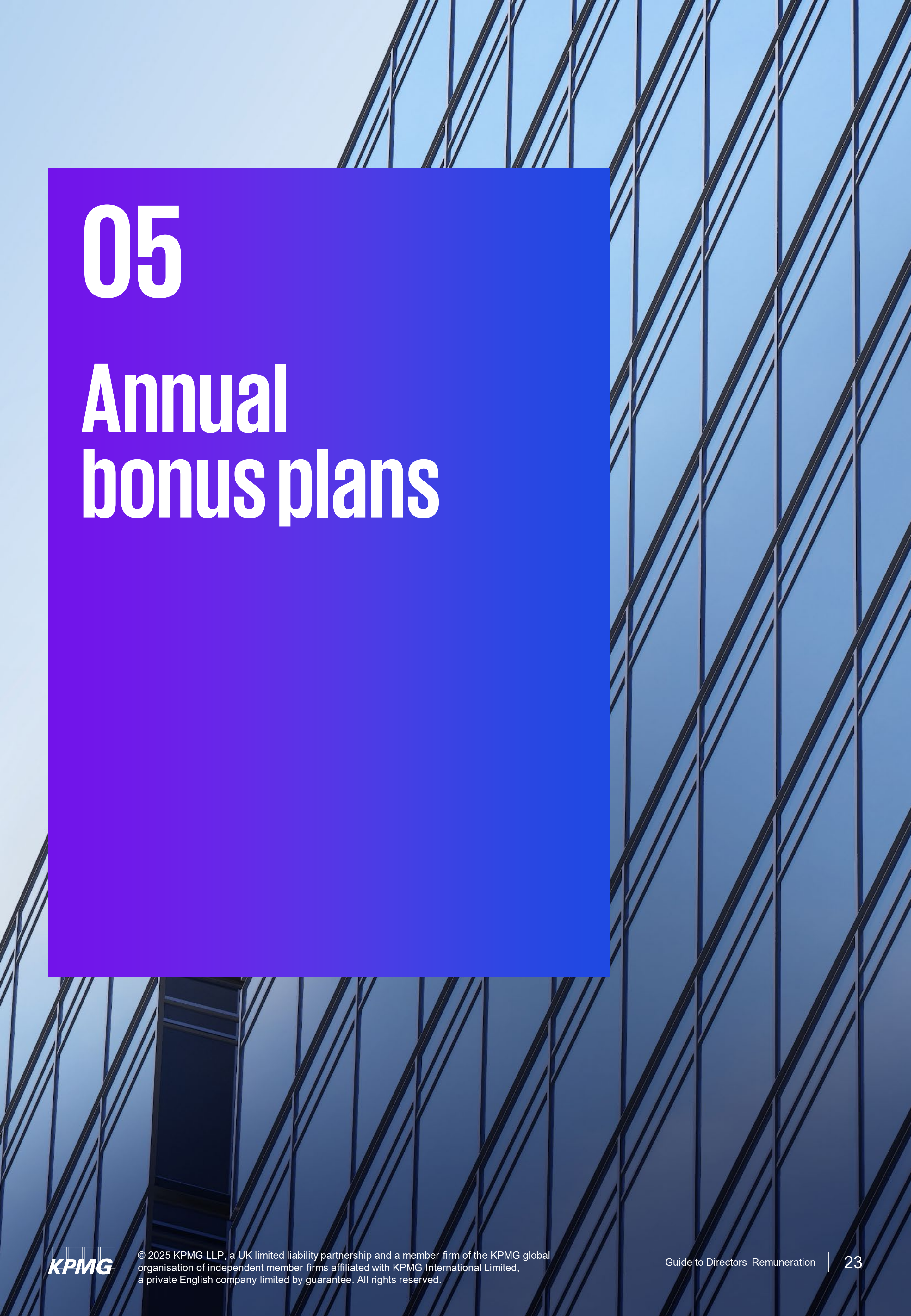
Many companies use market capitalisation as a key criteria when comparing salary levels, but volatility in the stock markets has shown that this can lead to unintended consequences. For example, if pay is benchmarked to a group of peer companies selected by market capitalisation in one year, subsequent falls in market capitalisation for the company concerned will then mean it appears out of line with its revised peer group.

The tables below show basic salary levels by market capitalisation.

CEO	Market Capitalisation	Lower quartile	Median	Upper quartile
FTSE 100	>15bn	1083	1214	1390
	£5bn - £15bn	756	864	1011
	<£5bn	646	769	848
	All FTSE 100	754	902	1118
MID-250	>£2bn	629	734	800
	£1bn - £2bn	535	639	776
	<£1bn	524	584	633
	All FTSE 250	542	623	740
FTSE 350	All FTSE 350	582	715	875

CFO	Market Capitalisation	Lower quartile	Median	Upper quartile
FTSE 100	>15bn	709	760	831
	£5bn - £15bn	490	553	613
	<£5bn	440	494	526
	All FTSE 100	496	556	733
MID-250	>£2bn	425	495	528
	£1bn - £2bn	381	430	488
	<£1bn	346	379	421
	All FTSE 250	365	425	486
FTSE 350	All FTSE 350	395	467	551

OD	Market Capitalisation	Lower quartile	Median	Upper quartile
FTSE 100	>15bn	627	679	784
	£5bn - £15bn	455	503	536
	<£5bn	389	389	479
	All FTSE 100	435	536	647
MID-250	>£2bn	458	521	528
	£1bn - £2bn	348	430	475
	<£1bn	243	278	328
	All FTSE 250	286	420	521
FTSE 350	All FTSE 350	342	472	539



05

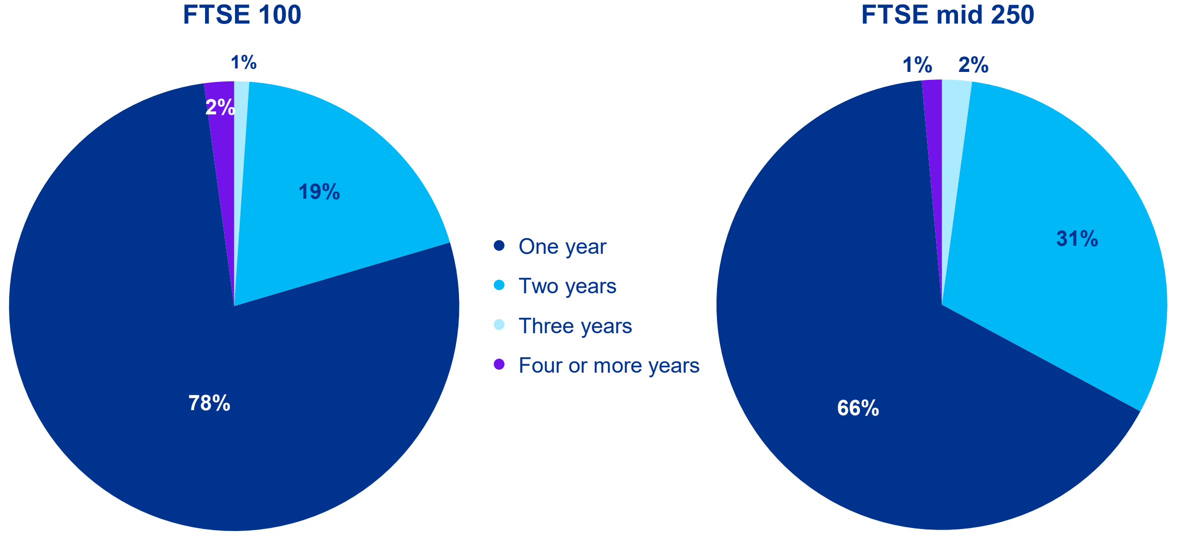
Annual bonus plans

Deferral periods

A deferred annual bonus plan involves the compulsory or voluntary deferral of some or all of an annual bonus into company shares, which the participant is restricted from disposing of for a period of time.

The charts below show the length of deferral period used by FTSE 100 and FTSE mid 250 companies which have disclosed this information. In line with the analysis complied within the previous edition of this survey, the most common deferral period is 3 years, followed by 2 years. In addition to this, we have seen a further modest shift from 76% to 78% for constituents of FTSE 100 to adopt a three-year deferral period, while there is a slight shift for FTSE mid 250 to adopt a two-year deferral period.

The typical proportion of a bonus which is deferred into shares in the FTSE 350 is 50%.

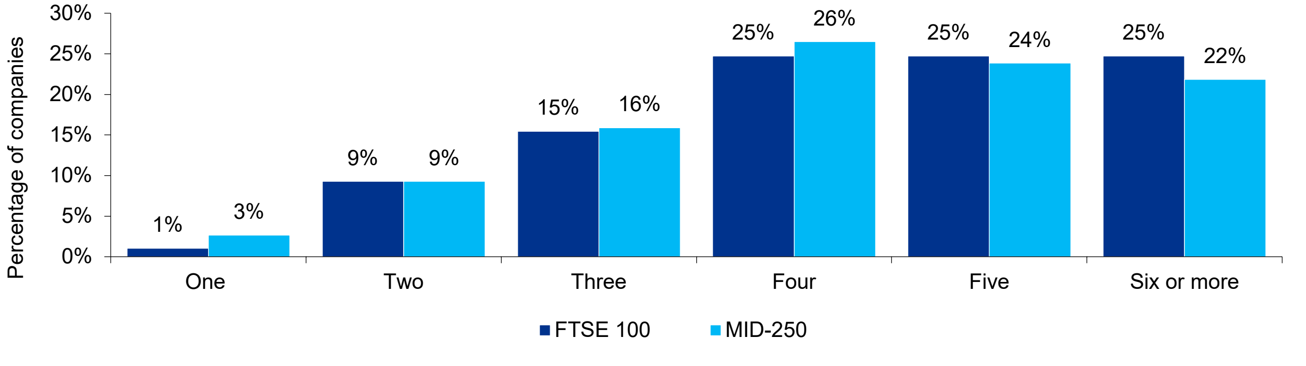


Performance measures

The chart below shows the number of performance measures applied to annual bonus awards made to executives at FTSE 100 and FTSE mid 250 companies.

The most common number of performance measures used in annual bonus plans within the FTSE 350 is four and is consistent with last year’s results. There have seen slight changes in the popularity of each choice, but the trend is largely the same.

Number of measures in annual bonus plan

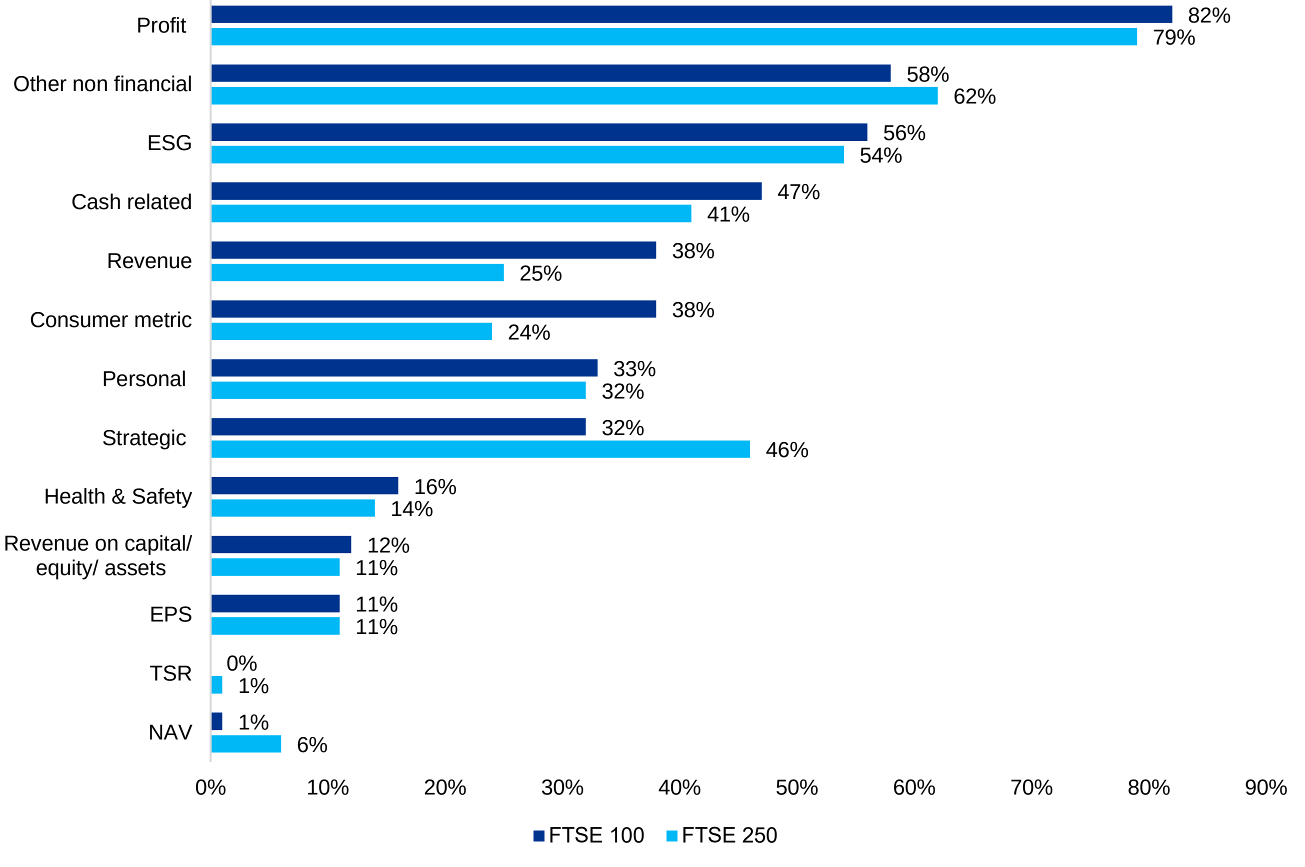


Performance measures

The chart below shows performance measures typically used in FTSE 100 and FTSE mid 250 companies. This chart displays the percentage of companies who have chosen each performance measure as part of their annual bonus award performance metric.

As with prior years, the most common combination is some form of profit measure in conjunction with a non-financial metric and individual personal objectives. ESG now appears to have become a mainstay of annual bonus metrics with just less than two-thirds of surveyed FTSE 100 companies explicitly including an ESG performance measure.

Performance measures in annual bonus plans



The table below summarises, where disclosed, the pay-out levels for 'threshold' and 'target' performance for annual bonuses across the FTSE 350.

Consistent with previous years, the typical on-target performance will deliver 50% of the maximum annual bonus opportunity to executive directors and threshold performance will typically deliver 0% of the annual bonus opportunity to vest. Ordinarily an annual bonus award will be structured to vest on a straight line basis between these two figures.

Annual bonus – threshold and 'on target' awards for CEO

	On target		Threshold award	
	FTSE 100	FTSE 250	FTSE 100	FTSE 250
Upper Quartile	50%	50%	25%	20%
Median	50%	50%	8%	0%
Lower Quartile	50%	50%	0%	0%

Bonus levels

The tables below provide an overview of the bonus opportunity and actual bonus provided to Chief Executives, Finance Directors and Other Executive Directors in FTSE 100 and FTSE mid 250 companies.

Across the FTSE 350, median maximum bonus opportunities are the same for all executive roles and remain largely consistent with the figures from 2023.

We’ve seen an increase in actual bonus amounts for the vast majority of quartiles for both FTSE 100 and FTSE mid 250 for all of the below, perhaps an indication of a slight improvement in economic factors compared with last year.

	FTSE 100			FTSE 250		
Finance Director	**Lower Quartile**	**Median**	**Upper Quartile**	**Lower Quartile**	**Median**	**Upper Quartile**
Maximum Bonus opportunity (% of Salary)	150%	200%	200%	130%	150%	175%
Total Bonus (% of salary)	86%	132%	164%	71%	104%	136%
Total Bonus (% of maximum bonus)	53%	69%	81%	45%	64%	84%
Total bonus (£'000)	518	711	1019	270	452	594

	FTSE 100			FTSE 250		
Finance Director	**Lower Quartile**	**Median**	**Upper Quartile**	**Lower Quartile**	**Median**	**Upper Quartile**
Maximum Bonus opportunity (% of Salary)	150%	200%	200%	130%	150%	175%
Total Bonus (% of salary)	86%	132%	164%	71%	104%	136%
Total Bonus (% of maximum bonus)	53%	69%	81%	45%	64%	84%
Total bonus (£'000)	518	711	1019	270	452	594

	FTSE 100			FTSE 250		
Other Director	**Lower Quartile**	**Median**	**Upper Quartile**	**Lower Quartile**	**Median**	**Upper Quartile**
Maximum Bonus opportunity (% of Salary)	150%	200%	200%	125%	150%	175%
Total Bonus (% of salary)	89%	121%	141%	63%	85%	124%
Total Bonus (% of maximum bonus)	60%	68%	92%	53%	63%	93%
Total bonus (£'000)	405	587	798	269	320	598

Bonus levels

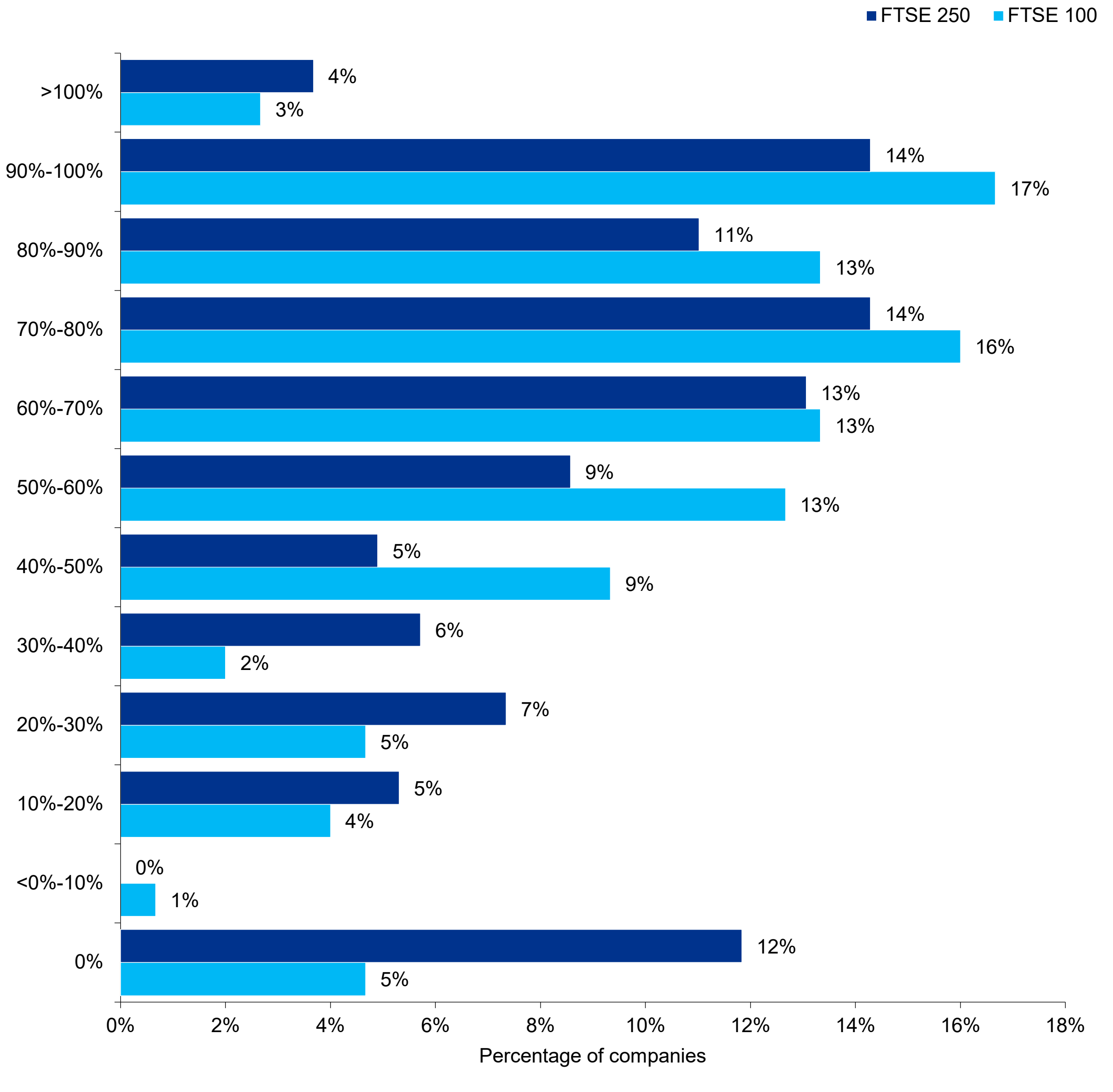
Across FTSE 350 firms, there has been an increase in value received by executive directors under the term of their annual bonus awards.

The chart below is distinctly different compared to the bonus payout chart from 2023, with a larger proportion of executives receiving an annual bonus award ranging from 90% to 100% of the annual bonus opportunity.

There has been an increase in the percentage of FTSE 100 executive directors who did not receive a bonus to 4% compared with 2% last year.

Notably, similar to 2023, 12% of FTSE mid 250 companies refrained from paying annual bonus awards to their executive directors.

Bonus payout for all directors across the FTSE 350



06

Long term incentive plan

Structure

Performance Share Plans (PSPs) remain the most prevalent form of LTIP operated by FTSE 350 companies and we expect this to continue for the foreseeable future.This section of the report therefore concentrates on traditional PSP Long Term incentive arrangements.

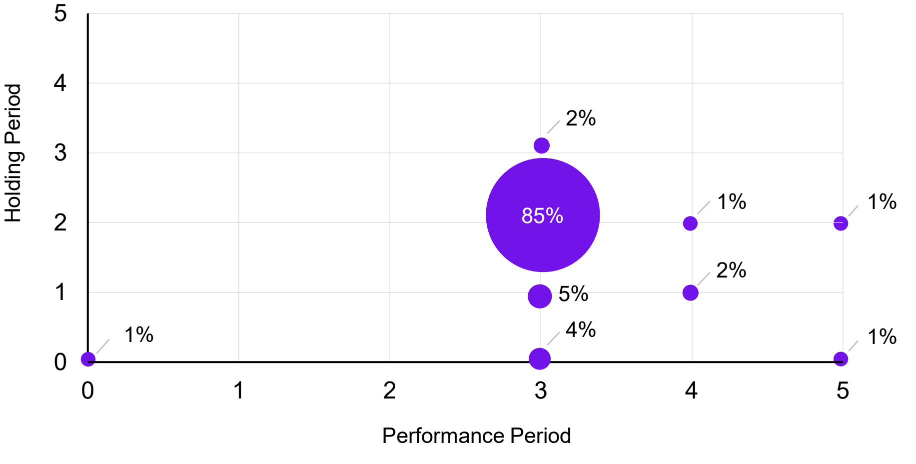
Time horizons

A total vesting and holding period of five years (or more) is now a requirement of the UK Corporate Governance Code. This year we have continued to see companies in the FTSE 350 introduce or strengthen their post-vesting holding periods.

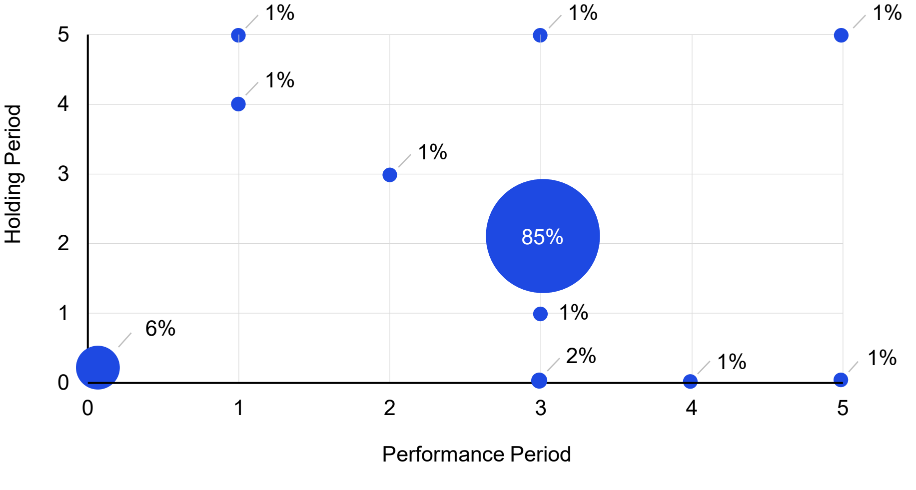
The chart below shows the time period over which companies in the FTSE 350 operate their LTIPs. For these purposes, we have included PSPs, RSPs and performance on grant schemes. The 'Performance Period' is the period over which performance is measured and the 'Additional Period' reflects the aggregate of any further holding period and/or any additional service period during which awards vest. Please also note that for RSPs we have reflected a performance period of '0' years (on the basis that any performance measure is an underpin only).

A performance period of three years and a holding period of two years is the most prevalent combination for LTIPs operated by both FTSE 100 and FTSE mid 250 companies.

FTSE 100



FTSE 250

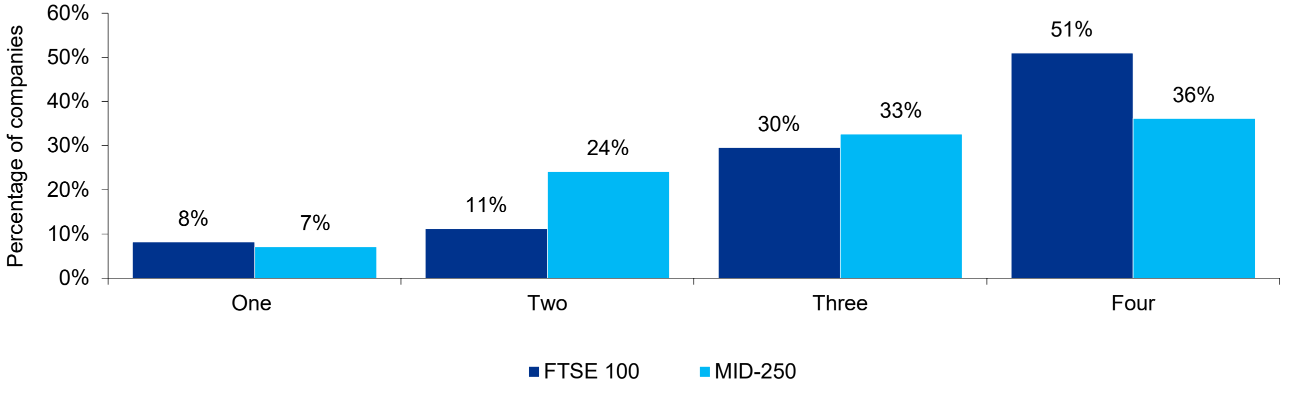


Performance share plans

The following chart shows the number of measures that are currently in use across the FTSE 350.

The profile of this chart has remained broadly the same when compared with the previous edition of this survey. Some notable changes include an increase in the number of FTSE mid 250 companies operating three performance measures, and an increase in the number of FTSE 100 companies opting to apply four performance measures, with a decrease in the number applying 2 performance conditions.

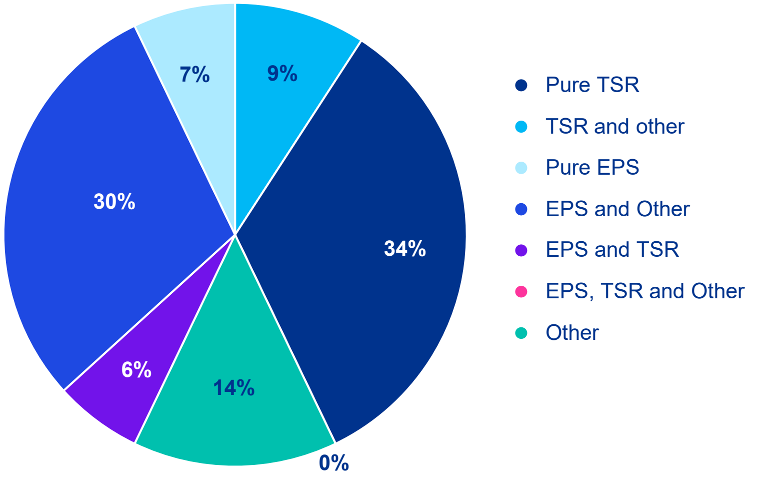
Number of measures in performance share plans



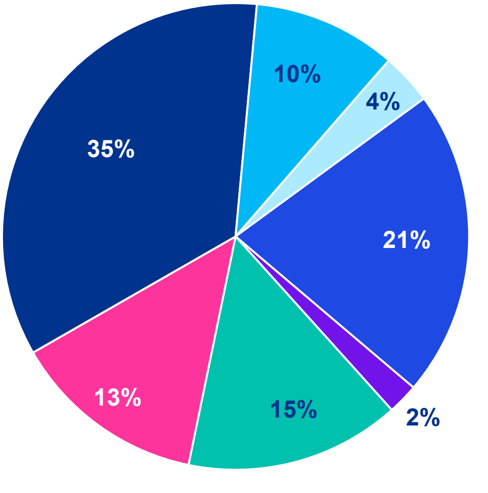
The following charts show the measures that are currently in use

The use of some form of Total Shareholder Return (TSR) measure, either as a single measure or in conjunction with another metric, continues to be the most popular measure across the FTSE 350. The profile of the below charts has remained broadly similar with that shown in the previous edition of this survey.

FTSE 100



FTSE mid 250



LTIP opportunity & payout

The tables below provide an overview of the long-term incentive opportunity and actual payment provided to Chief Executives, Finance Directors and Other Executive Directors in FTSE 100 and FTSE mid 250 companies.

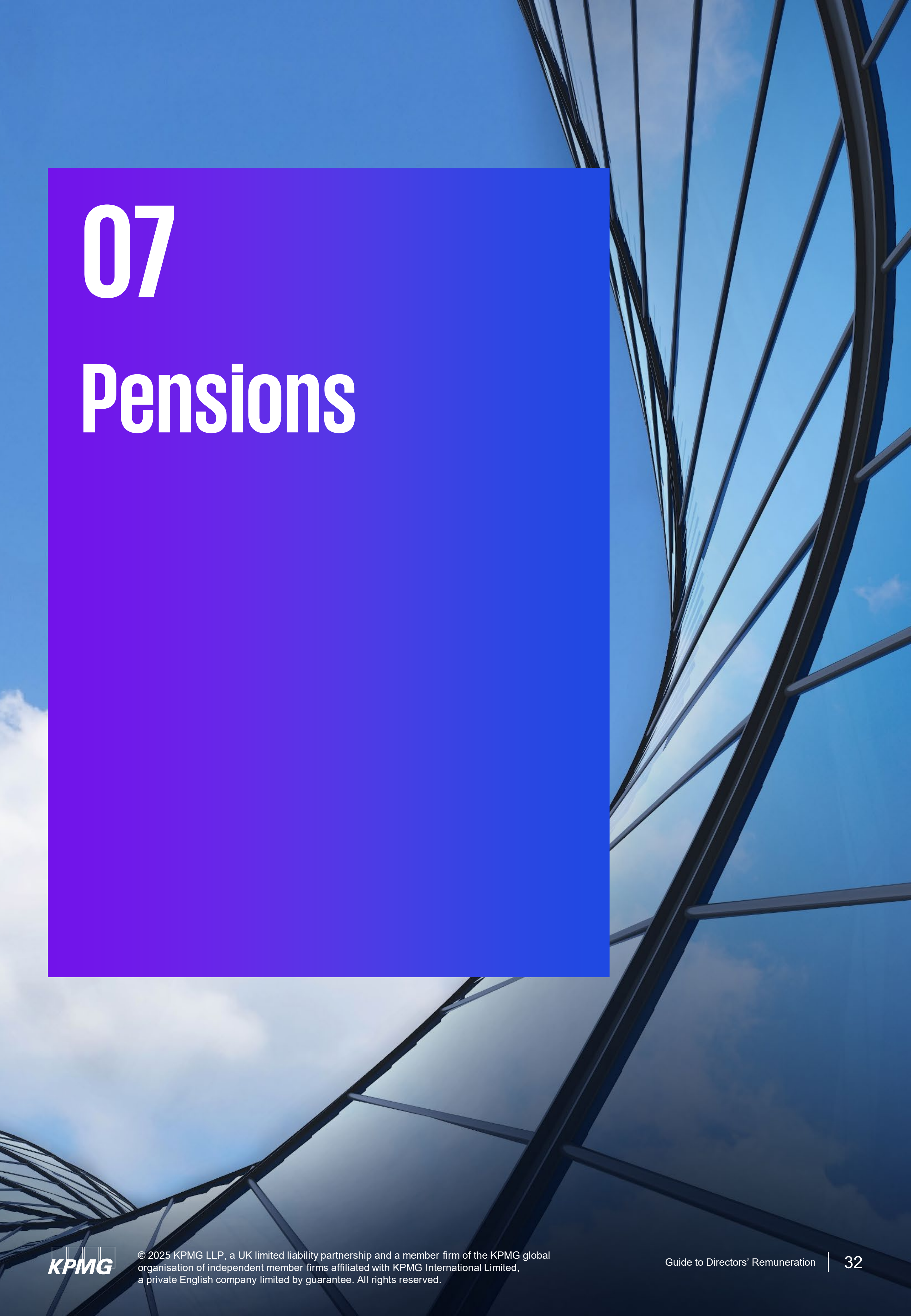
The maximum award which can be made under the terms of the long-term incentive policy implemented by each surveyed company remains consistent with the prior year analysis, except for the median for FTSE 100 CEOs, which the percentage substantially increased from mid 250% to 300%.

The actual award figures are been broadly consistent for Finance Directors and Other Directors relative to 2023, except for an increase of 26% in the lower quartile Actual Award for FTSE 100 Finance Directors. while there is a general increase in payouts for Other Directors across the FTSE 350.

	FTSE 100			FTSE 250		
CEO	**Lower Quartile**	**Median**	**Upper Quartile**	**Lower Quartile**	**Median**	**Upper Quartile**
Maximum Award (% of salary)	200%	300%	400%	169%	200%	258%
Actual Award (% of salary)	200%	275%	373%	150%	200%	250%
Actual award (£'000)	1578	2433	3954	876	1242	1800
Actual gains (% of salary)	94%	177%	312%	47%	99%	173%
Actual Gains (£'000)	743	1472	3340	288	690	1026

	FTSE 100			FTSE 250		
Finance Director	**Lower Quartile**	**Median**	**Upper Quartile**	**Lower Quartile**	**Median**	**Upper Quartile**
Maximum Award (% of salary)	200%	250%	350%	150%	200%	250%
Actual Award (% of salary)	176%	225%	300%	150%	175%	200%
Actual award (£'000)	993	1479	2161	542	705	1011
Actual gains (% of salary)	58%	106%	228%	38%	69%	153%
Actual Gains (£'000)	299	675	1627	132	283	581

	FTSE 100			FTSE 250		
Other Director	**Lower Quartile**	**Median**	**Upper Quartile**	**Lower Quartile**	**Median**	**Upper Quartile**
Maximum Award (% of salary)	200%	250%	350%	150%	200%	250%
Actual Award (% of salary)	200%	225%	294%	131%	161%	219%
Actual award (£'000)	940	1238	1320	328	594	1160
Actual gains (% of salary)	37%	165%	229%	40%	89%	133%
Actual Gains (£'000)	237	743	1228	146	270	647



07

Pensions

Executive pensions

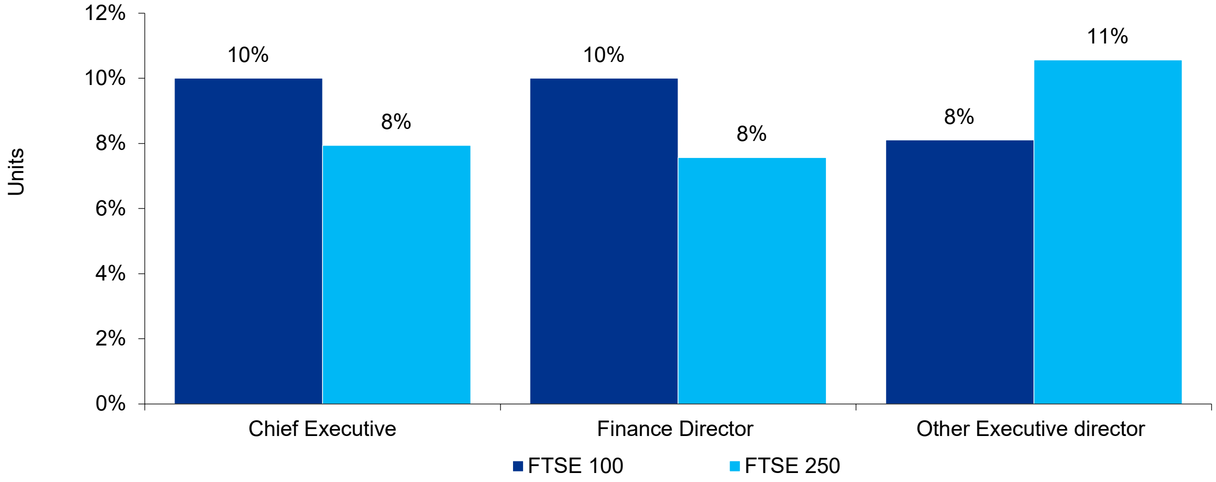
The table below summarises the cap on defined contribution rates and cash in lieu of contributions for new directors in the FTSE 100 and FTSE mid 250. As with last year, across the FTSE 350, the median cap on pension contributions and cash in lieu of contributions for new hires is now 10% for the FTSE 100 and 8% for the FTSE mid 250.

Contribution limits for new hires

	FTSE 100			FTSE 250		
	Lower Quartile (%)	Median %	Upper Quartile (%)	Lower Quartile (%)	Median %	Upper Quartile (%)
DC pension maximum	8	8	13	6	8	10
Pension supplement maximum	8	10	12	6	8	10

The chart below shows the median pension contributions (and cash in lieu payments) expressed as a percentage of basic salary. It is important to note that this data is backwards looking' as it is taken from single figure table data for the most recent year and, taken in isolation, should be treated with some caution.

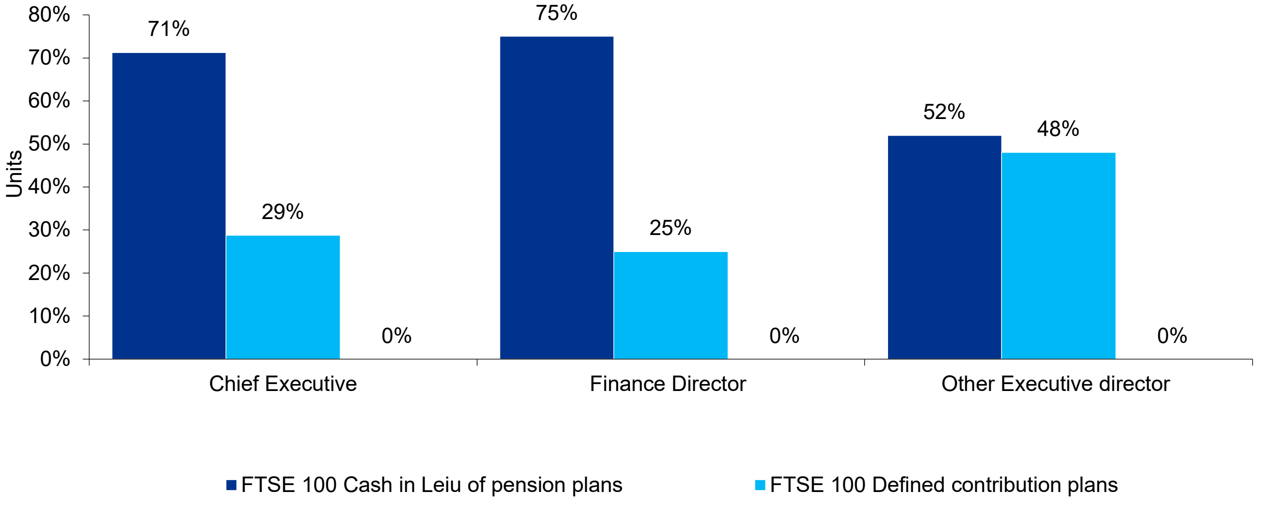
Median pension contributions/cash in lieu for all schemes as a percentage of Basic Salary



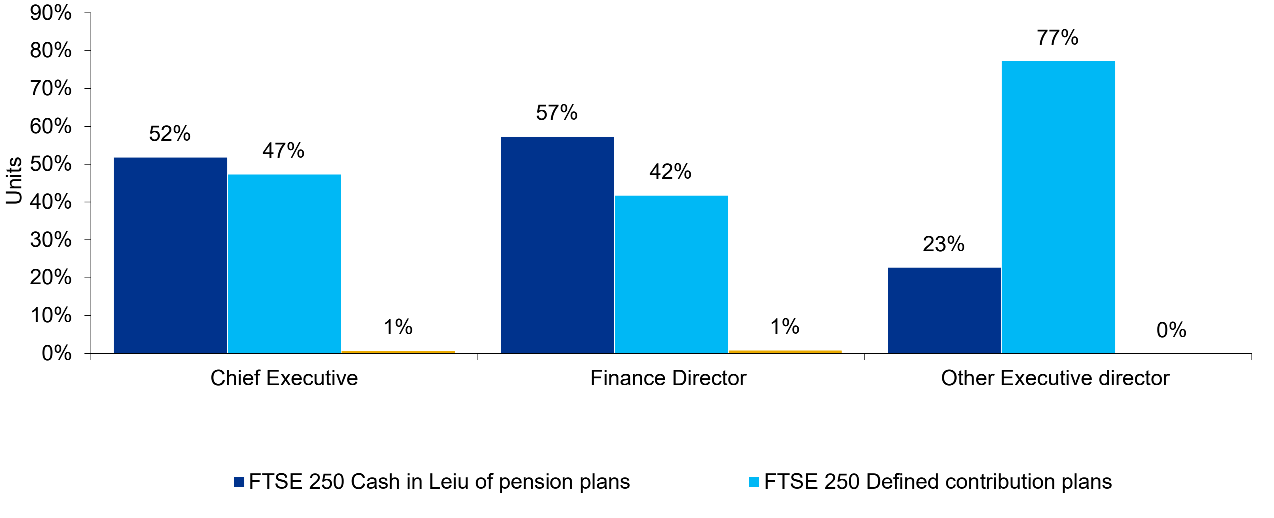
Pension arrangements

The following charts show that the use of cash in lieu of pension is generally the most popular arrangement for Chief Executives and Finance Directors, followed by defined contribution plans. For FTSE mid 250 Other Executive Directors, defined contribution plans are the most common.

FTSE 100 pension arrangements



FTSE mid 250 pension arrangements



08

Shareholding requirements

Median shareholding requirements

Having a minimum shareholding requirement is now an expected practice for FTSE 350 companies.

Executive Directors are encouraged to build up significant holdings in their company’s shares to demonstrate alignment with shareholders. To further strengthen this alignment, the Code now includes a requirement for remuneration committees to develop a post employment shareholding requirement.

The table below sets out the median in service’ shareholding requirement for companies in the FTSE 350 by role.

Minimum Shareholding Requirements (% of salary)

	FTSE 100	FTSE 250
Chief executive	350%	200%
Finance Director	275%	200%
Other Executive Director	250%	200%

Median number of years to build shareholding requirements

The time limit which remuneration committees set for executives to meet this level of shareholding is typically 5 years. This figure is the same for companies in both the FTSE 100 and FTSE mid 250.

What counts towards the holding?

In its Principles of Remuneration, the Investment Association provides guidance on what should count towards the minimum shareholding requirement:

Shares should only count towards the requirement if vesting is not subject to any further performance conditions;

- Unvested shares, which are not subject to a further performance condition, may count but on a net of tax basis;
- Shares which have vested but remain subject to a holding period or clawback may count towards the shareholding; and
- Shares vested from a long term incentive award but still in the holding period can also be used to meet the shareholding requirement.

Retention of incentive shares

Whilst executives are encouraged to purchase company shares with their own resources, there is inevitably a link between executive share plans and minimum shareholding requirements. Companies are increasingly specifying a proportion of incentive gains which must be retained until the minimum shareholding requirement is achieved. Where there is such a requirement, the typical proportion which must be retained is around 50% of the shares which vest (net of tax).

Post-employment shareholding requirements

The IA's guidelines state that the post-employment shareholding requirement should apply for at least two years at a level equal to the lower of:

- The shareholding requirement immediately prior to departure; or
- The actual shareholding on departure.

Currently, the majority of FTSE 350 require the normal shareholding level to be held for two years after employment. However, a significant minority do still have less stringent approaches representing either a fraction of their normal shareholding requirement or a shorter period than two years, or both. Additionally, where companies are not IA compliant, many are implementing a phased approach allowing a director who has left the company to reduce shareholding incrementally over a specified time period. The Investment Association expect post-shareholding requirements to be established at the earliest opportunity and at a minimum by the company's next policy vote, to avoid receiving a red-top.

Policing the requirements

Where shareholding and, in particular, post-employment shareholding requirements apply, it is important that the company puts in place arrangements that will help it to monitor and police these holdings. Such arrangements should be established and agreed with each director before any shares vest and are acquired under any share plan to which a holding period applies.

One of the most administratively straightforward ways of holding and monitoring a director's shareholding both pre- and post-employment is to set up a nominee arrangement either with the trustees of the company's EBT or with the company's registrars under which shares acquired following the vesting or exercise of share awards are automatically held by the nominee (as legal owner) on behalf of the director (as beneficial owner). Once the director is free of any holding requirements, the legal title can be transferred to the individual.

Market practice is yet to emerge on the preferred way of policing these rules. However, as we have outlined above, in their updated guidelines the IA have highlighted that Remuneration Committees should be providing clear details on the structure or policy which detail how companies will enforce the post-employment shareholding requirement.

09

Non-Executive Director

Fee increases

This section provides information on remuneration for the role of Non-Executive Chairman and Non-Executive Director

The table below shows the percentage of FTSE 100 and FTSE mid 250 companies which increased fee levels for the Non-Executive Chairman and other Non-Executive Directors.

Compared to 2023, currently, more than half of all FTSE 350 companies increased fee levels for both the Non-Executive Chairman and for other Non-Executive Directors, which is substantially higher compared to last year's results. Last year 43% of FTSE 100 firms increased Non-Executive Chairmans' fees and 39% increased other Non-Executive Directors' fees compared with 61% and 68% respectively in 20024.

Over the last couple of years there is a view that the scope of Non-Executive Directors' roles has expanded but fees have not kept pace. KPMG predicted that there could be pressure to increase fees during 2024 and it seems that we are seeing evidence that this is now happening.

Percentage of companies increasing fees

	Non-executive chairman	Other non-executive director
FTSE 100	61%	68%
FTSE 250	52%	57%

Fees are not typically reviewed or increased on an annual basis and as such increases may initially appear to be higher than those for executive directors.

The following table shows the median fee increases for the FTSE 100 and FTSE mid 250 for companies which increased fee levels.

Median fee increases

		Median
FTSE 100	Non-executive chairman	4.00%
	Other non-executive directors	4.00%
FTSE 250	Non-executive chairman	4.56%
	Other non-executive directors	4.00%

Non-Executive Chairman

The Non-Executive Chairman is responsible for the leadership of the board, ensuring effectiveness in all aspects of its role and setting the agenda.

The Non-Executive Chairman has ultimate responsibility for the board and so has a role distinct from that of the other Non-Executive Directors. In some companies this may be close to a full-time role. Consequently, there is typically a significant fee differential between the Non-Executive Chairman and other Non-Executive Directors.

The following tables show the total Non-Executive Chairman fees broken down by market capitalisation and turnover. As would be expected, those chairing the largest companies are paid significantly more than those in smaller companies.

Compared with last year, the fees have increased, for almost all categories below at the upper quartile, which aligns with the fact that a significant number of firms have increased fees.

Non-Executive Chairman fees by market capitalisation

	Market capitalisation	Lower Quartile (£'000s)	Median (£'000s)	Upper Quartile (£'000s)
FTSE 100	>£10bn	550	670	764
	£6bn-£10bn	350	430	483
	<£6bn	325	357	401
	All FTSE 100	364	450	652
FTSE 250	>£2bn	250	316	378
	£1bn-£2bn	209	255	299
	<£1bn	185	217	236
	All FTSE 250	208	238	300

	Turnover	Lower Quartile (£'000s)	Median (£'000s)	Upper Quartile (£'000s)
FTSE 100	>£10bn	548	680	788
	£2.5bn-£10bn	364	421	487
	<£2.5bn	320	337	378
	All FTSE 100	364	450	652
FTSE 250	>£2.5bn	259	300	344
	£500m-£2.5bn	222	261	320
	<£500m	146	203	235
	All FTSE 250	208	238	300

Deputy Chairman and Senior Independent Director

Most companies now identify a Senior Independent Director ("SID") which generally attracts an additional fee. The SID is responsible for leading the Non-Executive Directors in their review of the Non-Executive Chairman's performance as well as being available to shareholders, so as to gain a balanced understanding of the issues and concerns they may have.

As reported in previous years, we have seen the number of Deputy Chairman positions on boards reduce in recent years, with the SID in a number of organisations fulfilling duties which, in the past, may have been carried out by the Deputy Chairman.

Based on the information disclosed, where a company has a Deputy Chairman the role is still more likely to attract a higher premium than the role of SID. If the two roles are combined and the Deputy Chairman is also the SID, then it is standard practice that no additional fee is paid for the SID role.

We have seen a moderate increase in the Deputy Chairman fees across both FTSE 100 and FTSE mid 250 companies relative to the previous year.

Deputy chairman fees

	Lower Quartile (£'000s)	Median (£'000s)	Upper Quartile (£'000s)
FTSE 100	134	175	186
FTSE 250	74	120	151

The table below shows the additional fees paid to SIDs for the FTSE 100 and FTSE mid 250. It should be noted this is in addition to the basic Non-Executive Directors' fee. The additional SID fees remain in line with last year.

Senior independent director additional fees

	Lower Quartile (£'000s)	Median (£'000s)	Upper Quartile (£'000s)
FTSE 100	16	20	35
FTSE 250	10	11	15

Workforce engagement – Designated NED

Following the introduction of the 2018 Corporate Governance Code, in which there is a strong focus on boards considering the views of the wider workforce before making decisions, we are seeing an increasing number of designated Non-Executive Directors who are responsible for workforce engagement. The role of a designated Non-Executive Director will typically attract an additional fee and the table below shows the fees paid to designated Non-Executive Directors for the FTSE 100 and FTSE mid 250.

	Lower Quartile (£'000s)	Median (£'000s)	Upper Quartile (£'000s)
FTSE 100	11	16	20
FTSE 250	6	9	11

Other Non-Executive Directors

The following tables show the fees for Non-Executive Directors who are not classified as being a Chairman, Deputy Chairman and/or SID.

The figures are broken down by market capitalisation and turnover and remain broadly unchanged from last year.

Non-Executive Director fees by market capitalisation

	Market capitalisation	Lower Quartile (£'000s)	Median (£'000s)	Upper Quartile (£'000s)
FTSE 100	>£10bn	85	95	114
	£6bn-£10bn	70	72	79
	<£6bn	67	71	77
	All FTSE 100	71	78	94
FTSE 250	>£2bn	60	66	75
	£1bn-£2bn	57	62	70
	<£1bn	55	59	64
	All FTSE 250	57	62	70

Non-Executive Director fees by Turnover

	Turnover	Lower Quartile (£'000s)	Median (£'000s)	Upper Quartile (£'000s)
FTSE 100	>£10bn	84	93	105
	£2.5bn-£10bn	70	76	80
	<£2.5bn	64	71	74
	All FTSE 100	71	78	94
FTSE 250	>£2.5bn	60	63	77
	£500m-£2.5bn	58	64	72
	<£500m	50	59	64
	All FTSE 250	57	62	70

Committee fee practice

Over recent years we have seen a continuing increase in the number of companies paying additional fees for membership and chairmanship of the main board committees. This is to compensate Non-Executives for the increasing responsibilities and requirements attributed to their roles. The Corporate Governance Code published by the government in July 2018, which took effect from 1 January 2019, states that "before appointment as chair of the remuneration committee, the appointee should have served on a remuneration committee for at least 12 months".

Company size, again, has an influence over the level of additional fees. In line with previous years, the risk committee still commands the highest additional fees for members, which may be related to the increased pressure on large companies to be socially responsible.

The chairman and membership fees have broadly remained unchanged with a slight increase relative to the previous year across both the FTSE 100 and FTSE mid 250.

It should be noted that the nomination committee is often chaired by the company Non-Executive Chairman albeit certain companies may appoint a different Non-Executive Director based on their own specific circumstances. Where the Non-Executive Chairman does take on the role, it would typically not attract additional committee fees.

The tables below show the fees disclosed for chairing the main committees in FTSE 100 and FTSE mid 250 companies.

FTSE 100 Committee chairmanship fee levels

	Lower Quartile (£'000s)	Median (£'000s)	Upper Quartile (£'000s)
Remuneration	19	25	35
Audit	20	26	37
Nomination	12	15	17
CSR	15	19	34
Risk	27	40	74
Other	20	30	42

FTSE mid 250 Committee chairmanship fee levels

	Lower Quartile (£'000s)	Median (£'000s)	Upper Quartile (£'000s)
Remuneration	10	13	18
Audit	20	26	37
Nomination	12	15	17
CSR	15	19	34
Risk	27	40	74
Other	10	12	16

The tables below show the fees disclosed for being a member of the main committees in FTSE 100 and FTSE mid 250 companies.

Almost all FTSE 350 companies pay additional fees for membership of the main board committees.

FTSE 100 Committee membership fee levels

	Lower Quartile (£'000s)	Median (£'000s)	Upper Quartile (£'000s)
Remuneration	10	17	20
Audit	11	18	25
Nomination	8	11	16
CSR	8	15	20
Risk	17	20	34
Other	15	17	20

FTSE mid 250 Committee membership fee levels

	Lower Quartile (£'000s)	Median (£'000s)	Upper Quartile (£'000s)
Remuneration	5	7	10
Audit	5	7	10
Nomination	5	5	7
CSR	6	6	11
Risk	5	10	15
Other	5	6	10

There is insufficient disclosure in companies' annual reports with respect to the time commitment required of a Non-Executive Chairman or Non-Executive Director role to perform any robust analysis. However, prior experience tells us that a Non-Executive Chairman role typically demands around two full days a week. This will vary depending on the size of the company.

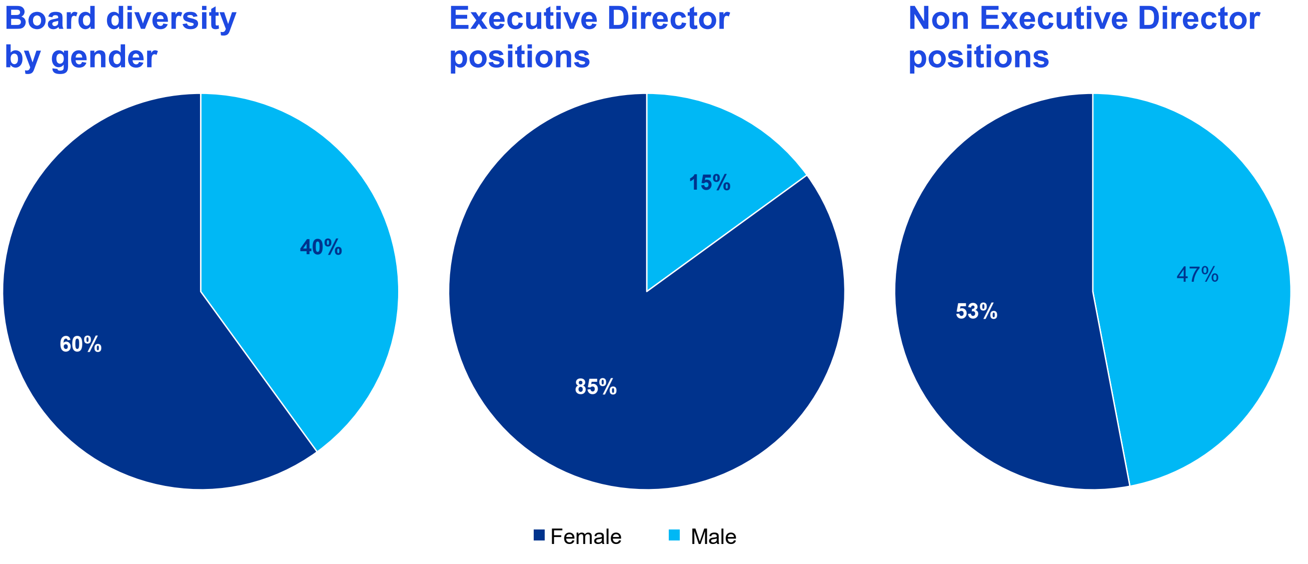
Other Non-Executive Director roles will require less time commitment, and this is reflected in the reduced fees. However, due to increased scrutiny of boards and directors, the time commitment required by a Non-Executive Director has increased in recent years. The number of board meetings will vary depending on company size and complexity; however, we would typically expect companies to hold approximately 10 meetings a year (including ad-hoc meetings). Most Non-Executive Directors will be chairs or members of at least one committee as well and these meetings will be in addition to the board meetings.

10

Diversity

Executive Director Diversity

The charts below shows the composition of Boards in the FTSE 350 by gender within the latest survey review period.



The charts above demonstrate an increase in proportion of the female population across all 3 categories of Board, Executive Director and Non Executive Director positions. We've seen an increase from 37% to 40% for women comprising FTSE 350 boards. Additionally, the proportion of female Executive Directors and Non-Executive Directors has increased by 2% and 3% respectively. It is worth noting the increase in Executive Director female held positions as this remained unchanged from the 2022 to 2023 editions of this publication.

It should, however, be noted that, as executive remuneration practices are the primary focus of this survey, the above percentages have been compiled from the annual report and accounts for the FTSE 350 within the period ending 31 March 2024. In addition, as part of the data collection process, certain individuals who have taken up new director positions will have been excluded from this analysis (in order to collect comparable annual figures). The above data therefore reflects a historical viewpoint at a moment in time.

The table below, segmented by company turnover, shows median Basic Salary, Annual Bonus and Total Earnings by gender in the latest reported financial year.

		Chief Executive		Finance Director		Other Executive Director	
		Male (£'000)	Female (£'000)	Male (£'000)	Female (£'000)	Male (£'000)	Female (£'000)
FTSE 100	Salary	911,400	780,400	556,150	585,531	566,000	343,000
	Bonus	1,283,000	819,000	699,500	716,695	561,500	543,280
	Total	4,097,835	2,683,850	1,965,851	1,875,500	2,201,500	1,920,818
MID-250	Salary	621,000	624,000	431,331	410,000	423,000	336,327
	Bonus	675,000	661,786	427,386	266,000	276,800	328,000
	Total	1,938,808	2,407,000	1,112,709	835,700	959,961	917,000

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Methodology & assumptions

Data sources

Unless otherwise stated, all graphs and tables have been created by KPMG, from data provided by E-reward. The data provided by E-reward has been further analysed by KPMG, using the methodology outlined below.

Data sample

FTSE constituents and market capitalisation figures are as at 31 March 2024 and turnover figures used for the analysis are as at the relevant reporting date for each company.

The positions included in the data sample are: Chief Executive, Finance Director, Other Executive Directors and Non-Executive Directors. Other Executive Directors includes any main board position other than the Chief Executive, Finance Director, executive chairman and the Non-Executive Directors. This typically includes operational directors, functional directors, chief operating officers, and executive deputy chairmen.

To enable the remuneration components of each position to be analysed they have been split into the following categories:

Basic salary

Annual salary received over a 12 month period as shown in the accounts and in the single figure pay table (not necessarily set at annual review)

Total cash

The sum of basic salary, benefits and total bonus as shown in the single figure pay table

Pensions

The value of all pension related benefits including payments in lieu of retirement benefits and all retirement benefits in year from participating in pension schemes

Total earnings

The sum of total cash, the value of any share based awards vested during the year and the cash value of pension arrangements. The final figure may also include some miscellaneous payments such as special payments for pensions, one off bonuses for particular projects and profit share.

Total bonus

Actual annual bonus paid shown in the single figure pay table plus any deferred portion of the annual bonus

Unless stated otherwise, LTIP awards are considered for the purpose of the guide to be awards where the vesting/ performance period is longer than one year and have been categorised in the guide as performance share plans – a type of long-term incentive in which participants are allocated free shares or nil cost options or, more commonly, rights to shares, the vesting of which is subject to the satisfaction of performance targets over a period of more than one year.

Median and quartile points

For the purposes of this guide, median information has been provided where there are four data points or more. Inter-quartile ranges have been provided where there are nine or more data points.

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