Remuneration Committee report

"Our new Directors' Remuneration Policy is fit for the future and ensures we are able to align Executive Director remuneration to our strategy and Shareholder interests."

Mike Liston OBE
Chair of the Remuneration Committee

Annual statement from the Chair of the Remuneration Committee

Dear Shareholder,

As Chair of the Remuneration Committee (the "Committee"), I am pleased to share my report for the year ended 31 March 2024. This report sets out the remuneration received by the Directors during the year, our proposed Directors' Remuneration Policy (the "policy") and our implementation of that new policy for the year ahead. The report (excluding our new policy) and, separately, the policy, will be presented to Shareholders for approval at our 2024 AGM.

I would like to thank my fellow Shareholders for their support of the Directors' Remuneration Report presented at our 2023 AGM, which received over 90% support, endorsing the Committee's decision to bring our CFO/COO's base salary to market levels.

FY24 business context

As Shareholders will be aware, much of the market volatility seen in recent years continued throughout FY24. As such, the performance of the Group was delivered against a backdrop of higher inflation, high interest rates, and continued geopolitical instability, along with more specific industry headwinds.

Despite AUM remaining flat year-on-year, the Group was able to deliver another strong performance with Core EBITDA up by c.18%, due to an improved FUM mix - a further illustration of the success of our diversified, highly scalable business model.

On the back of this resilient performance and our strong pipeline of opportunities, the Group is well positioned to deliver on our strategic priorities and to continue to deliver profitable, sustainable growth.

Committee governance

The UK Corporate Governance 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 fulfill this requirement, having served on the Remuneration Committee of JTC plc for several years.

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 FY24, the Committee met four times. The Committee reviewed the Executive Directors' and wider Group remuneration policy as well as implementation of the policy for FY25 for both the Executive Directors and other members of the senior management team, including the annual bonus and Performance Share Plan awards for participants below Executive Director level.

Advice provided to the Committee

During FY24, Korn Ferry provided external remuneration advice to the Remuneration Committee. Korn Ferry is a signatory of the Remuneration Consultants Group Code of Conduct which requires it to provide objective and impartial advice.

Remuneration Committee report continued

Committee Terms of Reference

The Remuneration Committee's Terms of Reference can be found on the Group's website https://foresight.group/corporate-governance or obtained from the Company Secretary.

The Committee's key responsibilities include:

- Determine policy for the Directors' Remuneration
- Determine within the agreed policy, individual remuneration packages for Executive Directors and other senior executives
- Determine any employee share-based incentive awards and any performance conditions used for such awards
- Review and understand reward policies and practices throughout the Group

The Committee is made up of three Non-Executive Directors: Mike Liston OBE (Chair), Alison Hutchinson CBE (SID) and Geoffrey Gavey.

Directors' Remuneration Policy review

As noted last year, our current policy was put in place at the 2021 AGM, following our IPO, and implied a heavy dependence on the historical shareholdings of the Executive Directors for their remuneration post-IPO.

The Committee's review of the policy last year identified that some changes were needed to align to market norms and support ongoing delivery of business strategy. However, it was agreed that these were not urgent and could be made at our 2024 AGM as part of our triennial review. The Committee is therefore bringing a new policy to our 2024 AGM with the changes that I have set out below.

Changes to the Remuneration Policy

The Committee's review concluded that the policy needs to be future-proofed to offer Executive Directors a market-aligned base salary and performance incentive benefits, specifically an annual bonus opportunity and share plan entitlement. The current policy does not enable the Executive Directors to participate in an annual bonus. Set out below are the key changes that the Committee is therefore proposing to make to the policy.

Shareholders will note below that the Committee's approach to incentive award maximums is slightly unusual in that it seeks flexibility to provide an annual bonus and Performance Share Plan ("PSP") award each with a maximum opportunity of up to 200% of salary, with an overall cap on variable remuneration (combined annual bonus and PSP awards) of 350% of salary for any one year. This flexibility is needed so that the Committee can ensure the weighting of both short and long-term incentives is aligned to business strategy taking into account that because of measures put in place at IPO as part of a Concert Party Agreement, the incumbent Executive Directors' participation in the PSP is currently restricted.

At this time the Committee does not anticipate making variable pay awards that total the full 350% but wishes to retain that headroom, for example, in a recruitment scenario.

- Pension: The revised policy confirms Executive Directors' existing entitlement to pension provisions, subject to capping at the benefit level for the wider workforce. Currently the Executive Directors waive their entitlement to pension provision as part of their remuneration package and there are no proposals to change this approach.
- Annual bonus: The introduction of an annual bonus element to the policy is proposed with a maximum opportunity of 200% of salary, subject to a condition that when combined with any PSP awards the total shall not exceed 350% of salary in any one year. As I explain further below, there is no bonus opportunity for the Executive Directors for FY25.
- Annual bonus deferral: A two year bonus deferral period is proposed for one-third of bonus awards for newly appointed Executive Directors. For the incumbent Executive Directors, it is proposed that the Committee retains discretion to determine whether there should be bonus deferral, in view of the significant shareholdings of these Executive Directors, which under the concert party agreement restricts their entitlement to share awards. The proposed policy allows deferral into Foresight shares or funds, noting that deferral in funds is not unusual in the sector and provides strong alignment with our clients and Shareholders. The Committee would consider the most appropriate mechanism for deferral depending on all the circumstances, for example the opportunity for the current Executive Directors to defer into funds where they cannot be granted share awards. Deferral would be made post-tax with beneficially owned shares or an investment in funds subject to a minimum two year holding period. Therefore, the deferral is not forfeited on cessation of employment, but clawback continues to apply.

Remuneration Committee report continued

Changes to the Remuneration Policy continued

- **Performance Share Plan:** Revisions to the PSP element of the policy address ambiguities in the current text. Whilst Executive Directors currently waive their entitlement to participate in the Company's scheme, the revised policy clarifies how PSP awards will be structured for Executive Directors with three year performance periods and post-vesting holding periods ensuring a five year minimum period until the earliest opportunity for sale of shares. The proposed maximum opportunity of 200% of salary is conditional on combined annual bonus and PSP awards not exceeding 350% of salary in any one year.
- **Discretion to adjust formulaic outcome and operate clawback and malus:** There is discretion to adjust formulaic incentive outturn and the policy will include market-aligned clawback and malus provisions.
- **Shareholding requirements:** The in-service shareholding requirement is increased to 200% of salary to align to market practice. The post-employment requirement remains at the lower of shares held on cessation and 150% of salary for two years, to be met through shares acquired from incentives.

The full policy is set out pages 94 to 102.

Implementation of policy for FY25

The Committee has not finalised salary increases for FY25 and any awards to Executive Directors will not exceed the average percentage increase for the workforce.

Consistent with the approach since IPO the current Executive Directors will waive their right to pension provisions.

The Committee has considered carefully during the year the structure of an annual bonus award for the Executive Directors as well as appropriate financial and non-financial metrics. No annual bonus opportunity for the Executive Directors is proposed for FY25. However, the Committee considers that it should have the flexibility to include the Executive Directors in the annual bonus plan at some point in the new policy period.

As already explained, the Executive Directors will not participate in the PSP because of certain restrictions in the concert party agreement put in place at IPO.

Shareholder engagement

I have reached out to our largest Shareholders to seek feedback on our new policy and the proposed implementation of the policy for the year ahead. To date, we have not received any meeting requests and have responded to all queries. We will continue to engage with our Shareholders over the course of FY25.

Wider employee context

We concluded our below-Board review of senior management remuneration during the year and continue to monitor its effectiveness. The Committee also considers and reviews the approach to broader workforce remuneration with specific input from our Head of People & Sustainable Culture team and Alison Hutchinson, our designated Non-Executive Director for employee engagement.

Conclusion

Our current policy was put in place at the 2021 AGM and reflected the material shareholdings that Foresight's Executive Directors had in the business following the IPO earlier that year.

The Committee is confident that its new policy proposals provide a framework within which the current Executive Directors' remuneration can be aligned to the Company's business strategy whilst equipping it to recruit executive talent for growth and succession. No changes are proposed for FY25 to the current remuneration of the Executive Directors, which comprises fixed pay only. However, it is intended that the flexibility is provided to include them in the annual bonus at a future time during the new policy period.

We are committed to open and constructive dialogue with our Shareholders and if you have any questions or would like to provide feedback on our new policy or remuneration more generally, I would be pleased to hear from you. You can contact me through our Company Secretary.

On behalf of the Committee, thank you for reading this report and we look forward to receiving your support at the AGM on 2 August 2024 for our new Directors' Remuneration Policy and separately our report on remuneration (excluding our new policy) as Shareholder Resolutions 3 and 2.

Mike Liston OBE

Chair of the Remuneration Committee

26 June 2024

Remuneration Committee report continued

Directors' Remuneration Policy

The Directors' Remuneration Policy (the "policy"), set out below, is subject to an advisory Shareholder vote at the 2024 Annual General Meeting ("AGM"). This policy will take effect from the date it is approved, replacing the policy approved at our first AGM in 2021, and is expected to apply 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 required to do so. The UK remuneration reporting regulations require Shareholder approval of the Directors' Remuneration Policy of UK incorporated companies to be 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 advisory vote of Shareholders on the policy to be binding in its application.

The policy applies to current Directors and future appointments. It aligns with the wider market practice in terms of Executive Director remuneration for a FTSE 250 listed entity and enables the business to contemplate remuneration beyond that of the existing Executive Directors who, due to their shareholdings at IPO, do not currently participate in LTIPs, cash bonuses and pension contributions.

Changes to the Directors' Remuneration Policy

This is the first policy renewal since IPO in 2021 and our updated policy is more detailed, for example in respect of our decision-making process and our leaver and new joiner Policy, to align with market practice. We have also removed the detail that was previously included about our workforce remuneration policy. This is so our Shareholders can clearly understand what is included in the Directors' Remuneration Policy and subject to Shareholder vote on that policy. An overview of our approach to workforce remuneration is included. Set out below are the key changes that have been made within this updated format.

- Updating the pension element so that it is clear a pension can be provided to any Executive Director with a cap in line with the provision for the workforce. It is noted that the current Executive Directors do not at this time receive pension provision as part of their remuneration package and there are no proposals at this time to change this approach.
- Introducing an annual bonus element providing a policy maximum opportunity of 200% of salary with total annual bonus and Performance Share Plan ("PSP") awards not exceeding 350% of salary in any one year. There is no bonus opportunity for the current Executive Directors for FY25.
- Introducing bonus deferral for newly appointed Executive Directors of one-third of bonus earned for two years. For the incumbent Executive Directors, the Committee has discretion to determine whether there should be bonus deferral, noting the significant shareholdings of these Directors and that because of restrictions put in place as part of a concert party agreement on IPO they cannot currently receive deferred share awards.

  The policy enables deferral into Foresight shares or funds and the Committee would consider the most appropriate mechanism depending on all the circumstances, for example the opportunity for the current Executive Directors to defer into funds where they cannot increase their shareholding. Deferral is made post-tax with beneficially owned shares or an investment in funds subject to a minimum two year holding period. Therefore, the deferral is not forfeited on cessation of employment, but clawback continues to apply.
- Updating the PSP element of the policy. In the current policy there is no specific detail of the Executive Director terms of participation, but reference to the all-employee policy. This section now includes standard provisions in terms of how PSP awards would be structured for Executive Directors. There is a policy award maximum of 200% of salary with total annual bonus and PSP awards not exceeding 350% of salary in any one year. The current Executive Directors will not participate in the PSP because of certain restrictions in the concert party agreement put in place at IPO.
- There is discretion to adjust formulaic incentive outturn and detail of clawback and malus provisions has been included.
- The in-service shareholding requirement is increased to 200% of salary to align to market practice. The post-employment requirement remains at 150% of salary for two years, to be met through shares acquired from incentives.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Decision-making process for determination, review and implementation of policy

The review of the policy is carried out by the Remuneration Committee, in the absence of the Executive Directors, where appropriate, to manage potential conflicts of interest, and with the advice of our remuneration consultant, Korn Ferry. The Committee's review process includes consideration of how the current policy aligns to and supports the business strategy, market practice, regulation and governance developments as well as wider pay context, such as Group reward arrangements. The Committee also considers the guidelines of Shareholder representative bodies, proxy agencies and investor expectations.

As part of a policy review, we will engage with our Shareholders and this engagement will include the operation of the policy for the year ahead. There will also be engagement where no changes to policy are being made but significant changes are being considered to the operation of the policy.

Group reward arrangements, including base salary increases and pension provision, are considered by the Committee when determining and implementing the policy for the Executive Directors.

The implementation of the policy is considered annually by the Committee for the year ahead in light of the above strategic priorities. Where variable remuneration arrangements are operated, metrics and target scales are also reviewed and recalibrated as necessary based on a number of internal and external reference points to ensure that they remain appropriate.

In determining the policy and practices (including for the Executive Chair), the Committee ensures the following are 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

Our remuneration approach

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.

The policy enables remuneration to be structured and set at levels to enable Foresight to recruit and retain high calibre executives 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 is 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 and determining Executive Directors' remuneration

Remuneration Committee report continued

Directors' Remuneration Policy continued

Executive Directors' Remuneration Policy table

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Base salary Provides fixed 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: • 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.	N/A
Pension Assists with provision for retirement aligned to market practice.	Executive Directors may participate in pension arrangements, or receive cash in lieu.	Maximum opportunity aligned to the Group's wider workforce (currently a matching scheme of up to 8% of base salary up to £125k).	N/A
Benefits Provides benefits sufficient to attract and retain Executives with the appropriate experience and expertise.	Includes, but is not limited to, the benefits currently received by the Executive Directors: • Private medical insurance • Certain de minimis benefits in kind	The maximum will be set at the cost of providing the benefits described.	N/A
Annual bonus Variable remuneration that rewards the achievement of annual financial, operational and individual objectives integral to the Group strategy. Bonus deferral supports alignment of longer-term interests with Shareholders, clients and wider stakeholders.	Objectives are typically set and assessed 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.	Maximum opportunity of 200% of base salary, subject to an annual variable remuneration limit (annual bonus and PSP) of 350% of salary. No more than 20% of maximum is payable for delivering a threshold level of performance, and no more than 50% is payable for delivering a target level of performance (where the nature of the performance metric allows such an approach). For newly appointed Executive Directors, one-third of any bonus paid will be deferred, subject to the payment of relevant taxes and social security, into shares or funds which the Executive is required to hold for at least two years. The Committee has discretion to determine whether the current Executive Directors defer annual bonus taking into account their existing shareholding in the Company and whether deferral can technically be made taking into account any legal obligations and agreements that may prevent investment into shares or funds.	Awards may be based on financial, operational, strategic and individual goals set at the start of the year, with the majority of the bonus based on financial performance. The Committee has the discretion to adjust the formulaic outcome if the Committee believes that such outcome is not in all the circumstances fair and reasonable. Malus and clawback applies to both the cash and deferred element of the annual bonus. This allows for subsequent reductions if events come to light that, if known at the time of the bonus determination, would have decreased the bonus determination. See later for further detail.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Executive Directors' Remuneration Policy table continued

Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
All-employee share plan To align with Group employees' reward and to promote share ownership.	Operation for Executive Directors is aligned to that of the wider workforce.	Participation will be capped by the HMRC limits applying to the respective plan.	N/A
PSP Variable remuneration designed to incentivise and reward longer-term sustainable growth aligned with Shareholder interests.	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 nil cost options. Accrued dividends may be paid, normally in shares, to the extent that awards vest.	The PSP individual annual award level cannot exceed 200% of base salary, subject to an annual variable remuneration limit (annual bonus and PSP) of 350% of salary. Threshold performance under each metric will result in no more than 25% of that portion of the award vesting. Executive Directors will be required to hold shares received pursuant to the vesting of share awards so that there is a period of at least five years from the date of grant to the earliest opportunity for the sale of shares, subject to sales to meet taxes.	The majority of performance measures will be based on financial performance and be linked to the strategic objectives of the Group. The Committee has the discretion to adjust the formulaic outcome if the Committee believes that such outcome is not in all the circumstances fair and reasonable. Malus and clawback applies to both the cash and deferred element of the annual bonus. This allows for subsequent reductions if events come to light that, if known at the time of the bonus determination, would have decreased the bonus determination. See later for further detail.

Non-Executive Directors' fees

Purpose and link to strategy	Operation	Maximum opportunity
Non-Executive Director fees 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 (excluding the Non-Executive Directors). 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 (or to reflect other additional responsibilities and/or additional/unforeseen time commitments). The fee for a Non-Executive Chair of the Board is determined by the Committee and will be a single fee inclusive of all time commitments. Neither the Non-Executive Directors, nor a non-Executive Chair, will participate in any incentive plans or retirement benefits. The Company will reimburse any reasonable expenses incurred (and related tax if applicable).	Fees are set at a level to reflect the amount of time commitment, skills and responsibilities required to perform their duties as members of the Board and its Committees. Fee levels are set by reference to Non-Executive Director fees at other FTSE companies of similar size, sector and complexity. Increases will generally be in line with the increase in salaries for the rest of the workforce, although higher increases may be made as necessary.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Exercise of discretion

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 employee concerned; (v) apply malus and clawback; (vi) adjust the shares subject to share awards in the event of a variation arising from a corporate event by the Company; (vii) apply a holding period where appropriate; (viii) act within the terms of the Exit Payment 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, and PSP. 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.

Choice of performance measures

Performance metrics for incentives, weightings and targets are considered annually for the year ahead. The Remuneration Committee will select the most appropriate performance measures for the annual bonus and PSP, taking into account Company strategy and key performance indicators. Targets are set taking into account the strategic plan, the business plan, brokers' forecasts and the market environment. The Annual Report on Remuneration will set out what and why performance measures are chosen each year.

Malus and clawback

Malus and clawback provisions will apply for two years from the date of annual bonus determination and PSP vesting. Circumstances include if financial statements are materially misstated, an error or inaccurate or misleading information or assumptions which lead to an error in determining award levels or assessing the performance conditions of a PSP award, negligence or gross misconduct of an employee, any circumstances which would have warranted summary dismissal, in an event of corporate failure, failure of risk management, fraud, a breach of the Code of Business Conduct, or reputational damage.

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. 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 Directors' remuneration. We will seek to engage with major Shareholders and their representative bodies on changes to our policy and significant changes to implementation of 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 Directors' 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 Committee report continued

Directors’ Remuneration Policy continued

Recruitment policy

Consistent with best practice, Executive Directors (including those promoted internally) will be offered packages in line with the policy. The table below sets out the approach to different elements of remuneration on the appointment of an Executive Director.

Remuneration element	Policy
Salary	Salary would be provided at such a level as is required to attract and secure the most appropriate candidate while paying no more than is necessary.
Relocation	If an Executive Director needs to relocate in order to take up the role, the Company would pay to cover the costs of relocation including (but not limited to actual relocation costs, temporary accommodation and travel expenses.
Buy-out awards	All buy-out awards will adhere to the applicable regulatory requirements. For external appointments, the Committee may (if it is considered appropriate) provide a buy-out award in respect of any forfeited remuneration including outstanding incentive awards that will be forfeited on cessation of a Director’s previous employment. To the extent possible, the buy-out award will be made on a broadly like-for-like basis. The award will take into account the performance conditions attached to the vesting of the forfeited incentives, the timing of vesting, the likelihood of vesting and the nature of the awards (cash or equity). Any such buy-out award may be granted under the LTIP or the provision available under UKLA Listing Rule 9.4.2. to enable awards to be made outside the PSP in exceptional circumstances.
Annual incentive	Joiners may receive a pro-rated annual bonus award based on their employment as a proportion of the financial year and targets may be different to those set for other Executives.
PSP	Grants will be set in line with the policy in the year of joining.
Other elements	Benefits and pension will be set in line with policy.
Internal appointment to the Board	When existing employees are promoted to the Board, the above policy will apply from the point where they are appointed to the Board and not retrospectively. In addition, any existing awards will be honoured and form part of ongoing remuneration arrangements.
Non-Executive Directors	Fees will be in line with the Directors’ Remuneration Policy.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Exit payment policy

The treatment of the various elements of pay on termination is summarised below.

Remuneration element	Treatment
Salary, benefits and pension	If notice is served by either party, the Executive Director will continue to receive base salary, benefits and pension for the duration of their notice period. The Executive Director may be asked to perform their normal duties during their notice period, or they may be put on garden leave. The Group may, at its sole discretion, terminate the contract immediately, at any time after notice is served, by making a payment in lieu of notice equivalent to salary, benefits and pension, with any such payments being paid in monthly instalments over the remaining notice period. The Executive Director will normally have a duty to seek alternative employment and any outstanding payments will be subject to offset against earnings from any new role.
Annual incentive	"Good leavers" will be eligible to receive an annual bonus at the usual time with performance measured at usual time. The annual bonus will normally be pro-rated for service during the financial year. "Bad leavers" will normally not be eligible to receive an annual bonus. Any deferred shares and other awards/deferral into funds will be beneficially owned and are not at risk of forfeiture, other than in relation to clawback. Shares/funds subject to a holding period will be released at the normal time.
PSP	Awards are normally forfeited on cessation of employment save for "good leavers" (where awards vest subject to performance conditions and are normally scaled back pro rata to the proportion of the performance or vesting period served). Shares subject to a holding period will be released at the normal time.
Other payments	Depending upon circumstances, the Committee may make other payments, for example to settle statutory entitlements, legal claims or potential legal claims, in respect of an unfair dismissal award, outplacement support and assistance with legal fees.
Change of control	There are no enhanced provisions on a change of control, but the Committee can exercise judgement and discretion in line with the respective incentive plans. The extent to which unvested awards under the PSP will vest will be determined in accordance with the rules of the plan. The Committee will determine the level of vesting taking into account the extent to which the performance conditions have been satisfied and, unless the Committee determines otherwise, the period of time elapsed from the date of grant to the date of the relevant corporate event. Holding periods applying to shares owned under the bonus plan and vested PSP awards will normally cease to apply.

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 200% of their annual base salary. On standing down as an Executive Director, they are required to retain a shareholding equivalent to the lower of shares held on standing down and 150% of their base annual salary at the time of departure for at least two years after they have departed. The post-employment requirement is to be met through shares acquired from incentives. Until the shareholding requirement is met, Executive Directors will be required to retain 50% of the net of tax shares they receive under any variable remuneration arrangement.

Remuneration Committee report continued

Directors' Remuneration Policy continued

Reappointment 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.

Service Agreements and Letters of Appointment

Executive Directors

The Executive Directors each have service contracts with the details set out below:

Executive Director	Date of appointment	Date of current contract	Notice from the Company	Notice from the individual	Unexpired period of service contract
Bernard Fairman	24 February 2010	3 February 2021	12 months	12 months	Rolling
Gary Fraser	3 February 2021	3 February 2021	six months	six months	Rolling

Non-Executive Directors

The table on the right details the letter of appointments for each Non-Executive Director.

Each Non-Executive Director has a three year appointment. Following the initial three year period, each NED has the potential to be reappointed for an additional term. However, irrespective of the term, the appointment is subject to annual re-election by the Shareholders at each Annual General Meeting of the Company.

Both the Company and the NEDs have the right to terminate the appointment by providing one month's written notice, or in accordance with the provisions outlined in the Articles of Incorporation. In the event that a NED is not re-elected by the Shareholders, the Articles of Incorporation stipulate that they will be retired from office and their appointment will be terminated immediately and without any compensation. Upon 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.

Non-Executive Directors	Date of appointment	Date of current letter of appointment	Notice from the Company	Notice from the individual
Alison Hutchison	3 February 2021	3 February 2021	One month	One month
Mike Liston	3 February 2021	3 February 2021	One month	One month
Geoffrey Gavey	31 May 2015	3 February 2021	One month	One month

Wider Group workforce

As with the Executive Directors, salary for other employees is set at a level sufficient to attract and retain them, considering their experience and expertise.

The Committee diligently assesses the continued suitability of broader workforce remuneration policies. The objective is to design a remuneration package that remains competitive within the market landscape where the Group operates, ensuring the retention of exceptional talent. This comprehensive package comprises salaries, benefits, annual bonus and share awards with a share incentive plan ("SIP") for all Group employees and PSP awards for more senior employees.

The Group regards membership of its incentive 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.

The Group strives to provide a comprehensive remuneration package that attracts, motivates and retains top talent, empowering them to contribute to the Group's ongoing success. The Committee remains vigilant in its oversight, regularly reviewing and adapting these policies to ensure their continued appropriateness and alignment with our strategic goals.

In addition, a number of ICG's senior management team participate in a Management Incentive Plan ("MIP").

Remuneration Committee report continued

Directors' Remuneration Policy continued

Wider Group workforce continued

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 & Sustainable Culture on several occasions throughout the year and staff engagement has remained high, thanks to the Employee Forum, which is comprised of staff at all grades, departments and jurisdictions across the business, with a primary focus on the culture at Foresight.

FY25 remuneration scenarios for Executive Directors

The charts below are intended to illustrate the potential remuneration opportunities for the Executive Directors based on different performance scenarios where they participate in an annual bonus plan and/or long-term incentives. The Executive Directors do not currently participate in any variable remuneration plan and therefore fixed pay is shown for all three scenarios.

Annual Report on Remuneration

Implementation of the Directors' Remuneration Policy in FY24

Directors' emoluments (audited)

The Executive Directors' emoluments for the financial year to 31 March 2024 are summarised in the single total figure table below.

	2024		2023	
Total earnings (£000)	Bernard Fairman	Gary Fraser	Bernard Fairman	Gary Fraser
Salary	550	350	550	220
Benefits[1]	15	3	12	3
Pension[2]	—	—	—	—
Short-term variable remuneration	—	—	—	—
Long-term variable remuneration	—	—	—	—
Total	565	353	562	223
Amount fixed	565	353	562	223
Amount variable	—	—	—	—

1. Benefits comprise medical expenses and, for the Executive Chairman, costs of property services as set out in the IPO Prospectus.
2. Neither of the Executive Directors receive any pension benefit as they have elected not to participate in the Group's pension scheme.

No share awards were made to the Executive Directors during the year.

Directors' shareholdings and share interests (audited)

The table below illustrates the current shareholdings of each Executive Director, based on the closing share price on 31 March 2024 (£4.45).

Executive Director	Number of shares at year end	Value of shareholding at year end	In service shareholding requirement (% of base salary)	Post employment shareholding requirement (% of base salary)	% of base salary at year end
Bernard Fairman[1]	32,324,699	£143,844,911	200%	150%	26,154%
Gary Fraser[2]	4,413,365	£19,639,474	200%	150%	5,611%

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

Remuneration Committee report continued

Annual Report on Remuneration continued

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

CEO pay ratio

As a non-UK incorporated company, Foresight is not required to adhere to the CEO pay reporting regulations. However, as noted in the Chair's annual statement, 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.

The table below sets out the salary and total pay and benefits for the three identified quartile employees.

Year		Chair	25th percentile ratio	Median pay ratio	75th percentile ratio
FY24	Salary £000	550	54.8	93.2	148.2
	Total pay and benefits £000	565	54.8	93.2	148.2
FY24	Salary ratio		10.0	5.9	3.7
	Total pay and benefits ratio		10.3	6.1	3.8
FY23	Salary ratio		11.3	6.0	3.8
	Total pay and benefits ratio		11.5	6.1	3.9
FY22	Salary ratio		0.4	0.2	0.2
	Total pay and benefits ratio[1]		0.6	0.3	0.2

1. If using Bernard Fairman's Total pay and benefits of £550,000, the ratios in the table above for FY22 would be 11.2, 6.4 and 4.3 respectively.

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 2023 and 31 March 2024, 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 FY23 and FY24 of our Executive Chairman, Bernard Fairman.

Gender pay gap

Our DE&I Strategy, Thrive, shows how we are supporting our female talent, having had 17 female employees at the Director level and above participate in our bespoke Women in Leadership course, Elevate. We have also doubled our enhanced maternity leave pay to support our female population. In FY25, the gender pay gap will be reviewed as part of the agenda of the Remuneration Committee, an important step in ensuring progress towards our targets.

	FY24		FY23[1]	
	% of men	% of women	% of men	% of women
Upper quartile	78	22	76	24
Upper middle quartile	64	36	61	39
Lower middle quartile	54	46	62	38
Lower quartile	31	69	32	68
Mean gender pay gap	34%		30%	
Median gender pay gap	40%		44%	

1. The FY23 previously reported mean gender pay gap has been restated from 26% to 30% and the median gender pay gap has changed from 38% to 44%. This was due to an error in the calculation that was subsequently identified.

Remuneration Committee report continued

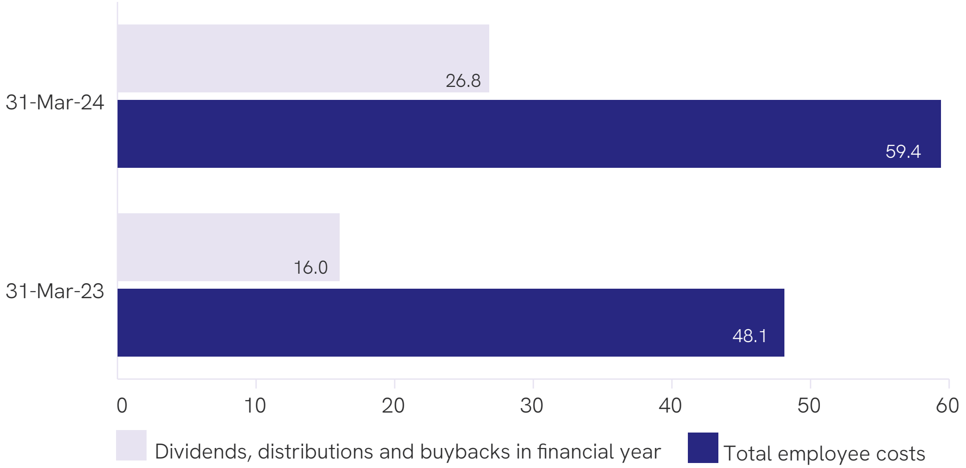
Annual Report on Remuneration continued

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.

£m	31 March 2024	31 March 2023	% change
Total employee costs (£m)	59.4	48.1	23%
Dividends, distributions and buybacks in financial year (£m)	26.8	16.0	68%

Relative importance of spend on pay (£m)



Total Shareholder return performance

The graph below shows the value at 31 March 2024 of £100 invested in Foresight Group at IPO, compared to £100 invested in the FTSE 250 Index (both with dividends re-invested). The Group is a member of the FTSE 250 Index and this is therefore deemed to be the most relevant benchmark to use.

Total Shareholder return

Executive Chairman remuneration

The table below provides a summary of the Executive Chairman's total remuneration for FY22-FY24. FY21 is not included as the Company was only listed for a short period that year and the remuneration packages pre-IPO were structured significantly differently. Therefore, those figures would not be a useful comparison for readers of the accounts.

	FY24	FY23	FY22
Total remuneration (£000)	565	562	30[1]
Annual incentive (as a % of maximum)	N/A	N/A	N/A
Long-term incentive (as a % of maximum)	N/A	N/A	N/A

1. As disclosed in the pre-IPO Prospectus, a distribution was made in Bernard Fairman's favour immediately pre-Admission, so for the year ended 31 March 2022 it was agreed his base salary would be reduced to £20,000.

Remuneration Committee report continued

Annual Report on Remuneration continued

Non-Executive Directors ("NEDs")

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

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

NEDs are not eligible to participate in any of the Group's long-term incentive, bonus or pension schemes. Detail regarding the fees paid to our NEDs is set out below.

NED	Fees for year ended 31 March 2024	Fees for year ended 31 March 2023	No. of shares held at year end	Value of shareholding at year end[2]
Alison Hutchinson (Senior Independent Director)	£60,000	£60,000	5,952	£26,486
Mike Liston (Chair of the Nomination and Remuneration Committees)	£60,000	£60,000	11,904	£52,973
Geoffrey Gavey (Chair of the Audit & Risk Committee)[1]	£65,000	£65,000	11,904	£52,973

1. Geoffrey Gavey receives an additional £10,000 per annum for acting as NED of a licensed subsidiary within the Group.
2. Based on closing share price of £4.45 on 31 March 2024.

Annual percentage change in the remuneration of the Directors and employees

The table on the right shows the percentage year-on-year change in salary, benefits and bonus in FY24 and FY23 for the Directors compared with the average Foresight employee. Previous years are not shown as the remuneration packages pre-IPO (FY21 and earlier) were structured significantly differently. Therefore, those figures would not be a useful comparison for readers of the accounts.

	FY23 to FY24			FY22 to FY23		
	Salary	Benefits	Annual bonus	Salary	Benefits	Annual bonus
Executive Directors						
Bernard Fairman	0%	25%	n/a	2,650%[1]	20%	n/a
Gary Fraser	59%	0%	n/a	0%	50%	n/a
Non-Executive Directors						
Alison Hutchison	0%	n/a	n/a	0%	n/a	n/a
Mike Liston	0%	n/a	n/a	0%	n/a	n/a
Geoffrey Gavey	0%	n/a	n/a	0%	n/a	n/a
Average pay based on Foresight UK employees	6%	27%	-6%	6%	38%	12%

1. As disclosed in the pre-IPO Prospectus, a distribution was made in Bernard Fairman's favour immediately pre-Admission, so for the year ended 31 March 2022 it was agreed his base salary would be reduced to £20,000.

Payments for loss of office

There were no payments made to Directors for loss of office during the year.

Payments to past Directors

There were no payments made to past Directors during the year.

AGM Shareholder voting

Resolution	Votes for	Votes against	Votes withheld
Approval of the Directors' Remuneration Report (2023 AGM)	92,439,329 90.13%	10,120,457 9.87%	1,818 —
Approval of the Directors' Remuneration Policy (2021 AGM)	91,703,711 98.06%	1,814,094 1.94%	175 —

Mike Liston OBE

Chair of the Remuneration Committee

26 June 2024