

REMUNERATION COMMITTEE REPORT



The Remuneration Committee's aim is to maintain remuneration policies which promote long-term value creation through transparent alignment with the Board's corporate strategy.

Mike Liston, OBE
Chair of the Remuneration Committee

Dear Shareholders,

I am pleased to present the report of the Remuneration Committee for the year ended 31 March 2022, which sets out the current remuneration policy and the remuneration paid to the Directors during the year.

Our priorities

This was Foresight Group's first full year as a public company, so naturally the Committee's initial priority was to assess whether the remuneration policies and practices set at IPO remain appropriate for the future. Our assessment is that the current policy supports continuation of the strong executive performance evident in the Company throughout its history under private ownership and retains alignment with the Board's corporate strategy to create value for Shareholders and other stakeholders. It possesses strong features of transparency and simplicity, notably that the Executive Directors receive only fixed remuneration, having no entitlement to performance bonuses and having elected not to participate in the Company's Performance Share Plan which operates amongst the wider management group.

Powerful alignment with Shareholders' interests is very evident amongst the current Executive Directors who themselves have substantial shareholdings and whilst continuity in the benefits to the Company of a strong "owners' mentality" looks assured for the foreseeable future, the Committee has begun to examine mechanisms to future-proof remuneration policy so that a more market-aligned package can be offered to Executive Directors in future executive recruitment. Similarly, some structural improvements to current arrangements below Board level would improve consistency, cascade and alignment with Executive Directors whilst supporting the Company's culture of internal talent development and succession from within.

For the reasons I give above and in view of some Shareholder feedback at the August 2021 AGM regarding the merits of selected non-financial measures in performance pay, we have engaged a remuneration consultant, Korn Ferry, to assist in a "fit for the future" review. I will report on the outcomes of this review in due course and will consult with Shareholders before proposing any significant changes to our existing Remuneration Policy.

The Group's current Remuneration Policy, detailed later in my report, was approved by Shareholders at the AGM on 26 August 2021 and remains unchanged.

AGM Shareholder voting August 2021

Resolution	Votes for	Votes against	Votes withheld
That the Remuneration Committee's report for the financial year ended 31 March 2021 be approved	92,093,990	1,423,815	175
	98.48%	1.52%	
That the Remuneration Policy set out in the Remuneration Report contained in the Governance section of the Annual Report and Financial Statements for the financial year ended 31 March 2021 be approved.	91,703,711	1,814,094	175
	98.06%	1.94%	

Composition

The Committee was formed on 3 February 2021 as part of the preparations for the Company's IPO. Its membership comprises me as Chairman, alongside fellow Non-Executive Directors Alison Hutchinson and Geoffrey Gavey.

The UK Corporate Governance Code (the "Code") recommends that before appointment as Chair of the Remuneration Committee, the appointee should have served on a remuneration committee for at least 12 months. I fulfil this requirement, having served on the remuneration committee of JTC Group for in excess of 12 months.

Committee meetings

The Committee meets at least twice each year, inviting such attendees, in an advisory capacity, as are considered necessary and appropriate to the business to be discussed.

During the year ended 31 March 2022, the Committee met four times to discuss a number of areas including the implementation of the Group's Performance Share Plan ("PSP"); annual review of the Group's remuneration policy; and consideration of further non-financial KPIs to be included in future option allocations under the PSP.

Responsibilities

As part of the preparation for Admission, Terms of Reference ("ToR") were defined and documented for the Committee, which reflect the current statutory requirements and best practice appropriate to a group of Foresight's size. A copy of the ToR can be found at <https://www.fsg-investors.com/corporate-governance#BoardCommittees>

The Committee is principally responsible for determining, in accordance with the principles and provisions of the Code, the policy for the Directors' remuneration and setting remuneration for the Executive Chair of the Board, Executive Director(s) and senior management (as defined in the Code), being the Executive Committee and the Company Secretary (the "Executive Group"). No member of the Executive Group is involved in any decisions as to their own remuneration.

The Board itself, or, where required by the Articles of Incorporation, the Shareholders, determine the remuneration of the Non-Executive Directors, within the limits set in the Articles of Incorporation.

In determining the Executive Director remuneration policy and practices (including for the Executive Chair), the Committee ensures the following is addressed:

- **Clarity:** remuneration arrangements should be transparent and promote effective management with Shareholders and the workforce

- **Simplicity:** remuneration structures should avoid complexity and their rationale and operation should be easy to understand
- **Risk:** remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated
- **Predictability:** the range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy
- **Proportionality:** the link between individual rewards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance
- **Alignment to culture:** incentive schemes should drive behaviours consistent with Company purpose, values and strategy

The Executive remuneration for the year just ended and the year ahead is described in more detail later in this report, and the Committee is of the view that the current Executive remuneration packages address all the points outlined above.

The Committee also reviews (i) pay and employment conditions and remuneration trends across the Group, especially when determining annual salary increases; and (ii) the alignment of workforce incentives and rewards with culture.

REMUNERATION COMMITTEE REPORT CONTINUED

Remuneration policy

The remuneration policy below was approved by Shareholders at the Company's AGM on 26 August 2021. It became effective from that date and remains effective for three years.

The Remuneration Committee has decided, as a matter of good corporate governance, to adhere to the requirements of the UK remuneration reporting regulations whenever practicable, although, as a Guernsey registered company, the Company is not technically required to do so. The UK remuneration reporting regulations contain provisions which make Shareholder approval of the policy of UK incorporated companies binding. As the Company is not UK incorporated those provisions have no legal effect. However, the Company will limit the power of the Committee so that it may only authorise payments to Directors that are consistent with the policy as approved by Shareholders. In that way the Company considers the vote of Shareholders on the policy to be binding in its application.

The policy explains the purpose and principles underlying the structure of remuneration packages and how the policy links remuneration to the achievement of sustained high performance and long-term value creation.

Overall remuneration is structured and set at levels to enable Foresight to recruit and retain high calibre colleagues necessary for business success whilst ensuring that:

- Our reward structure, performance measures and mix between fixed and variable elements is comparable with similar organisations
- Rewards are aligned to the strategy and aims of the business
- The approach is simple to communicate to participants and Shareholders
- Particular account has been taken of structures used within FTSE 350 companies and other comparable organisations
- The incentive structure for senior management does not raise ESG risks by inadvertently motivating irresponsible behaviour – the Committee is able to consider corporate performance on ESG issues when setting Executive Directors' remuneration

Executive Directors

Remuneration	Purpose and link to strategy	Operation	Maximum opportunity
Base salary	Provides a set level of remuneration sufficient to attract and retain Executives with appropriate experience and expertise.	The Committee will consider a number of factors when setting and reviewing salaries, including: <ul style="list-style-type: none"> • Scope and responsibility of the role • Any changes to the scope or size of the role • Salary levels for similar roles within appropriate comparators • Value of the remuneration package as a whole 	There is no maximum to salary levels or salary increases. Account will be taken of increases applied to the workforce as a whole when determining salary increases for Executive Directors. However, the Committee retains the discretion to award higher increases where it considers it appropriate, particularly where salary at the outset has been set at a relatively low level.
Pension	Provides a competitive remuneration package sufficient to attract and retain the most talented people with appropriate experience and expertise.	N/A – The Executive Directors have waived their entitlement to a pension.	N/A – The Executive Directors have waived their entitlement to a pension.
Benefits	Provides benefits sufficient to attract and retain Executives with the appropriate experience and expertise.	Executive Directors are currently entitled to the following benefits: <ul style="list-style-type: none"> • Partial private medical insurance • Certain de minimis benefits in kind Executive Directors may also be eligible to participate in the Group Performance Share Plan at the discretion of the Committee. However, the current Executive Directors have elected not to participate in the PSP for the foreseeable future.	The Committee recognises the need to maintain suitable flexibility in the benefits provided to ensure it is able to support the objective of attracting and retaining personnel in order to deliver the Company strategy. The maximum will be set at the cost of providing the benefits described. One-off payments such as legal fees or outplacement costs may also be paid if it is considered appropriate.

Other employees

Remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Base salary	Provides a set level of remuneration sufficient to attract and retain the most talented people with appropriate experience and expertise.	Base salaries are reviewed annually on 1 August. When conducting the annual salary review for all staff, account is taken of the external market (including market data provided by independent advisers) and individual performance.	When benchmarking roles against the external market, salary bands stating a minimum and maximum will be agreed for each role. Account will also be taken of increases applied to colleagues as a whole when determining salary increases across the business.	In addition to the benchmarking exercise, individual performance will also be considered, including financial, operational, strategic and individual goals set at the start of the year.
Pension	Provides a competitive remuneration package sufficient to attract and retain the most talented people with appropriate experience and expertise.	Staff below Partner grade are entitled to participate in the Group's pension scheme. As part of the government's pension auto-enrolment programme, all new starters (if eligible) are automatically enrolled into the scheme.	The Group contributes up to 8% of qualifying earnings into the pension scheme.	N/A
Annual bonus	Variable remuneration that rewards the achievement of annual financial, operational and individual objectives integral to the Group strategy.	Objectives are set annually based on the achievement of strategic goals. At the end of the year, the Committee meets to review performance against the agreed objectives and determines payout levels.	In the event that staff are in receipt of a bonus equating to more than 50% of their base salary then this additional amount (above 50%) will be deferred.	Awards are based on financial, operational, strategic and individual goals set at the start of the year. The Committee reserves the right to make an award of a different amount produced by achievement against the measures if it believes the outcome is not a fair reflection of Company performance. The split between these performance measures will be determined annually by the Committee.
Share Incentive Plan ("SIP") for UK employees¹	The Company attaches considerable importance to the role of performance-based bonuses to drive profitability and business growth and to the importance of wider all-employee share and/or performance-based incentives to align employees' interests with the interests of Shareholders. The SIP has been adopted to further those aims.	UK employees of the Company and its subsidiaries will be eligible to be granted an award under the SIP at the discretion of the Committee. Executive Directors and senior managers are not eligible to participate in the SIP.	The SIP is an HMRC-approved scheme, whereby UK employees can purchase up to £1,800 of partnership shares per tax year, with the Group then awarding two free matching shares for each partnership share purchased.	Shares need to be held for three to five years to benefit from the advantageous HMRC tax treatment.

1. We intend to implement a similar scheme for our overseas staff shortly.

REMUNERATION COMMITTEE REPORT CONTINUED

Remuneration policy continued

Other employees continued

Remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Performance Share Plan (“PSP”)	Variable remuneration designed to incentivise and reward the achievement of long-term targets aligned with Shareholder interests. The PSP also provides flexibility in the retention and recruitment of Executive Directors.	Awards granted under the PSP vest subject to achievement of performance conditions measured over a three year period. PSP awards may be made as conditional share awards or in other forms (e.g. nil cost options) if it is considered appropriate. Accrued dividends may be paid in cash or shares, to the extent that awards vest. The Committee may adjust and amend awards in accordance with the PSP rules. Malus and clawback provisions may be applied in exceptional circumstances.	In any financial year, the total market value of shares over which awards can be made under the PSP to any participant cannot normally exceed 150% of their annual base salary, but the plan rules will allow the Remuneration Committee the discretion to award up to 300% of annual base salary in exceptional circumstances.	PSP options will vest depending on the Company’s total shareholder return (“TSR”) performance. The Committee has determined the percentage that would vest as set out on page 135.

Fixed elements of remuneration for Non-Executive Directors

Remuneration	Purpose and link to strategy	Operation	Maximum opportunity
Non-Executive Director fees	Fees are set at a level to reflect the amount of time and level of involvement required in order to carry out their duties as members of the Board and its Committees, and to attract and retain Non-Executive Directors of the highest calibre with relevant commercial and other experience.	The fees paid to the Non-Executive Directors are determined by the Board as a whole. Additional fees are payable for acting as Senior Independent Director and as Chair of the Board’s Audit & Risk Committee, Remuneration Committee and Nomination Committee.	Fee levels are set by reference to Non-Executive Director fees at other FTSE companies of similar size, sector and complexity and general increases for salaried employees within the Company.

Notes to the Policy table

As described in this Policy, the Committee may exercise its discretion to (i) determine the size of the annual bonus and PSP awards; (ii) set the performance measures and targets attaching to the annual bonus and PSP awards; (iii) amend those performance measures and targets during a year if they are no longer considered a fair measure of performance; (iv) override the formulaic outcomes of performance measures and targets (where applicable) to ensure that payments under the annual bonus plan reflect the underlying performance of the business or of the Executive Director concerned; (v) apply malus and clawback; (vi) adjust the shares subject to the SIP and PSP awards in the event of a variation of a corporate event by the Company; (vii) apply a holding period where appropriate; (viii) act within the terms of the Termination Policy; and (ix) act within the terms of the Recruitment Policy. Additionally, the Committee may exercise its discretion in order to make such other non-material decisions affecting the Executive Directors’ awards in order to facilitate the administration of the annual bonus, PSP and SIP respectively. Any and all decisions will be made in compliance with the Company’s policies and in accordance with the applicable plan rules. Use of discretion will be disclosed in the relevant Directors’ Remuneration Report.

Legacy matters

The Committee reserves the right to make any remuneration payments where the terms of the payment were agreed (i) prior to the Company's IPO, or (ii) before the Policy came into effect, or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. This does not apply to pension contributions for new appointments to the Board. Details of any such payments will be set out in the Annual Report on Remuneration as they arise.

Shareholder dialogue

The Committee is committed to ongoing dialogue with Shareholders and welcomes feedback on Executive Directors' remuneration. We will seek to engage with major Shareholders and their representative bodies on changes to our Policy. The Committee will also consider Shareholder feedback on remuneration-related resolutions following each year's Annual General Meeting. This, along with any additional feedback received (including on any updates to Shareholders' remuneration guidelines), will be considered as part of our annual review of our Remuneration Policy and its implementation. The Committee also actively monitors changes in the expectations of institutional investors and considers good practice guidelines from institutional Shareholders and Shareholder bodies.

Remuneration policy for other employees

As with the Executive Directors, salary for other employees is set at a level sufficient to attract and retain them, taking into account their experience and expertise. Remuneration packages comprise salaries plus cash bonuses and/or employee share awards.

The Group regards membership of its share plans as a key part of its reward strategy which also aligns with the interests of employees and other stakeholders. Most employees receive benefits such as a contribution towards private medical cover and life assurance.

Recruitment policy

Consistent with best practice, new senior management hires (including those promoted internally) will be offered packages in line with the Remuneration Policy in force at the time. It is the Committee's policy that no special arrangements will be made, and in the event that any deviation from standard policy is required to recruit a new hire, approval would be sought at the AGM.

The Committee recognises that it may be necessary in some circumstances to provide compensation for amounts foregone from a previous employer ("buyout awards"). Any buyout awards would be limited to what is felt to be a fair estimate of the value of remuneration foregone when leaving the former employer and would be structured so as to be, to the extent possible, no more generous in terms of the fair value and other key terms (e.g. time to vesting and performance targets) than the incentives it is replacing.

Termination policy

In the event of termination, service contracts provide for payments of base salary and benefits only over the notice period.

There is no contractual right to any bonus payment in the event of termination although in certain "good leaver" circumstances the Committee may exercise its discretion to pay a bonus for the period of employment and based on performance assessed after the end of the financial year.

The default treatment for any share-based entitlements under the share plans is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, or at the discretion of the Remuneration Committee, "good leaver" status can be applied. In these circumstances a participant's awards will, ordinarily, vest subject to the satisfaction of the relevant performance criteria and on a time pro-rata basis, with the balance of the awards lapsing.

Share ownership guidelines

In accordance with good practice and further aligning Executive Directors with the long-term interests of the Company, Executive Directors are required to build or maintain a shareholding equivalent to at least 150% of their annual base salary and after they have left the employment of the Group, they are required to retain a shareholding equivalent to 150% of their annual salary at the time of departure for at least two years after they have departed. Both Executive Directors hold a significant shareholding, as detailed on page 132.

Appointment of Directors

At every AGM, each of the Directors on the Board will retire. A Director who retires at an Annual General Meeting may be reappointed if they are willing to act as a Director.

REMUNERATION COMMITTEE REPORT CONTINUED

Directors' emoluments (audited)

The Executive Directors' emoluments for the financial year to 31 March 2022 are summarised in the table below.

	2022		2021	
	Bernard Fairman	Gary Fraser	Bernard Fairman	Gary Fraser
Total earnings (£000)				
Salary/drawings ¹	20	220	—	220
Partnership profit share and dividends	—	—	9,329	766
Capital redemptions/buybacks	—	—	4,763	—
Private medical insurance	4	2	2	1
Other benefits ²	6	—	1	—
Sub-total	30	222	14,095	987
% movement on prior year	(100)%	(78)%	(38)%	(57)%
IPO proceeds	—	—	93,058	14,711
Total	30	222	107,153	15,698
Amount fixed	30	222	553	221
Amount variable	—	—	106,600	15,477

- As disclosed in the pre-IPO Prospectus, a distribution was made in Bernard Fairman's favour immediately pre-Admission, so for the year ending 31 March 2022 he agreed to reduce his base salary to £20,000.
- As disclosed in the pre-IPO Prospectus, Foresight Group LLP sold a long leasehold flat to Bernard Fairman's wife for a consideration of £450k, being the fair market value. Foresight Group LLP continues to pay council tax, utilities, service charges and rates payable in connection with the flat for as long as Bernard Fairman acts as Executive Chairman of FGHL.

Neither of the Executive Directors are entitled to any pension entitlement or additional benefits or special awards as they have elected not to participate in the Group's pension scheme. Last year (pre-Admission), the level of remuneration paid to the Executive Directors was reviewed and they proposed that their base pay would remain the same post-Admission at £550,000 for Bernard Fairman and £220,000 for Gary Fraser. This proposal was made on the basis that they had significant shareholdings (subject to lock-in arrangements), which they felt was sufficient incentive to continue to work to generate returns for Shareholders. As noted above, a distribution was made in Bernard Fairman's favour immediately pre-Admission and he therefore agreed to reduce his base pay to £20,000 for the year ending 31 March 2022. For the year ending 31 March 2023, Bernard Fairman's base pay will return to £550,000.

During the year ended 31 March 2022, the Committee reviewed the above arrangements and whilst acknowledging the intention to benefit Shareholders through this approach, the Committee agreed to appoint a remuneration consultant post year end to gain an independent view into the level of remuneration paid to the Executive Directors, NEDs and senior management to ensure the levels of remuneration are at least equal to the market norm and sufficient to retain the Executives and ensure alignment with the strategy and aims of the business.

The table below illustrates the current shareholdings of each Executive Director, based on the closing share price on 31 March 2022 (£3.70).

Executive Director	Number of shares at year end	Value of shareholding at year end
Bernard Fairman ¹	32,324,699	£119,601,386
Gary Fraser ²	4,413,365	£16,329,450

- Bernard Fairman holds his shares in the Company through Beau Port Investments Limited.
- All held in the name of his wife, Susan Fraser.

There have been no changes to shareholdings of the Executive Directors between the year end and the date of this report.

Both Executive Directors are entitled to 30 days' holiday each year (in addition to the usual bank holidays) and their notice periods are 12 months and six months (by either party) for Bernard Fairman and Gary Fraser respectively.

Remuneration for the year ending 31 March 2023

From 1 April 2022 onwards, Bernard Fairman's remuneration has reverted to his previously agreed base pay of £550,000. Gary Fraser will receive a base salary of £220,000 for the year ending 31 March 2023. Both Executive Directors will benefit from a partial private medical insurance contribution and will be entitled to receive any dividends declared and paid by the Group in accordance with the number of shares held.

Notwithstanding that Foresight over-achieved against its performance targets for the year ending 31 March 2022, the Executive Directors have again elected not to benefit from the Group's Performance Share Plan.

CEO pay ratio

As a non-UK incorporated company with fewer than 250 UK employees, Foresight is not required to adhere to the CEO pay reporting regulations. However, as noted at the start of the Remuneration Policy earlier in my report, the Committee has decided, as a matter of good corporate governance, to adhere to the requirements of the UK remuneration reporting regulations whenever practicable and so has chosen to make a voluntary disclosure of CEO pay ratios.

Year	Method	25th percentile ratio	Median pay ratio	75th percentile ratio
FY22 ¹	Option A	0.6	0.3	0.2

Employee pay is calculated on the basis of the CEO single figure, which is "Option A" under the reporting requirements and the methodology the Committee believes to be the most comparable and robust. Option A requires the Group to calculate the pay and benefits of all its UK employees for the relevant financial year in order to identify the total remuneration at the 25th percentile, at the median and at the 75th percentile. Employee pay data is based on full-time equivalent pay for UK employees as at 31 March 2022, in line with the CEO single figure methodology. In calculating these ratios, we have annualised any part-time employees or new joiners to a full-time equivalent (where relevant) and have used the earnings for FY22 of our Executive Chairman, Bernard Fairman.

Gender pay gap

As predicted through our talent mapping, we have seen women progress into senior roles. This is also considered when we are recruiting for senior vacancies we have within the business.

We are pleased to have increased the number of women in senior roles within the business, and this has positively impacted our gender pay gap, which is currently at 12%. Our median gender pay gap is 13%.

The data below shows we are still on our journey, but we are determined to make headway with the strategies we have in place to continue to have a sustainable impact on closing the gender pay gap.

	FY22	
	% of men	% of women
Upper Quartile	68	32
Upper Middle Quartile	72	28
Lower Middle Quartile	60	40
Lower Quartile	36	64
Mean Gender Pay Gap	12%	
Median Gender Pay Gap	13%	

1. If using Bernard Fairman's normalised base pay of £550,000, the ratios in the table above would be 11, 6 and 4 respectively.

REMUNERATION COMMITTEE REPORT CONTINUED

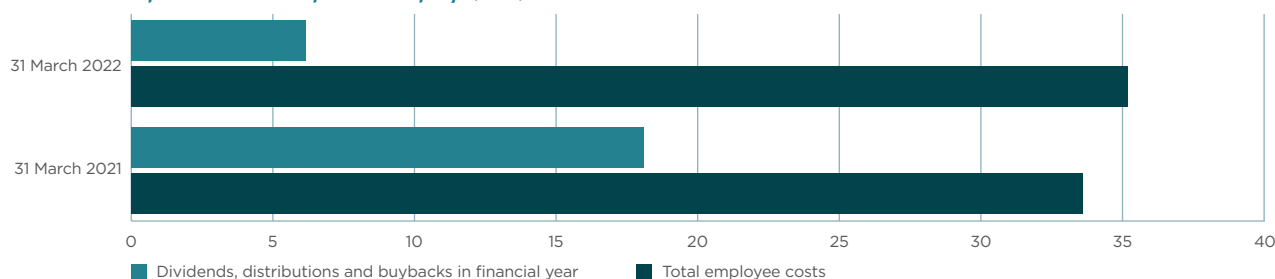
Relative spend on pay

The table and graph below show the amount of dividends, distributions and buybacks against employee costs for the last two financial years. These figures are underpinned by the amounts from the notes to the financial statements.

Pre-IPO, as the Group was an owner-managed business, dividends, distributions and buybacks were an important element of remuneration for Shareholders.

£m	31 March 2022	31 March 2021	% change
Total employee costs	35.4	33.8	5%
Dividends, distributions and buybacks in financial year	6.2	18.2	(66)%

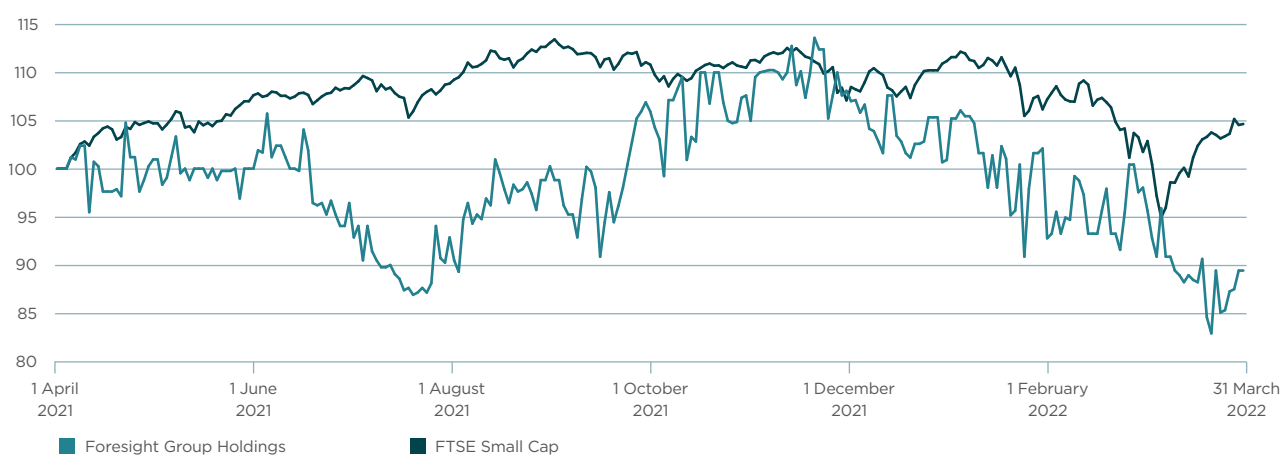
Relative importance of spend on pay (£m)



Total shareholder return performance

The graph below shows the value at 31 March 2022 of £100 invested in Foresight Group at the start of the financial year, compared to £100 invested in the FTSE Small Cap Index (both with dividends re-invested). The Group is a member of the Small Cap index and this is therefore deemed to be the most relevant benchmark to use.

Total shareholder return



Senior management

As noted in my prior year report, the Committee approved the implementation of a Group PSP this year. The first grant of options under the scheme was made on 6 September 2021. The scheme is linked to an absolute total shareholder return ("TSR") of 6% compound growth per annum over a three year period. The absolute TSR condition vests over a range as per the table below:

TSR growth over measurement period	Percentage of award that vests
6% TSR compound growth or more	100%
More than 3% but less than 6% TSR compound growth	Pro-rata between 25% and 100% (on a straight-line basis)
3% TSR compound growth	25%
Less than 3% TSR compound growth	Nil

When reviewing the first-year allocations, the Committee gave regard to succession planning, flight risk and recent personal performance. Neither of the Executive Directors participated in the PSP in the first year of allocations for the rationale detailed earlier in my report. No remuneration consultants were engaged in the year ended 31 March 2022, but, as noted earlier in my report, Korn Ferry was engaged post year end and has no other connection with the Company or individual directors.

Commitments under all-share schemes satisfied by newly issued shares must not exceed 10% of the issued share capital in any rolling ten year period, with flexibility on what can be used to satisfy options under executive share schemes. The Group's position against the dilution limits at 31 March 2022 since Admission was 1% across all schemes.

Wider Group workforce

The Committee reviews the ongoing appropriateness of the wider workforce remuneration and related policies. The remuneration package for staff is structured to be competitive in the market in which the Group operates in order to retain the most talented people. The package offered includes the following elements:

- Base salary
- Pension
- Annual bonus
- Other benefits (e.g. private medical insurance and life assurance)
- Share Incentive Plan ("SIP")
- Performance Share Plan ("PSP")

The Group seeks to promote and maintain good relations with staff as part of its broader staff engagement strategy. The Senior Independent Director has met with the Head of People on several occasions throughout the year and staff engagement has increased through the establishment of an Employee Forum. This initiative represents staff at all grades and departments across the business, with a primary focus on the culture at Foresight.

Non-Executive Directors ("NEDs")

At listing, all three NEDs entered into a three year contract, but each NED may be invited by the Company to serve for a further period or periods. In any event, each NED appointment is subject to annual re-election by Shareholders at each Annual General Meeting of the Company and a NED's appointment may be terminated at any time by either party giving the other one month's written notice or in accordance with the Articles of Incorporation. In the event Shareholders do not re-elect a NED, or he/she is retired from office under the Articles of Incorporation, the relevant appointment shall terminate automatically, with immediate effect and without compensation. On termination of appointment, NEDs are only entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred prior to that date.

NEDs are not eligible to participate in any of the Group's long-term incentive, bonus or pension schemes. There were no payments made for loss of office during the year. Details of the policy on fees paid to our NEDs is set out overleaf.

REMUNERATION COMMITTEE REPORT CONTINUED

Non-Executive Directors (“NEDs”) continued

Fees

To attract and retain NEDs of the highest calibre with broad commercial experience relevant to the Group, fee levels are reviewed periodically by considering external advice on best practice and fee levels at other FTSE companies of broadly similar size and sector to Foresight. Time commitment and responsibility are also considered when reviewing fees.

The annual NED fees are outlined below. A base fee is agreed, with additional fees payable for chairing Board Committees:

NED fee type	Annual fee
Base fee for independent NEDs	£50,000
Additional fee for chairing a sub-committee	£5,000
Additional fee as Senior Independent Director	£10,000
Additional fee for acting as NED of a licensed subsidiary	£10,000

NED	Annual fee	Salary for year ended 31 March 2022	Salary for year ended 31 March 2021 ²	% movement on prior year	No. of shares held at year end	Value of shareholding at year end ⁴
Alison Hutchinson (Senior Independent Director)	£60,000	£60,000	£8,218	630%	5,952	£22,022
Mike Liston (Chair of the Nomination and Remuneration Committees)	£60,000	£60,000	£8,218	630%	11,904	£44,045
Geoffrey Gavey (Chair of the Audit & Risk Committee) ¹	£65,000	£65,000	£32,534 ³	100%	11,904	£44,045

1. Geoffrey Gavey receives an additional £10,000 per annum for acting as NED of a licensed subsidiary within the Group.

2. Pro-rated as Company listed part way through the year.

3. Includes NED fees earned pre-Admission.

4. Based on closing share price of £3.70 on 31 March 2022.

Shareholder views

The Committee will consider any Shareholder views received throughout the year, as well as guidance from shareholder representative bodies more broadly. The Directors’ Remuneration Policy will be kept under regular review, to ensure it aligns the interests of the Executive Directors with those of Shareholders. We will consult with Shareholders before making any significant changes to our Directors’ Remuneration Policy.

On behalf of the Remuneration Committee

Mike Liston

Chair of the Remuneration Committee

11 July 2022