

## Directors' Remuneration Policy

The following section of the Directors' Remuneration Report sets out the Directors' Remuneration Policy ('Policy'), which will be presented to shareholders for approval at the 2022 AGM. The main changes to the Policy from that approved by shareholders in 2019 are as follows:

- Removal of the references to the one-off 2019 Incentive Plan (a one-off incentive plan approved by shareholders in 2019);
- Introduction of a workforce aligned pension policy and the removal of the 15% of salary pension maximum limit previously operated;
- Updated malus and clawback provisions to include reputational damage and insolvency; and
- Introduction of post cessation shareholding guidelines.

### Policy scope

The Policy applies to the Chair, Executive Directors and Non-Executive Directors.

### Policy duration

Subject to shareholder approval at the 2022 AGM, the Committee's current intention is that the Policy will be operated for the next three years until the 2025 AGM. All payments to Directors during the policy period will be consistent with the approved policy.

### Overview of Remuneration Policy

Centaur recognises the need to attract, retain and incentivise executives with the appropriate skills and talent to manage and develop the Group's businesses, drive the Group's strategy and deliver shareholder value. The main principles of the Directors' Remuneration Policy are:

- To achieve total remuneration packages that are competitive in the sector within which the Group operates and with the market in general;
- To provide an appropriate balance between fixed and variable remuneration which rewards high levels of performance whilst managing risk to the business; and
- To incentivise and retain management and to align their interests with those of shareholders.

### Considerations of employment conditions elsewhere in the Group

The Committee considers the base salary increases and remuneration policies and practice more generally for all employees when determining the annual salary increases and remuneration policy for the Executive Directors. Employees are given the opportunity to provide feedback to management and the Board throughout the year on various matters, including the Directors' Remuneration Policy, via a number of different communication channels that have been established at the Company.

### Consideration of shareholder views

The Committee considers shareholder feedback received in relation to the Annual Report and AGM each year. This feedback, plus any additional feedback received during the course of the year, is then considered as part of the Company's annual review of its Remuneration Policy. In addition, the Committee will seek to engage directly with major shareholders and their representative bodies should any material changes be made to the Directors' Remuneration Policy. Details of votes for and against the resolution to approve last year's Remuneration Report and the 2019 Remuneration Policy are set out in the Annual Report on Remuneration.

### Directors' Remuneration Policy

The table below sets out the main components of the Remuneration Policy which will be put to shareholders for approval at the 2022 AGM.

Note that payments may be made under arrangements in place under a previous policy (including pension, other benefits and incentives).

The remuneration offered to employees of the Group will be adapted to reflect local market practice and seniority.

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE TARGETS AND RECOVERY PROVISIONS
<b>Base salary</b>	Reflects the value of the individual and their role  Reflects skills and experience over time  Provides an appropriate level of basic fixed income avoiding excessive risk arising from over reliance on variable income	Reviewed annually, normally effective 1 April  Paid in cash on a monthly basis  Pensionable  Benchmarked against companies with similar characteristics and sector comparators	The Committee has not set a maximum level of salary. Increases will be set in the context of salary increases amongst the wider workforce  The Committee retains the discretion to make increases above this level in certain circumstances, for example, but not limited to: <ul style="list-style-type: none"> <li>• An increase in the individual's scope and responsibilities</li> <li>• Alignment to the external market</li> <li>• An increase to reflect an individual's performance and</li> </ul>	Not applicable

development in the role,  
e.g. where a new appointment is  
recruited at a lower salary level  
and is awarded stepped  
increases

<b>Annual bonus</b>	Incentivises annual delivery of financial and strategic goals  Maximum bonus only payable for achieving demanding targets	Targets reviewed annually  Not pensionable  Deferral of any bonus over 75% of base salary into shares for three years  Dividend equivalents may be payable on deferred share awards	100% of salary	Normally measured over a one-year performance period  Primarily based on Group's annual financial performance (majority)  Personal and/or strategic objectives (minority)  Malus and clawback provisions apply
<b>Long-term incentives</b>	Aligns to main strategic objectives of delivering profit growth and shareholder return	Annual grant of conditional awards or nil cost options  A two-year holding period post vesting applies for LTIPs granted after May 2019  Dividend equivalents may be payable on shares to the extent awards vest	Awards capped at 100% of salary (200% in exceptional circumstances)	Normally a three-year performance period  Maximum performance: up to 100% of award  Performance is based on financial and/or share price-based and/or strategic/ESG measures (e.g. EPS and relative TSR)  The Committee may alter the weighting and targets for each grant annually if it determines that it is appropriate to do so  Awards vest as follows: <ul style="list-style-type: none"> <li>• Threshold performance: up to 25% of award</li> <li>• Maximum performance: up to 100% of award</li> <li>• Malus and clawback provisions apply</li> </ul>
<b>Pension</b>	Provides competitive retirement benefits  Provides an opportunity for Executive Directors to contribute to their own retirement plan	Defined contributions made to the Executive Director's own pension plan. Cash alternatives may also be paid in full or in part	Workforce aligned for the CFO and any new Executive Director. The CEO's pension provision will be workforce aligned by 1 January 2026	Not applicable
<b>Other benefits</b>	Aids retention and recruitment	Executive Directors are provided with private medical insurance  Other benefits including company car allowance and car parking may be provided if considered appropriate by the Committee	There is no maximum. Set at a level which the Committee considers is appropriate in the context of the circumstances of the role/individual and local market practice	Not applicable
<b>Share ownership</b>	To provide alignment of interests between Executive Directors and shareholders	In employment:  50% of the net of tax vested LTIP shares required to be retained	200% of salary	Not applicable

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until the guideline is met

Post employment:

100% of the in-employment guideline (or actual shareholding if lower) for two years post cessation of employment excluding: (i) own shares purchased; and (ii) shares vesting from any share award granted prior to the 2022 AGM

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#### Notes

1. The Annual Report on Remuneration sets out how the Company implemented the Policy in 2021 and how it will apply the new Policy in 2022.
2. Not all employees have a bonus opportunity. Below Executive Director level bonus opportunities are lower and participation in the LTIP is limited to Executive Directors and certain selected senior management. Other employees are eligible to participate in the Company's all employee share plan. In general, these differences arise to ensure remuneration arrangements are competitive in the market, together with the fact that remuneration of the Executive Directors and senior executives typically has a greater emphasis on performance related pay. All bonus schemes are discretionary.
3. The choice of performance metrics applicable to the annual bonus plan reflect the Committee's belief that any incentive compensation should be appropriately challenging and primarily tied to financial measures.
4. The EBITDA, EPS and TSR performance conditions applicable to the 2021 LTIP awards were selected by the Committee on the basis that they are consistent with rewarding the delivery of long-term returns to shareholders and the Group's financial growth.
5. Executive Directors may participate in any all-employee share plan, in line with HMRC limits, and to the extent offered.
6. Post cessation guidelines will be operated via a self-certification approach during the two-year period, post cessation.

#### Malus and clawback

The current malus (prior to vesting) and clawback (within 3 years of vesting) triggers include misstatement of results, error and gross misconduct. In addition, reputational damage (or potential reputational damage, if it were made public) and insolvency event/corporate failure will also apply to the 2022 annual bonus (and any deferred bonus award granted in 2023 in respect of a 2022 bonus) and the 2022 LTIP grant.

#### Reward Scenarios

Based on base salaries as at 1 April 2022, minimum, on-target (50% of incentive potential assumed) and maximum reward scenarios are shown below. In addition, the maximum scenario assuming a 50% share price growth is also shown.

#### Approach to recruitment and promotions

The remuneration package for a new Executive Director would be set in accordance with the terms of the Company's prevailing approved remuneration policy at the time of appointment and would take into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

On recruitment, salary may (but need not necessarily) be set below the normal market rate, with phased increases as the executive gains experience. Pension provision will be aligned to that provided to the general workforce. Incentive awards would be no more than set out in the Policy table above. In addition, on recruitment the Company may compensate for amounts foregone from a previous employer (using Listing Rule 9.4.2 if necessary) taking into account the quantum foregone and, as far as reasonably practicable, the extent to which performance conditions apply, the form of award and the time left to vesting.

For an internal promotion, any variable pay element awarded in respect of the prior role would be allowed to pay out according to its terms. Any other ongoing remuneration obligations existing prior to appointment may continue, provided that they are put to shareholders for approval at the earliest opportunity.

The Committee may agree that the Company will meet relocation, legal fees or incidental costs where appropriate.

#### Service contracts and loss of office payments

The current Executive Directors have service contracts which have a 12-month notice period, dated 21 September 2016 for Swagatam Mukerji and 6 November 2019 for Simon Longfield. In respect of these service contracts, at the Board's discretion, a payment in lieu of any unexpired notice may be paid, comprising an amount for base salary, pension and any accrued holiday entitlement. The amount may be paid in one lump sum or in two instalments and mitigation will be applied to the second instalment. If termination is within six months of a change of control, a payment equal to 12 months' salary, pension and accrued holiday pay is payable. Where the Company terminates the contract in any other manner, any damages shall be calculated in accordance with common law principles including those relating to mitigation of loss. Notwithstanding the above, the Company is entitled to terminate employment without compensation, damages or payment in lieu of notice in specified circumstances (e.g. serious misconduct).

An annual incentive will normally be payable for the period of the financial year served, although it will normally be pro-rated and paid at the normal pay-out date. Any share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on the relevant plan rules. However, in certain prescribed circumstances, such as death, disability, retirement or other circumstances at the discretion of the Committee, 'good leaver' status may be applied. For good leavers, awards will normally

vest at the vesting date set out in the relevant award, subject to the satisfaction of the relevant performance conditions at the time and reduced pro-rata to reflect the proportion of the performance period actually served. However, the Committee has discretion to determine that awards vest at cessation of employment or to dis-apply time pro-rating.

In addition to the above, outplacement support may be provided and legal fees or any other minor incidental costs which are considered appropriate may be payable.

### Remuneration Policy for the Chair and Non-Executive Directors

The Company Chair's fee is determined by the Remuneration Committee (other than the Company Chair, if he sits on the Committee). The fees for the Non-Executive Directors are set by the Board, excluding the Non-Executive Directors. The table summarises the key aspects of the Remuneration Policy for the Chair and Non-Executive Directors:

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE TARGETS AND RECOVERY PROVISIONS
Chair and Non-Executive Directors fees	Reflect time commitments and responsibilities of each role, in line with those provided by similarly sized companies	Cash fee normally paid on a monthly basis  Reimbursement of incidental expenses where appropriate  Reviewed periodically  An additional amount will be paid for chairing a Committee or being the Senior Independent Director	There is no prescribed maximum annual fee or fee increase  The Committee and Board are guided by the general increase in the Non-Executive market, but may decide to award a lower or higher fee increase to recognise, for example, an increase in the scale, scope or responsibility of the role or take account of relevant market movements	Not applicable

### Letters of appointment

The Chair and Non-Executive Directors have letters of appointment with the Company, which are for an initial three-year period with the option for an extension for a further three-year period and provide for a notice period of three months. All of the current Non-Executive Directors have chosen to submit to annual re-election at each AGM.

	First appointed as a Director	Current letter of appointment commencement date	Current letter of appointment expiry date
Colin Jones	1 September 2018	1 September 2021	1 September 2024
William Eccleshare	1 July 2016	1 July 2019	1 July 2022
Carol Hosey	5 February 2020	5 February 2020	5 February 2023
Leslie-Ann Reed	1 March 2020	1 March 2020	1 March 2023

### Approach to fees on recruitment

For the appointment of a new Chair or Non-Executive Director, the fee will be set in accordance with the approved remuneration policy in force at that time.