Directors' Remuneration Policy

This is the Directors' Remuneration Policy (the 'Policy') for the Company, as required under the provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended ('the Regulations'). The Company will be submitting the Policy to shareholders for approval at the General Meeting on 30 June 2023. The Policy, once approved, will take effect from that date for a three-year period. The previous Policy was approved by shareholders at the 2022 AGM on 5 May 2022.

The Policy is the same as that previously approved other than it has been amended to allow for the one-off grant of premium priced options (structured as share settled stock appreciation rights) to Executive Directors in permanent roles which will be granted under the Company's existing 2022 LTIP (for which shareholder approval is being sought to amend) and a few minor textual changes for the purpose of clarity.

OBJECTIVES OF THE POLICY

The Policy has been developed and designed to meet the following objectives:

— Clarity: maintain transparency, clear alignment with shareholder value and promotion of long-term, sustained performance;

— Predictability: ensure that performance targets for variable pay are stretching but achievable, specific and measurable, the quantum of reward reflects both Company and individual performance, and there are appropriate award caps and Committee discretions in place;

— Support for the Company's business strategy by aligning the Executive Directors' incentives with the Company's growth objectives;

— Simplicity: ensure that the remuneration structures avoid unnecessary complexity and are easy to understand for participants;

— Risk is appropriately managed: variable pay should drive performance within the Company's risk appetite and encourage a prudent and balanced approach to the business;

— Alignment to culture: the remuneration arrangements encourage the behaviour from the Executive Directors that the Committee expects to see throughout the business; and

— Proportionality: the link between individual awards, the delivery of strategy and long-term performance of the Company is clear.

In setting the Policy for the Executive Directors, the Committee also takes into account a number of different factors:

— The Committee applies the principles set out in the UK Corporate Governance Code and also takes into account best practice guidance issued by the major UK institutional investor bodies and other relevant organisations;

— When the Committee determines and reviews the Policy for the Executive Directors, it considers and compares it against the pay, policy and employment conditions of our employees to ensure that there is appropriate alignment between the two; and

— The Committee conducts periodic external comparisons to examine current market trends and practices and equivalent roles in similar companies, taking into account their size, business complexity, international scope and relative performance to inform its decisions. However, the Committee recognises that such data and information should be used as a guide only and that there may be a need to phase in changes over a period of time.

EXECUTIVE DIRECTORS' REMUNERATION POLICY TABLE

Purpose and link to strategy		Operation	Maximum	Performance targets
Base salary	— Reflects the responsibility level and complexity of the role — Reflects skills and experience over time — Provides an appropriate level of basic fixed income to avoid excessive risk arising from over-reliance on variable income	— Salaries will typically be reviewed annually — Set in the context of pay and employment conditions in the Group and internal relativities — Salary levels take periodic account of pay levels in companies with similar characteristics and sector comparators	— Salaries will typically be eligible for increases on an annual basis with the rate of increase (in percentage terms) typically linked to those of the wider workforce — If there are significant changes in responsibility, a change of scope in a role, a material sustained change in the size and/or complexity of the Company or very strong performance, these may merit base salary increases beyond those of the wider workforce — If pay is set at a discount to the Company's normal policy on appointment, it may be appropriate to phase an individual towards an appropriate rate using increases above those of the wider workforce based on performance and experience	— n/a
Pension	— Provides market-competitive, yet cost-effective retirement benefits — Opportunity for Executives to contribute to their own retirement plan	— Defined contribution or cash supplement — HMRC-approved salary sacrifice arrangement (salary sacrifice for employee contribution)	— Employer contribution to a pension arrangement or payment of a cash allowance in lieu of a pension up to 3% of basic salary	— n/a
Other benefits	— Provides cost-effective insured benefits to support the individual and their family — Access to company car to facilitate effective travel	— Benefits are provided through third-party providers and include family-level private medical and up to four times salary life insurance cover — Company cars or cash equivalents provided — Participation in an HMRC-registered savings-related share option scheme on the same terms as other UK-based employees — The Committee may offer Executive Directors other benefits from time to time on broadly the same terms as provided to the wider workforce or, as appropriate, to enable them to effectively fulfil their duties. Relocation benefits may be offered if considered appropriate and reasonable — Any business-related expenses (including tax thereon) may be reimbursed	— There is no maximum limit specified but the Committee reviews the overall cost of the benefits on a periodic basis. The value of insured benefits will vary from year to year, based on the cost from third-party providers	— n/a
Annual performance bonus	— Incentivise annual delivery of financial and operational goals linked to the Company's strategy	— Up to two-thirds of the annual bonus is paid in cash and one-third is deferred into shares that will vest after three years and are subject to risk of forfeiture — Dividend equivalents which accrue on vested shares may be payable — Clawback and malus provisions apply — Stretching targets drive operational efficiency and influence the level of returns that should ultimately be delivered to shareholders through share price and dividends	— The maximum bonus opportunity is 150% of salary for the CEO and 125% of salary for the CFO and other Executive Directors	— Bonuses will be subject to a combination of financial and non-financial targets that are set by the Committee on an annual basis — The majority of the bonus will be measured against financial metrics (e.g. underlying PBT) with a graduated scale set around the target — A minority of the bonus may be set based on non-financial targets which are aligned to the key business objectives from year to year (which can include targets relating to ESG/ Sustainability) — A minority of each element will be payable for achieving the threshold performance level. In

Purpose and link to strategy		Operation	Maximum	Performance targets
				relation to financial targets, 20% of this part of the bonus becomes payable for achieving the threshold performance target. In relation to any non-financial measures used, it is not always practicable to set a sliding scale for each objective. Where it is, a similar proportion of the bonus becomes payable for achieving the threshold performance level as for financial targets — Details of the bonus measures and targets operated each year will be included in the relevant Directors' remuneration report
2022 Long Term Incentive Plan ('2022 LTIP')	— Aligned to main strategic objectives of delivering sustained profitable growth — Aids retention of senior management — Creates alignment with shareholders and provides focus on increasing the Company's share price over the medium term	— Annual grant of performance shares which may be structured as conditional awards or nil cost options — Subject to performance conditions measured over three years. An additional two-year post-vesting holding period applies to awards granted to the Executive Directors — Clawback and malus provisions apply — Dividend equivalents which accrue during the vesting period and, where applicable, post-vesting holding period may be paid	— Maximum annual opportunity of 200% of salary for the CEO and 175% for the CFO and other Executive Directors	— Long-term incentive awards vest based on three-year performance against one or more challenging financial targets and relative TSR performance set and assessed by the Committee at its discretion — Different measures may be set for future awards but financial targets will determine vesting in relation to at least 50% of an award — A maximum of 15% of any award vests for achieving the threshold performance level, with 100% of the awards being earned for maximum performance
Premium priced options under the 2022 LTIP	— To attract and retain Executive Directors of the right quality to drive share price growth / shareholder value generation	— Awards can be granted on a one-off basis to Executive Directors in permanent roles — Awards of premium priced options at a strike price of the greater of £4 and a 33% premium to the market value of a share, normally averaged over five Stock Exchange dealing days before the grant date — Awards vest in three equal tranches after three, four and five years from date of grant; the first two tranches are subject to a post-vesting holding period until the fifth anniversary of grant — At exercise, the number of shares equal to the value of the option gain (i.e., value growth in excess of the strike price) will be transferred to the Executive Directors — The exercise period for all tranches expires six months after the fifth anniversary of the grant date — Malus and clawback provisions apply — No dividend equivalent will accrue — The maximum percentage of the issued share capital over which premium priced options may be granted is limited to 1.5% of the issued share capital at date of grant	**At grant** — The CEO will receive options with fair value of no more than 300% of salary — Other Executive Directors will receive options with fair value of no more than 150% of salary — The fair value will be calculated in accordance with IFRS 2 — The minimum share price that will be used to determine the size of grant is £2.50 **At vesting** — The maximum share price that can be used to determine the number of shares to be transferred to the Executive Directors is capped at 3 times the share price at grant — If the share price at vesting exceeds 3 times the share price at grant, the maximum monetary value that can be delivered to the Executive Directors will be capped based on a share price of 4.5 times the share price at grant	— An EPS underpin will apply such that the Company's fully diluted EPS must achieve a compound annual growth rate of at least 3% per annum before the Awards can vest — The Committee has discretion to reduce the level of vesting in exceptional circumstances to reflect the underlying business performance
In-employment share ownership requirement	— To provide alignment between Executives and shareholders	— Executives are required to retain shares from the vesting of options and awards (on an after-tax basis) to build and	— At least 200% of salary holding for Executive Directors whilst in employment	— n/a at cessation

Purpose and link to strategy		Operation	Maximum	Performance targets
	— To encourage a focus on sustainable long-term performance	maintain a shareholding equivalent to the required multiple of salary within five years of joining — 50% of any shares received on vesting/exercise of awards under the Company's LTIPs and Deferred Share Bonus Plan (net of tax), granted in respect of performance periods starting in 2019 onwards, will be placed into a nominee account until the required share ownership requirement has been met		
Post-employment share ownership requirement	— To further strengthen the alignment between Executives and shareholders	— Upon cessation of employment, Executives are required to maintain a shareholding for two years thereafter	— A level equal to the lower of the in-employment requirement and the number of shares beneficially held	— n/a

NON-EXECUTIVE DIRECTORS' REMUNERATION POLICY TABLE

Purpose and link to strategy		Operation	Maximum	Performance targets
Non-executive Director fees	— Reflects the value of the individual's skills and experience — Recognises expected time commitments and responsibilities	— Chair's fees are set by the Remuneration Committee. Non-executive Directors' fees are set by the Board — Fees are reviewed periodically — Takes into account periodic external reviews against companies with similar characteristics and sector comparators — Set in the context of time commitments and responsibilities — A base fee is provided to all Non-executive Directors with supplemental fees payable for chairing the sub-Committees, for holding the Senior Independent Director position or to reflect any additional responsibilities or duties they are required by the Board to undertake — Non-executive Directors do not participate in any annual bonus, share incentive plans or pension arrangements — Non-executive Directors shall be reimbursed for any expenses (on a gross of tax basis) incurred in the course of carrying out their role which are deemed to be taxable by HMRC (or equivalent body)	— The fee levels are reviewed on a periodic basis, with reference to the time commitment of the role and market levels in companies of comparable size and complexity — The fee levels will be eligible for increases from the effective date of the three-year period that the remuneration policy operates to ensure they appropriately recognise the time commitment of the role, increases to fee levels for Non-executive Directors in general and fee levels in companies of a similar size and complexity — Flexibility is retained to go over the above fee levels, if necessary to do so, to appoint a new Chair or Non-executive Director of an appropriate calibre	— n/a
Shareholding guideline	— To provide alignment between Non-executive Directors and shareholders	— Non-executive Directors are encouraged, but not required, to own shares in the Company — To facilitate this, Non-executive Directors can enter into arrangements under which a percentage of their after-tax fees can be applied to purchase shares	— n/a	– n/a

OPERATION OF THE ANNUAL BONUS PLAN, THE DEFERRED SHARE BONUS PLAN AND LTIP POLICY

The Committee will operate the annual bonus plan, the Deferred Share Bonus Plan ('DSBP'), the 2012 LTIP and the 2022 LTIP scheme in accordance with their respective rules and in accordance with the Listing Rules and HMRC requirements where relevant.

Within these rules, the Remuneration Committee is required to retain a number of discretions to ensure an effective operation and administration of these plans. These discretions are consistent with standard market practice and include (but are not limited to):

— who participates in the plans;

— when awards are granted and/or paid;

— the size of an award and/or a payment (subject to the limits stated in the policy table above);

— how to determine the level of vesting;

— how to deal with a change of control or restructuring of the Group;

— how to determine a good/bad leaver for incentive plan purposes;

— how to determine any adjustments required in certain circumstances (e.g. rights issues, corporate restructuring, events and special dividends); and

— reviewing the performance conditions (range of targets, measures and weightings) for the annual bonus plan and LTIP from year to year.

If certain events occur, such as a material acquisition or the divestment of a Group business, the original performance conditions may no longer be appropriate. Therefore, the Remuneration Committee retains the discretion to make adjustments to the targets and/or set different measures and alter weightings as they deem necessary to ensure the conditions achieve their original purpose, are appropriate in the revised circumstances and, in any event, are not materially less difficult to satisfy.

Any use of the above discretions would, where relevant, be explained in the Directors' remuneration report and may, where appropriate, be the subject of prior consultation with the Company's major shareholders.

To comply with the UK Corporate Governance Code published in 2018, for awards granted in 2019 and beyond, irrespective of whether any performance condition has been achieved, the Committee will have discretion under the annual bonus plan, the 2012 LTIP and 2022 LTIP to scale back the level of pay-out or vesting that would otherwise result by reference to the formulaic outcome alone. Such discretion would only be used in exceptional circumstances and may be applied to take into account corporate and/or personal performance.

Share-settled incentive awards and any arrangements agreed prior to the effective date of this policy will remain eligible to vest or pay out based on their original award terms. This includes any awards granted under the DSBP, the 2012 LTIP scheme or the 2016 LTIP scheme.

In addition, all arrangements previously disclosed in prior years' Directors' remuneration reports will remain eligible to vest or become payable on their original terms.

CLAWBACK AND MALUS PROVISIONS

The Company has the right to reduce the number of shares over which an award was granted under the DSBP or LTIP where it is discovered that the award was granted over too many shares as a result of a material misstatement in the Company's accounts, when there has been an error or reliance on misleading information when assessing the size of the award that was granted, and/or it is discovered that the participant could reasonably have been dismissed as a result of his/her misconduct. For performance periods beginning on or after 31 December 2018, the Company may also scale back an award where the Company suffers a material downturn in its operational or financial performance which is at least partly attributable to management failure; where the Company has suffered an instance of corporate failure; and/or where this is a material failure of risk management and/ or regulatory non-compliance. For performance periods beginning on or after 31 December 2021, the Company may also scale back an award where the Company suffers a serious reputational damage as a result of management failure and/or where there is unreasonable failure to protect the interests of employees and customers.

The Company may also claw back cash bonus awards or previously vested DSBP and LTIP awards in accordance with the principles set out above to ensure that the full value of any overpayment is recouped.

In these circumstances, the Committee may apply clawback within two years of the payment of the cash bonus or date of grant of a DSBP award or within three years of the vesting of an LTIP award.

BALANCE BETWEEN FIXED AND VARIABLE PAY

The performance-related elements of remuneration are dependent upon the achievement of outcomes that are important drivers of sustainable growth for the business and therefore the creation of value for shareholders.

CHOICE OF PERFORMANCE METRICS

The Company is a growth business, and our investments in supply chain, digital innovation and the customer experience are all designed to improve the profitability of the overall system, reach new customers and drive repeat business from existing customers. However, neither system sales nor statutory revenue are appropriate performance measures, because the former is significantly influenced by franchisees, and the latter is affected by the volatility of food costs. As a result, underlying profit before tax is used as the main performance metric in the annual bonus plan, as this captures both the growth and the efficiency of the business. Part of the annual bonus is also subject to strategic objectives.

A combination of relative TSR and growth in underlying EPS have been used for LTIP awards in previous years. The underlying EPS measures the Company's success in delivering long-term profit growth, a key contributor to the Company's valuation, and was considered by the Committee to be the most appropriate measure of long-term financial performance. It is also used by the Board to determine success in executing our strategy and our dividend policy.

Relative TSR helped align management's and shareholders' interests, since the Executives would only be rewarded to the extent that the Company delivered a return to shareholders above that of the median company of comparable size, with full vesting on this measure requiring top quartile performance.

All incentives are capped, other than for the impact of share price, in order that inappropriate risk-taking is neither encouraged nor rewarded. For financial targets, a sliding scale is applied, with a very modest amount being payable for threshold levels of performance.

A number of the Company's non-financial strategic objectives have been incorporated into the annual bonus for Executive Directors and will be applied on an individual basis for a minority of the overall bonus opportunity.

These objectives will also be measured on a sliding scale of performance where possible.

The Committee will review the continued appropriateness of the annual bonus (and, if applicable, awards granted under the LTIP in the 2023 financial year) performance conditions on an annual basis to ensure that they remain aligned to the Company's strategy. The Committee will make necessary changes to the weightings of measures and/or introduce new measures which they believe would provide a closer link to the business strategy within the confines of the policy detailed above. Shareholder dialogue would take place, as appropriate, should there be any material change of emphasis in relation to current practices. In particular, with the introduction of the premium priced options, the Committee intends to review whether it should retain relative TSR in the normal LTIP awards or whether it would be more appropriate to replace this with another internal financial metric.

HOW EMPLOYEES' PAY IS TAKEN INTO ACCOUNT

Pay and conditions elsewhere in the Group were considered when finalising the current policy for the Executive Directors. In particular, the Committee is updated on salary increases for the general employee population, Company-wide benefit provisions, level of annual bonuses and staff participation in long-term incentive schemes, so it is aware of how the total remuneration of the Executive Directors compares with the average total remuneration of employees generally.

The Committee does not formally or directly consult with employees on Executive pay but does receive periodic updates from the Group's People Director. The Committee is also informed of the results of colleague engagement surveys, which do not contain any specific questions related to Executive Director remuneration. The most recent survey continues to show high levels of colleague engagement, with reward continuing to be an important attribute of their job. As previously reported, the Board decided that engagement with the workforce for the purposes of Principle 5 of the UK Corporate Governance Code is best achieved through a designated Non-executive Director who will gather views from the workforce on executive remuneration in 2023.

HOW THE EXECUTIVE DIRECTORS' REMUNERATION POLICY RELATES TO THE GROUP

The remuneration policy described above provides an overview of the structure that operates for the most Senior Executives in the Group, with a significant element of remuneration dependent on Company and individual performance.

A lower aggregate level of incentive payment applies below Executive Director level, driven by market comparatives, internal relativities and the potential impact of the role. The vast majority of the Group's employees participate in an annual bonus plan, with the limits and performance conditions varying according to job grade.

The Committee believes that broad-based employee share ownership provides a key element in retention and motivation in the wider workforce. Long-term incentives are provided through the Group's discretionary share schemes to selected Executives and managers.

The Company also offers an HMRC-registered savings-related share option scheme for all UK-based employees with more than three months' service, including Executive Directors.

All newly appointed employees, including Executive Directors, are eligible to join a defined contribution pension plan. In other territories, pension provision varies and can be contributions to state schemes, occupational plans or personal pension arrangements in which the employing company makes contributions.

HOW IS RISK MANAGED IN RELATION TO SHORT AND LONG-TERM INCENTIVES?

The Committee believes that the consideration and management of risk is important when formulating and then operating appropriate remuneration structures (notably the performance criteria) for senior management. The majority of the members of the Committee are also members of the Audit Committee, whose Chair is also a member of the Remuneration Committee. The Remuneration Committee has a good understanding of the key risks facing the business and the relevance of these to the remuneration strategy, most particularly when setting targets for performance-related pay.

In line with the Investment Association's Guidelines on Responsible Investment Disclosure, the Remuneration Committee ensures that the incentive structure for Executive Directors and senior management will not raise environmental, social and governance ('ESG') risks by inadvertently motivating irresponsible behaviour, and remuneration design can be flexed to address ESG issues when appropriate.

The Committee has due regard to issues of general operational risk when structuring incentives.

The clawback provisions (see page 96) in respect of annual bonuses and long-term share plans also provide the Committee with a mechanism to recover monies in certain circumstances.

Share ownership requirements and the design of the 2012 LTIP and 2022 LTIP help to ensure that the Executive Directors have a strong personal focus on long-term sustainable performance, heavily driven by the relative and absolute returns delivered to shareholders.

HOW SHAREHOLDERS' VIEWS ARE TAKEN INTO ACCOUNT

The Committee considers shareholder feedback received around the AGM and analyses the votes cast on the relevant items of business. This feedback, plus views received during meetings with institutional shareholders and their representative bodies, is considered as part of the Company's annual review of remuneration policy.

The Committee also consults with its key shareholders whenever appropriate. A consultation process was undertaken during 2021 and early 2022 with shareholders' views being reflected in the previous policy, which was approved by shareholders at the 2022 AGM with 92.88% votes in favour. The Committee has consulted with its key shareholders on the proposed policy and on the changes to the LTIP to allow for the grant of premium priced options and reflected shareholders views in the vesting conditions applicable to Premium Priced Options, including a request for an EPS underpin. The Committee values feedback from its shareholders and seeks to maintain a continued open dialogue.

Investors who wish to discuss remuneration issues should contact the Company Secretary.

SERVICE CONTRACTS AND POLICY ON EXIT

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

Service contracts are normally entered into on a rolling basis, with notice periods given by the employing company normally limited to six months or less. The Committee has discretion to determine a longer notice period (up to 12 months) for new Executive Directors, which will be reduced to six months by no later than the end of the second year after joining. Should notice be served by either party, the Executive can continue to receive basic salary, benefits and pension for the duration of their notice period, during which time the relevant Group company may require the individual to continue to fulfil their current duties or may assign a period of garden leave. An Executive Director's service contract may be terminated without notice and without any further payment or compensation, save for sums accrued up to the date of termination, on the occurrence of certain events of gross misconduct. If the Company terminates the employment of an Executive Director in breach of contract, compensation is limited to salary due for any unexpired notice period and any amount assessed by the Committee as representing the value of other contractual benefits which would have been received during the unexpired notice period.

For Elias Diaz Sees, 3 months' notice is to be given to the Company. From the Company, the initial notice period is 12 months. After four months of the engagement, the notice period will reduce by one month for each additional month worked with a minimum notice period of three months so that the notice period after 13 months of the engagement is 3 months. If the contract period extends beyond 31 December 2023, the notice period will then be 6 months' notice from either party.

Edward Jamieson has a 12 months' notice period from either party. From 17 October 2024, the second anniversary of his date of appointment, the notice period will be reduced to 6 months' from either party.

Payments in lieu of notice are not pensionable. In the event of a change of control of the Group, there is no enhancement to contractual terms.

In summary, the contractual provisions for any new Executive Directors are as follows:

Provision	Detailed terms
Notice period	Normally six months or less. Subject to Committee discretion, up to 12 months may be offered initially but will be reduced to six months no later than the end of the second year after joining
Maximum termination payment	Base salary plus benefits and pension, subject to mitigation for new Directors
Remuneration entitlements	A pro rata bonus may also become payable for the period of active service along with vesting for outstanding share awards (in certain circumstances – see page 99) In all cases performance targets would apply
Change of control	As on termination

Any share-based entitlements granted to an Executive Director under the Company's LTIP schemes or bonus entitlement under the annual performance bonus will be determined based on the relevant plan rules.

With regard to the circumstances under which the Executive Directors might leave service, these are described below with a description of the anticipated payments:

Remuneration element	'Bad' leaver (e.g. resignation and dismiss for cause)	'Good' leaver (e.g. death, ill health, retirement, redundancy and any other reason if the Committee so decides)
Salary in lieu of notice period	Salary for proportion of notice period served	Up to a maximum of 100% of salary
Pension and benefits	Provided for proportion of notice period served	Up to one year's worth of pension and benefits (e.g. redundancy) Possible payment of pension and insured benefits triggered by the leaver event (this would be governed by the terms of the benefits provided) Where appropriate, medical coverage may continue for a period post cessation
Bonus (in year)	Immediately forfeited on the date of cessation	Normally reduced pro rata to reflect proportion of performance period elapsed (provided performance conditions are met), unless the Committee decides that no reduction (or a smaller reduction) is appropriate in any particular case
Bonus (deferred shares)	Immediately lapse on the date of cessation	Awards shall vest on the normal vesting date, unless the Committee otherwise determines cessation that the award shall vest on the date of cessation (or such later date as the Committee specifies), and in either case to such extent as the Committee determines
Long-term incentive entitlements (2012 LTIP and 2022 LTIP) other than premium priced options	Immediately lapse on the date of cessation	Awards will ordinarily vest on the normal vesting date based on performance tested over the full performance period and time *pro rata* based on the period of time after the grant date and ending on the date of cessation, unless the Committee determines otherwise (i.e. early vesting on cessation, and/or such other later date as the Committee specifies, or the Committee decides time proration is inappropriate in any particular case and shall increase the number of vested shares)

Remuneration element	'Bad' leaver (e.g. resignation and dismiss for cause)	'Good' leaver (e.g. death, ill health, retirement, redundancy and any other reason if the Committee so decides)
Premium priced options under the 2022 LTIP	Immediately lapse on the date of cessation	There are no automatic 'good' leavers with the Committee having discretion in all circumstances to treat a participant as a 'good' leaver which will normally be limited to death, ill health and disability. Awards will ordinarily vest subject to meeting the EPS underpin on the normal vesting dates on a pro-rata basis reflecting the period of time worked between the grant date and the date of cessation, unless the Committee determines otherwise (i.e. early vesting on cessation and/or the Committee determines that time proration is inappropriate in any particular case and shall increase the number of vested shares).
Other payments	None	The Committee may pay reasonable outplacement and legal fees where considered appropriate. The Committee may also pay any statutory entitlements or settle or compromise claims in connection with a termination of employment, where considered in the best interests of the Company.

NON-EXECUTIVE DIRECTOR REMUNERATION

The Non-executive Directors are not employed under service contracts and have contracts for services with a notice period of three months.

Non-executive Directors do not receive compensation for loss of office. Each of the Non-executive Directors is appointed for a fixed term of three years, renewable for a further three-year term if agreed and subject to annual re-election by shareholders.

The following table shows details of the terms of appointment for the Non-executive Directors:

	Appointment date	Date most recent term commenced	Expected date of expiry of current term
Ian Bull	19 April 2019	19 April 2022	19 April 2025
Usman Nabi[1]	11 November 2019	11 November 2019	See note 1
Matt Shattock	16 March 2020	16 March 2023	16 March 2026
Natalia Barsegiyan	16 September 2020	16 September 2020	16 September 2023
Lynn Fordham	16 September 2020	16 September 2020	16 September 2023
Stella David	23 February 2021	23 February 2021	23 February 2024
Tracy Corrigan	5 May 2022	5 May 2022	5 May 2025

1. Usman Nabi is an appointee of Browning West LP. His term in office is governed by a relationship agreement between the Company and Browning West, details of which can be found on the investor relations website https://investors.dominos.co.uk.

RECRUITMENT AND PROMOTION POLICY

When facilitating an external recruitment or an internal promotion, the Committee would apply the following principles:

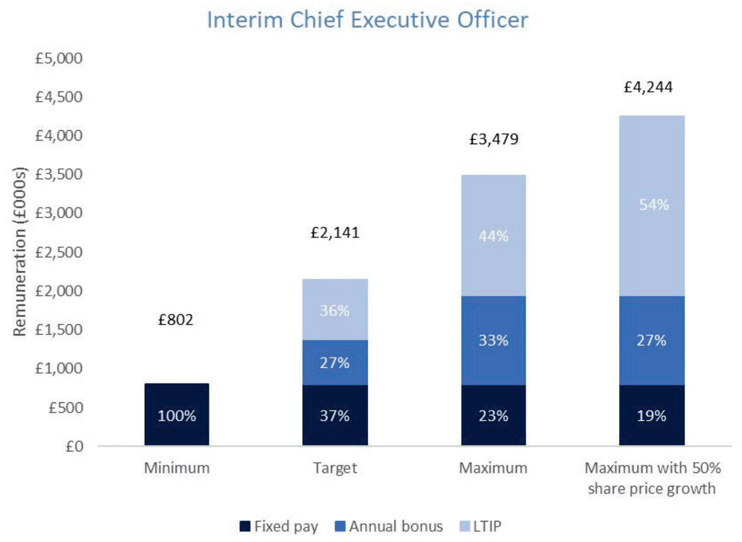
Remuneration element	Policy
Base salary	Salary levels will be set based on the experience, knowledge and skills of the individual and in the context of market rates for equivalent roles in companies of a similar size and complexity. The Committee would also consider Group relativities when setting base salary levels. The Committee may set initial base salaries below the perceived market rate with the aim to make multi-year staged increases to achieve the desired market position over time. Where necessary these increases may be above those of the wider workforce, but would be subject to continued development in the role.
Benefits and pension	Would be as provided to current Executive Directors. The Committee would consider meeting the cost of certain reasonable relocation expenses and legal fees as necessary.
Annual bonus	The annual bonus would be operated in line with that set out in the policy table for current Executive Directors. For a new joiner, the bonus would be pro-rated for the period of service during the financial year of their appointment. Due to the timing or nature of the appointment, the Committee may determine it necessary to set different or modified performance conditions for the first year of appointment.
Long-term incentives	Participation would be in accordance with the information set out in the policy table. Awards may be made on or shortly after an appointment, subject to prohibited periods. Different performance conditions may be set as appropriate. Any new appointment would be eligible to participate in the all-employee share option arrangements on the same terms as all other employees. For internal promotions, existing awards would continue over their original vesting period and will remain subject to their terms as at the date of grant.
Additional incentives on appointment	The Committee would assess whether it is necessary to buy out remuneration which would be forfeited from a previous role on termination. The Committee would, where possible, seek to offer a replacement award taking into account the structure, quantum, time horizons and relevant performance conditions which would impact on the expected value of the remuneration to be forfeited. The Committee would use the existing remuneration plans where possible, although it may be necessary to grant outside of these schemes using exemptions permitted under the Listing Rules.

EXTERNAL APPOINTMENTS

The Committee recognises that Executive Directors may be invited to become Non-executive Directors in other companies and that these appointments can enhance their knowledge and experience to the benefit of the Company. Subject to pre-agreed conditions, and with prior approval of the Board, each Executive Director is permitted to accept one appointment as a Non-executive Director in another listed company. The Executive Director is permitted to retain any fees paid for such service.

ILLUSTRATION OF REMUNERATION SCENARIOS

The chart below illustrates the total remuneration for the Interim Chief Executive Officer based on the proposed new policy under four different scenarios – minimum, target, maximum and maximum with a 50% share price growth.



Assumptions:

Minimum – comprises fixed pay being the value of 2023 base salary, 2022 benefits and a 3% pension allowance.

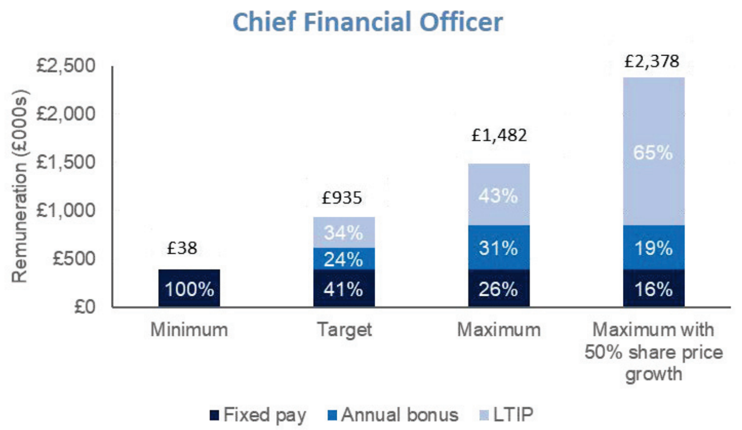
Target – minimum plus a bonus pay-out and LTIP vesting – out of 50% of the maximum.

Maximum – minimum plus max bonus and max LTIP.

Maximum with 50% share price growth – maximum with LTIP element being 1.5 times max LTIP.

This does not include the award of a premium priced option as, as interim CEO, Elias Diaz Sees is not eligible to receive such an award.

No account has been taken of any prospective dividend equivalents to be paid on vested share awards.



Assumptions:

Minimum – comprises fixed pay being the value of 2023 base salary, 2022 benefits and a 3% pension allowance.

Target – minimum plus a bonus pay-out and LTIP vesting – out of 50% of the maximum.

Maximum – minimum plus max bonus and max LTIP.

Maximum with 50% share price growth – maximum with the normal annual LTIP element being 1.5 times max LTIP and the gain on the premium priced options being 16.7% of the face value at grant (on the assumption that the share price at grant is not less than £3 and hence the strike price is a 33% premium to the share price at grant).

No account has been taken of any prospective dividend equivalents to be paid on vested share awards.