

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised financial adviser.

If you have sold or transferred all of your shares in On the Beach Group plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

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**ON THE BEACH GROUP PLC**

**Notice of General Meeting**

**In relation to the approval of the 2025 Directors' Remuneration Policy, the introduction of the On the Beach Group plc Growth Plan, and an amendment to the On the Beach Group plc Long Term Incentive Plan 2023**

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Notice of a General Meeting of On the Beach Group plc (the '**Company**') to be held at **9.00am on 12 September 2025** at Aeroworks, 5 Adair Street, Manchester, M1 2NQ is set out on pages 6 to 8 of this circular.

Whether or not you propose to attend the General Meeting, you are encouraged to complete and submit a proxy appointment in accordance with the instructions contained in the notes to this Notice of General Meeting. Proxy appointments must be received by **9.00am on 10 September 2025** to be valid.

# LETTER FROM THE CHAIRMAN OF THE BOARD

12 August 2025

Dear Shareholder

## General Meeting

I write to inform you that a General Meeting of the Company is to take place at **9.00am on 12 September 2025** at Aeroworks, 5 Adair Street, Manchester, M1 2NQ (the '**Meeting**'). The formal notice of the Meeting is set out on pages 6 to 8 of this document and an explanation of the resolutions to be proposed can be found on pages 9 to 10. There are two appendices to the formal notice of the Meeting which are set out on pages 11 to 26.

## Purpose of the Meeting

At the Meeting, shareholders will be asked to approve:

1. A new Directors' Remuneration Policy ('**2025 Policy**'); and
2. The new On the Beach Group plc Growth Plan (the '**Growth Plan**'); and
3. The removal of the inner 5% dilution limit contained in the On the Beach Group plc 2023 Long Term Incentive Plan ('**2023 LTIP**') in line with the Investment Association's updated Principles of Remuneration.

The Company announced its stretching medium-term ambition in December 2024: to achieve a Total Transaction Value of £2.5bn, EBITDA of £100m, and Adjusted Profit Before Tax of £85m by FY29 (the '**Medium Term Ambition**' or '**MTA**'). These goals represent a near tripling of adjusted PBT from FY24 and remain the central strategic focus for management through to FY29. While our current Directors' Remuneration Policy would ordinarily remain in place until the AGM in 2026, the Board believes that early implementation of the 2025 Policy, including the new Growth Plan described below, is vital to ensure that incentives are clearly and powerfully aligned with the delivery of these goals.

## Supporting the Medium Term Ambition through remuneration policy strategy

Since the beginning of the current financial year to the end of July, in addition to the payment of a total dividend equal to 3 pence per share, circa £220m of shareholder value has been created. Over half of this value has been generated since the announcement of the FY24 results and the Medium Term Ambition.

Consequently, the Remuneration Committee carried out an extensive review of the Remuneration Policy to ensure that it continues to be fit for purpose in supporting 'business as usual' incentivisation and retention, while also driving the exceptional performance that will be required to support significant growth. It is critical that our management team are incentivised meaningfully in line with this newly stated ambition, as well as retaining a line of sight over remuneration outcomes in the context of the UK travel sector which is notoriously volatile.

For context, the Remuneration Policy approved by shareholders in February 2023 introduced a time-based Long-Term Incentive Plan (LTIP), which has proven effective by providing clear and certain remuneration outcomes, building back employee trust in these structures, and aligning to shareholder value creation. It encourages a focused effort on enhancing all aspects of the business, including technological improvements, customer offerings, and operational efficiencies—factors that have contributed to strong financial results with a corresponding uplift in equity value. In addition the Board recognises that, given our clearly defined medium-term goals, we are at a pivotal moment to enact a strategic transformation that can propel the company's future growth. Therefore we believe that the forthcoming Remuneration Policy should not only maintain the consistency of the incentives established in 2023 but also empower management to achieve these highly ambitious medium-term objectives through an impactful one-time award, which is set out in more detail below.

Further to that, the Company is also seeking approval to remove the inner 5% dilution limit from the 2023 LTIP, reflecting the Investment Association's updated guidance, which no longer recommends maintaining a separate 5% limit for discretionary schemes. This change will provide the necessary flexibility to operate the proposed incentive arrangements effectively, while remaining within the Company's overall 10% dilution cap for all share schemes. It also brings our approach in line with common market practice amongst listed peers.

The Board is confident that the proposed changes will strengthen the Company's ability to attract, retain and motivate the leadership talent needed to deliver on our ambitions at this critical time in our growth journey.



## LETTER FROM THE CHAIRMAN OF THE BOARD (CONTINUED)

### Shareholder engagement and consultation process

The proposed 2025 Policy has been formulated through two rounds of extensive and constructive consultation with shareholders representing over 59% of the register as well as major proxy agencies. Engagement took place through a combination of written correspondence, virtual meetings and follow up calls between April and July 2025. As a result of the first round of the consultation process, the following key amendments were made to directly reflect the feedback received:

- (1) **Change from PBT to EPS metric:** we originally proposed an adjusted PBT target of £85m, aligned to the MTA. Following feedback from the first round of consultation, we replaced this with an adjusted basic EPS target of 38.7p, calibrated on the same growth trajectory from the FY24 baseline as set out in the table below. This change provides a clear, per-share measure of performance that is directly aligned with long-term shareholder value creation, whilst also providing the clarity across the business to drive performance towards the achievement of the MTA. It also ensures that value delivered to shareholders through both profit growth and capital discipline is reflected in the reward framework;

	FY24	MTA	Uplift (x FY24)
Adjusted PBT (£m)	31.0	85.0	2.74x
Adjusted basic EPS (p)	14.1	38.7	2.74x

- (2) **Clarification of 2023 LTIP underpin:** We have expanded the disclosure around how the Remuneration Committee will apply discretion at vesting under the LTIP's discretionary performance underpin. This responds directly to shareholder requests for greater clarity on the factors the Remuneration Committee will consider in determining whether vesting outcomes fairly reflect underlying performance.
- (3) **Increased shareholding requirement:** The shareholding requirement for Executive Directors has been increased from 200% to 300% of base salary, to be built up over the five-year performance period of the Growth Plan. This enhancement strengthens alignment with shareholders and reflects feedback received during the consultation.

During the second round of the consultation, we were pleased to receive strong support from shareholders for the revised proposals. We would like to thank all shareholders and proxy agencies who engaged in the process for their time and constructive feedback.

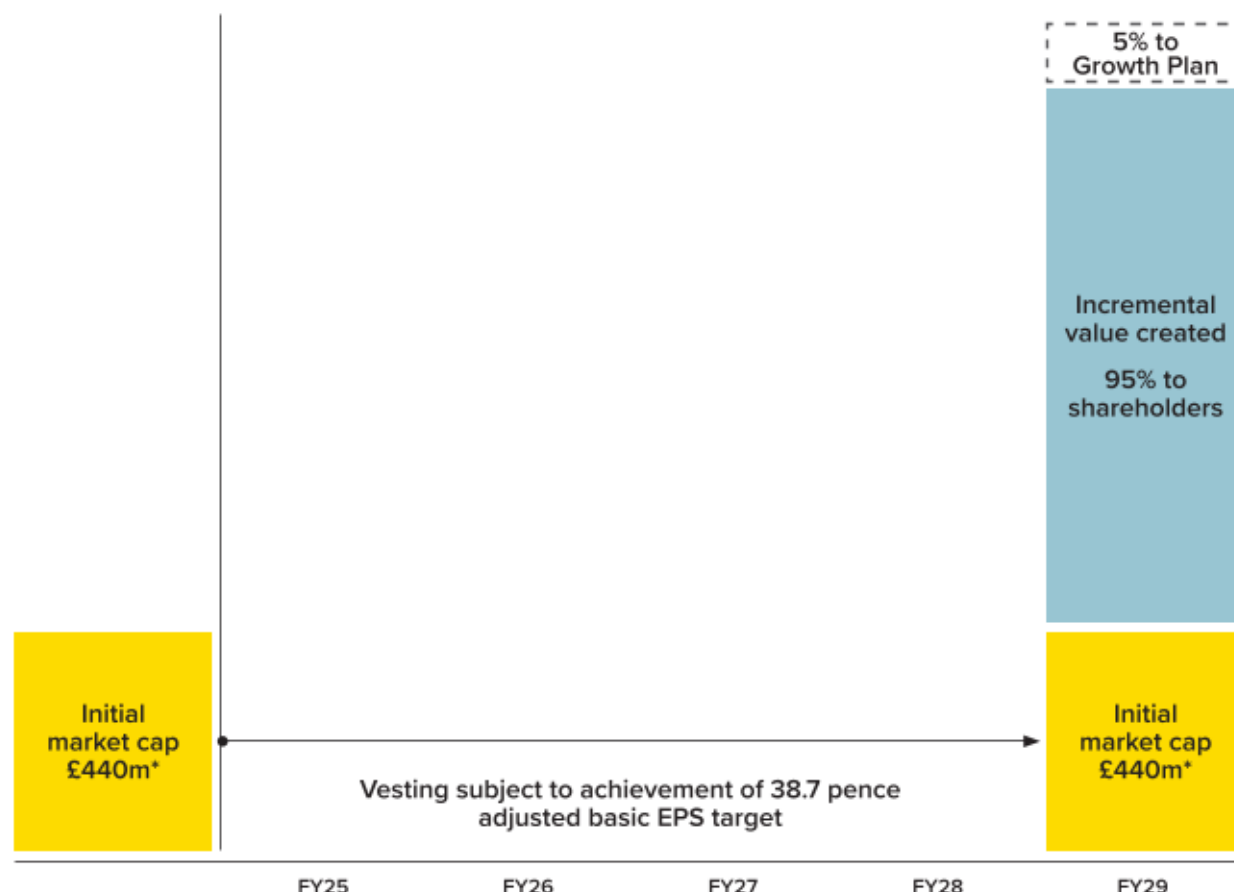
### Outline of the proposed Growth Plan

The Growth Plan will be a one-off incentive award designed to directly align management reward with the delivery of the MTA. It has the following key features:

- **Participation:** Awards will be granted to members of the Executive Team, including the Executive Directors, and may also be granted to other individuals at the discretion of the Remuneration Committee.
- **Size & Allocation:** In aggregate, awards will be granted over 5% of the Company's issued share capital as at the date of grant. The CEO will receive 20% of the overall pool, with each of the other two Executive Directors receiving 15%.
- **Exercise Price:** Awards will take the form of market value options, with the exercise price being set based on the Company's share price averaged over the 30 days prior to grant. Participants will only benefit if there is share price growth above this level.
- **Performance Condition:** Awards will vest only on the achievement of a stretching adjusted basic EPS target of 38.7p. If the target is not achieved in full during the performance period, the award will lapse.
- **Vesting and Holding Period:** Awards will vest upon achievement of the EPS target in any of the five financial years between FY25 and FY29, subject to continued employment at that time. However, vested awards will remain subject to a holding period until the fifth anniversary of grant, in line with the UK Corporate Governance Code. This means that even if the target is met early in the performance period, participants will not be able to realise value (other than to cover tax liabilities arising on vesting or exercise) until the full five-year period has elapsed.
- **Governance and safeguards:** Awards will be subject to robust malus provisions for the duration of the vesting period and clawback provisions until the seventh anniversary of grant. The Board will consider using market purchases to settle vested awards, where appropriate, including via the Company's existing share buyback authority or through the employee benefit trust, in line with established share plan practices.

## LETTER FROM THE CHAIRMAN OF THE BOARD (CONTINUED)

The illustrative chart below shows how the Growth Plan is designed to deliver significant shareholder value, with only a small proportion allocated to management in the event of exceptional performance.



\* Approximate market capitalisation as at 28 July 2025.

### Strategic rationale and proportionality of the Growth Plan and the 2025 Policy

#### Strategic alignment and shareholder value

The Growth Plan has been carefully constructed to support the Company's long-term strategy and to directly reflect the feedback received during shareholder consultation. The resulting structure, a one-off award of market value options, subject to an all-or-nothing EPS target, ensures that rewards are only delivered where significant, measurable value has been created, and only if shareholders have also benefited through share price growth.

By using market value options rather than free shares, the Growth Plan is deliberately structured so that participants only benefit from incremental value created beyond the date of grant. This creates a direct alignment between management delivery and long-term shareholder returns.

The single adjusted basic EPS target and its all-or-nothing nature ensures the Growth Plan is a clear and powerful incentivisation and management tool to drive performance, and its uplift is tied directly to the uplift in adjusted PBT target set out in the MTA. The proposed adjusted EPS target reflects shareholder feedback during the consultation and the market value structure aligns management with growth in long-term shareholder value.

#### Retention and proportionality

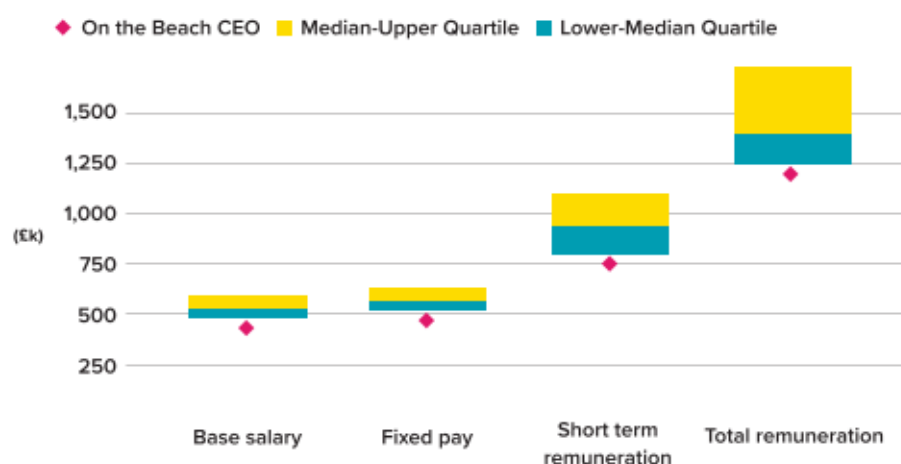
Retaining the existing 2023 LTIP ensures that the management team maintains line of sight over outcomes during uncertain periods (inevitable in the volatile travel sector), while the Growth Plan provides a focused mechanism to incentivise exceptional performance aligned with the MTA. This balanced approach supports retention and motivation in a challenging market environment, where many sector peers have adopted hybrid models. Importantly, the overall structure delivers long-term strategic alignment through equity, without reverting to more complex or less effective traditional UK plc incentive models.



## LETTER FROM THE CHAIRMAN OF THE BOARD (CONTINUED)

The Growth Plan is intentionally limited in scope, duration and dilution. Participation is targeted at a small group of critical roles, and the overall pool is capped at 5% of share capital. All awards are subject to holding periods, malus and clawback provisions, and may be settled using market purchases. Through consultation with shareholders and proxy agencies, the quantum of the Growth Plan is considered appropriate and reasonable.

To ensure proportionality, the Remuneration Committee also considered external benchmarking. Analysis against a relevant group of UK-listed peers (illustrated in the chart below) showed that the CEO's total remuneration currently sits below the lower quartile across all components, with the CFO and CMO similarly positioned. Rather than increasing fixed pay or LTIP quantum, the Remuneration Committee concluded that a one-off Growth Plan was the most effective way to focus incentives on the delivery of exceptional outcomes. As set out above, the use of market value options ensures that any value delivered to participants is directly linked to meaningful value creation for shareholders. This approach balances ambition and fairness while remaining well within accepted market norms.



Note: Fixed pay is defined as base salary plus employer's pension contribution. Short term remuneration is defined as fixed pay plus on-target annual bonus. Total remuneration is short term remuneration plus face value of LTIP.

### Voting

In accordance with best practice for listed companies, and in line with the approach taken by the Company at the AGM, it is our current intention that voting on all resolutions will be conducted by way of a poll rather than on a show of hands. This means that shareholders will have one vote for each ordinary share held. The Company believes this will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised, including the votes of all shareholders who are unable to attend the Meeting but who have appointed a proxy.

### Action to be taken

Your vote is important. Whether or not you propose to attend the Meeting, I would encourage you to vote on each of the resolutions set out in the notice by appointing a proxy to act on your behalf and by giving your voting instructions. I would strongly encourage you to appoint the Chair of the Meeting as your proxy. This will ensure that your vote will be counted if ultimately you are (or any other proxy you might otherwise choose to appoint is) not able to attend the Meeting for any reason. If you appoint the Chair of the Meeting as your proxy, the Chair will vote in accordance with your instructions. If the Chair is given discretion as to how to vote, they will vote in favour of each of the resolutions in the notice. You can appoint a proxy and give your voting instructions by:

- using our electronic voting facility at [www.signalshares.com](http://www.signalshares.com);
- downloading and using the shareholder app VOTE+;
- requesting and completing a hard copy form of proxy from our Registrars, MUFG Corporate Markets (formerly Link Group);
- using the CREST electronic proxy appointment service (if you are a CREST member); or
- using the Proximity platform (if you are an institutional shareholder).

In each case, your proxy appointment must be received by the Company's Registrar no later than **9.00am on 10 September 2025** to be valid. Further details regarding the different means of appointing a proxy are set out in the notes to the notice of the Meeting. The results of the Meeting will be announced through a Regulatory Information Service and on the Company website, [www.onthebeachgroupplc.com](http://www.onthebeachgroupplc.com), as soon as possible once known.

## LETTER FROM THE CHAIRMAN OF THE BOARD (CONTINUED)

### Recommendation

The Board considers that the proposed policy and plans represent a critical enabler for the delivery of our strategic ambitions, balancing performance-driven reward with robust governance. They have been designed to retain and motivate talent while delivering meaningful value creation for all shareholders.

Accordingly, the Directors of the Company consider that all the resolutions set out in this Notice of Meeting are in the best interests of the Company and are likely to promote the success of the Company for the benefit of its members as a whole. The Directors unanimously recommend that you vote in favour of all of the proposed resolutions.

I look forward to seeing you at the Meeting.

Yours sincerely

**Richard Pennycook**

Chairman of the Board

On the Beach Group plc

## NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of On the Beach Group plc (the '**Company**') will be held at **9.00am on 12 September 2025** at Aeroworks, 5 Adair Street Manchester, M1 2NQ.

Shareholders will be asked to consider and vote on the resolutions below. Resolutions 1 to 3 will be proposed as ordinary resolutions.

### ORDINARY RESOLUTIONS

1. Subject to and conditional upon the passing of resolution 2, to approve the 2025 Directors' Remuneration Policy (the '**2025 Policy**'), as set out in Appendix 1 to this Notice, to be adopted with effect from the conclusion of the General Meeting.
2. Subject to and conditional upon the passing of resolution 1, to approve the establishment of the On the Beach Group plc Growth Plan (the '**Growth Plan**'), a summary of the key terms of which is set out in Appendix 2 to this Notice, and to authorise the Directors to do all such acts and things as they may consider necessary or desirable to put this resolution into effect.
3. To approve the amendment of the On the Beach Group plc Long Term Incentive Plan 2023 ('**2023 LTIP**') to remove the five per cent. (5%) discretionary share scheme dilution limit, as outlined in the explanatory notes to this resolution, such that awards may be made under the 2023 LTIP and any other share plans within the Company's overall ten per cent. (10%) dilution limit for all share schemes, and to authorise the Directors to do all such acts and things as they may consider necessary or desirable to carry this amendment into effect.

By order of the Board

**Kirsteen Vickerstaff**

Company Secretary

Dated: 12 August 2025

On the Beach Group plc

Registered in England and Wales No 09736592

Registered Office: 5 Adair Street, Manchester, M1 2NQ.



## NOTES TO THE NOTICE OF GENERAL MEETING

### NOTES

1. A member who is entitled to attend, speak and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by them, as their proxy to exercise all or any of their rights to attend and to speak and vote at the meeting.
2. The right of a member of the Company to vote at the meeting will be determined by reference to the register of members. A member must be registered on that register as the holder of ordinary shares by the close of business on 10 September 2025 in order to be entitled to attend and vote at the meeting as a member in respect of those shares.
3. It is intended that each resolution will be voted on by way of a poll rather than on a show of hands. This is considered best practice for listed companies. The Company believes that a poll is more representative of shareholders' voting intentions because shareholder votes are counted according to the number of ordinary shares held and all votes tendered are taken into account. On a poll, each member has one vote for every share held.
4. A member wishing to attend and vote at the meeting in person should arrive prior to the time fixed for its commencement. Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member in accordance with section 323 of the Companies Act 2006, provided that they do not do so in relation to the same shares. Any such representative should present written evidence of their appointment, such as a certified copy of a board resolution of, or a letter from, the corporation concerned confirming the appointment.
5. Any member wishing to vote at the meeting without attending in person or (in the case of a corporation) through its duly appointed representative must appoint a proxy to do so. Appointing a proxy will not prevent a member from attending and voting in person at the meeting should they so wish. A member may appoint a proxy and give voting instructions either:

- (a) **By submitting a proxy appointment online** – A member may appoint a proxy online by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions. A member will first need to register to use this service. To do this, the member will need their Investor Code which can be found on the member's share certificate (or which is otherwise available from the Company's registrar, MUFG Corporate Markets).

A member may also appoint a proxy online via MUFG Corporate Markets' shareholder app, VOTE+. It offers shareholders the option to submit a proxy appointment quickly and easily online, as well as real-time access to their shareholding records. VOTE+ is available to download free of charge from both the Apple App Store and Google Play. Alternatively, a member can scan the relevant QR code below:

Apple App Store



GooglePlay



To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with the relevant instructions must be transmitted so as to be received by no later than **9.00am on 10 September 2025**;

- (b) **By completing and returning a hard copy form of proxy** – A member may appoint a proxy by completing a paper proxy form in accordance with the instructions that accompany it and then returning it directly to the Registrars, MUFG Corporate Markets at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to be received by no later than **9.00am on 10 September 2025**. Hard copy proxy forms have not been provided with this document but can be requested directly from MUFG Corporate Markets, by emailing [shareholderenquiries@cm.mpms.mufg.com](mailto:shareholderenquiries@cm.mpms.mufg.com) or by calling 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00am – 17.30pm (GMT), Monday to Friday excluding public holidays in England and Wales. Any power of attorney or other authority under which a hard copy proxy form is signed (or a duly certified copy or such item) must be sent together with the proxy appointment (unless such power or other authority has previously been registered with the Company);
- (c) **By submitting a proxy appointment via CREST** – Members who hold their shares in uncertificated form may use the CREST electronic proxy appointment service to appoint a proxy electronically by following the procedures set out in Note 10 below; or
- (d) **By submitting a proxy appointment via the Proximity platform** – Institutional members may also be able to appoint a proxy electronically via the Proximity platform in accordance with the procedures set out, and online instructions referred to, in Note 12 below.



## NOTES TO THE NOTICE OF GENERAL MEETING (CONTINUED)

6. Any person to whom this notice is sent who is currently nominated by a member of the Company to enjoy information rights under section 146 of the Companies Act 2006 (a 'nominated person') may have a right under an agreement between them and that member to be appointed, or to have someone else appointed, as a proxy for the meeting. If a nominated person has no such right or does not wish to exercise it, they may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in Note 1 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.
7. As at 7 August 2025, (the latest practicable date prior to the printing of this notice) (i) the Company's issued share capital consisted of 156,474,262 ordinary shares, carrying one vote each, and (ii) the total voting rights in the Company were 156,474,262.
8. Each member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting which, in accordance with section 319A of the Companies Act 2006 and subject to some exceptions, the Company must cause to be answered.
9. Information relating to the meeting which the Company is required by the Companies Act 2006 to publish in advance of the meeting may be viewed in the Investor Centre section of the Company's website at [www.onthebeachgroupplc.com](http://www.onthebeachgroupplc.com). A member may not use any electronic address provided by the Company in this document or with any proxy appointment form or in any website for communicating with the Company for any purpose in relation to the meeting other than as expressly stated in it.
10. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in 'the CREST voting service' section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a CREST proxy appointment instruction) must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & International Limited (Euroclear), and must contain all the relevant information required by the CREST Manual. To be valid, the message (regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by MUFG Corporate Markets (ID RA10), as the Company's 'issuer's agent', by **9.00am on 10 September 2025**. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on 'Practical limitations of the system'. In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.
11. Unless otherwise indicated on the Form of Proxy, CREST, Proximity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
12. An institutional investor may be able to appoint a proxy electronically via the Proximity platform. This is a process which has been agreed by the Company and approved by the Registrar. Further information regarding Proximity can be found online at [www.proximity.io](http://www.proximity.io). A proxy appointment made via this platform must be lodged by **9.00am on 10 September 2025** in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before appointing a proxy via this process, a member will need to have agreed to Proximity's associated terms and conditions. It is important to read these carefully as the member will be bound by them and they will govern the electronic appointment of the member's proxy. An electronic proxy appointment via the Proximity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of the proxy appointment.
13. Copies of the Directors' Remuneration Policy (as set out in Appendix 1 to this Notice), the rules of the Growth Plan and the amended rules of the 2023 LTIP are available on the National Storage Mechanism and will be available for inspection at the registered office of the Company during normal business hours (which do not include Saturdays, Sundays and public holidays) and will also be available for inspection at the place of the Meeting from at least 15 minutes prior to and until the conclusion of the Meeting.

## EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING

The following notes provide an explanation as to why the resolutions set out in the notice are to be put to shareholders. Further background and strategic rationale for the 2025 Directors' Remuneration Policy – including the operation of the 2023 LTIP and the introduction of the Growth Plan – is set out in the Chairman's letter on pages 1 to 5 of this document.

Resolutions 1 to 3 are proposed as ordinary resolutions. Each ordinary resolution will be passed on a poll if it is passed by members representing a simple majority of the total voting rights of members who vote on the resolution.

### Resolution 1 – 2025 Directors' Remuneration Policy

Resolution 1 is proposed as an ordinary resolution and seeks shareholders' approval for the 2025 Directors' Remuneration Policy, as set out in Appendix 1 to this Notice. The current policy was approved at the 2023 AGM and remains valid until the 2026 AGM. However, the Board believes that early adoption of the 2025 Policy is necessary to support the delivery of the Company's Medium Term Ambition ('MTA')—a stretching strategic objective announced in December 2024 to achieve a Total Transaction Value of £2.5bn, EBITDA of £100m, and Adjusted Profit Before Tax of £85m by FY29, representing a near-tripling of profit from £31m in FY24.

The revised policy retains the core structure introduced in 2023:

- A time-based Long-Term Incentive Plan ('LTIP'), which supports long-term alignment through equity, operates with a discretionary underpin, and provides predictable outcomes during periods of market volatility; in response to shareholder feedback during consultation, the new policy provides additional clarity on the operation of the LTIP discretionary underpin.
- An annual bonus plan with stretching targets, of which at least half are financial and directly linked to strategic company performance.

The key addition under the new policy is the Growth Plan, a one-off performance-based award designed to directly incentivise exceptional long term value creation through achievement of the MTA. The Growth Plan is based on an exceptionally stretching adjusted basic EPS target of 38.7p, calibrated to reflect the business growth trajectory implied by the MTA adjusted PBT target in FY29 vs FY24.

If approved, the new policy will take effect from the conclusion of the General Meeting. If not approved, the Company will continue to operate under the 2023 policy and may bring forward a revised proposal in future.

### Resolution 2 – Adoption of a new Growth Plan

Resolution 2 is proposed as an ordinary resolution and seeks separate shareholder approval for the establishment of the Growth Plan, a summary of which is set out in Appendix 2. Resolutions 1 and 2 are conditional on each other.

The Growth Plan is a one-off incentive introduced under the 2025 Policy (Resolution 1) to support delivery of the Company's MTA. It has been designed to provide targeted, performance-driven reward to members of the Executive Team, including Executive Directors, and may also be granted to other individuals at the discretion of the Remuneration Committee.

The Growth Plan has the following key features:

- Awards vest only if a stretching adjusted basic EPS target of 38.7p is achieved in any financial year from FY25 to FY29. If this target is not met, the awards lapse.
- Awards take the form of market value options, meaning participants only benefit if share price growth accompanies financial performance.
- Awards for Executive Directors remain subject to a holding period until the fifth anniversary of grant, in line with the UK Corporate Governance Code, and robust malus and clawback provisions apply until the seventh anniversary of grant. The Committee retains discretion to adjust the outcome if the underlying performance of the business is not consistent with the formulaic outcome including in the event of windfall gains or poor shareholder outcomes. Following consultation feedback, the new policy provides clarification that in the event of M&A, the adjusted basic EPS target will be assessed to ensure it remains consistently stretching with that set out in the 2025 Policy.
- Awards will not exceed 5% of the Company's issued share capital. The CEO will receive 20% of the overall pool, with the other two Executive Directors receiving 15% each and the remaining participants receiving the balance, as detailed in the Growth Plan terms. The Board may consider using its existing market purchase programme to satisfy vested awards.

The Growth Plan is a one-time award that does not replace any existing remuneration arrangements. It has been carefully constructed to support value creation without introducing ongoing complexity or excessive dilution and without increasing ongoing variable pay. The structure was shaped by shareholder feedback following extensive consultation with major shareholders and governance bodies.

If approved, the Growth Plan will be implemented shortly after the General Meeting.

## EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING (CONTINUED)

### **Resolution 3 – Removal of 5% dilution limit from the 2023 LTIP**

Resolution 3 is proposed as an ordinary resolution and seeks approval to remove the 5% dilution limit contained in the rules of the 2023 LTIP. This limit currently restricts the Company from granting awards under the 2023 LTIP if the total number of shares issued or issuable under all discretionary share plans would exceed 5% of the Company's issued ordinary share capital over any 10 year period. Removing this restriction will provide the necessary flexibility to operate the proposed incentive arrangements effectively, while remaining within the Company's overall 10% dilution cap for all share schemes. It reflects changes to the Investment Association's Principles of Remuneration which removed previous guidance that companies should have a separate 5% dilution limit for 'discretionary schemes' and brings our approach in line with common market practice among listed peers.





## APPENDIX 1

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

This appendix sets out the Directors' Remuneration Policy ('Policy') for the Executive and Non-Executive Directors of the Company. Subject to approval by shareholders at the 2025 General Meeting ('Meeting'), the Policy set out here will become effective from the date of the Meeting. If approved, this Policy will apply for a period of three years from 12 September 2025 (the date of the Meeting), unless shareholder approval is sought for earlier changes.

The current Policy was approved by shareholders at the 2023 AGM, with the main change at that time being the transition from a performance based LTIP to a time-based plan (subject to a discretionary performance underpin) and a corresponding reduction (from 200% to 100% of salary) in quantum. This Policy has proven effective by providing clear and certain remuneration outcomes and building back employee trust and confidence in incentive arrangements following a period in which traditional LTIPs consistently failed to deliver value due to volatility and external shocks in the travel industry. It has encouraged a focused effort on enhancing all aspects of the business, including technological improvements, customer offerings, and operational efficiencies. These factors have all contributed to strong financial results over the intervening period with a corresponding uplift in share price.

In a normal course of events, the Company would be seeking shareholder approval for a new Policy at the 2026 AGM in line with the ordinary three-year cycle. However, the Remuneration Committee (the 'Committee') recognises that, given the Company's clearly defined Medium Term Ambition ('MTA') as set out to the market in December 2024 to deliver £2.5bn in Total Transaction Value, £100m in EBITDA and £85m in Adjusted PBT by FY29, the Company is at a pivotal moment to enact a strategic transformation that can propel future growth.

As such, the Committee has carried out a detailed review of the current approach to incentivisation and believes it is appropriate to accelerate the policy refresh. In carrying out this review, the Committee has considered the following key pillars:

- Simplicity and transparency;
- Consistency between Policy and business strategy; and
- A direct link between pay and creation of shareholder value.

As a result of this review, we are proposing to maintain the consistency of the incentives established in 2023 but crucially to also empower management through the introduction of an additional one-off incentive to directly incentivise delivery of the highly ambitious MTA. The Growth Plan awards will take the form of market value options, thus only having value if there is share price growth above the exercise price set. The exercise price will be based on the Company's share price averaged over the 30 days prior to grant. The awards will be granted over 5% of the Company's issued share capital as at the date of grant. The Committee has modelled different scenarios of share price growth, and the resultant quantum of the Growth Plan award for management and believes this quantum is reasonable in relation to the significant shareholder value creation that would result from the successful achievement of the Growth Plan, which only has value if accompanied by an uplift in share price. This view was supported during the two rounds of consultation with shareholders and shareholder proxy agencies.

The Growth Plan is based on a single, stretching adjusted basic earnings per share ('EPS') target of 38.7p, which represents a near tripling of the FY24 baseline of 14.1p. This target has been calibrated by applying the same growth trajectory that underpins the MTA, specifically the uplift in adjusted PBT from £31m in FY24 to £85m in FY29. It is a target that directly links to the MTA to incentivise management and received the widest support from shareholders during the two rounds of consultation.

The Remuneration Committee rationale for a single target is that it provides the powerful clarity that management believes can best drive performance and directly support delivery of the business's strategic MTA aims, whilst also providing clarity to shareholders of the strategic step change intended and its delivery of shareholder value. During both rounds of consultation, there was shareholder support for a powerful, clear EPS target that could best drive successful achievement of the MTA alongside alignment to shareholder value. There was also strong support for the clarity of the market-value approach. Both these elements of the Remuneration Policy, alongside the explicit terms of the Policy giving the Committee discretion to review the target to ensure it remains similarly consistently stretching in the event of M&A, received support during consultation.

The Remuneration Committee rationale, that management must achieve the Growth Plan target for the award to vest, otherwise the award should lapse, also reflects the intention for a Growth Plan target that is both clear-cut and galvanising across the business. This approach aligns with the wider proposed Remuneration Policy, recognising the need to retain the existing time-based LTIP to maintain consistency and support 'business as usual' incentivisation and talent retention for the wider team; while also acknowledging the exceptional level of growth associated with the Growth Plan target, which goes beyond that of a traditional performance LTIP.

The Growth Plan is for a five year period to FY29, but is also designed to incentivise the earliest possible achievement of this ambition. Awards will vest if the target is achieved in advance of FY29. Nevertheless, the Board's intention is for the Growth Plan to incentivise a strategic, permanent uplift in performance, rather than a one-off performance level. Therefore, irrespective of the target being achieved earlier and awards vesting earlier, awards for Executive Directors will remain subject to a holding period until the fifth anniversary of grant, as well as malus and clawback for 5 years and a further 2 years, respectively, operating alongside wider Committee discretion.



## APPENDIX 1 (CONTINUED)

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

Separately to the Policy, we are also seeking shareholder approval to remove the 5% dilution limit from the 2023 LTIP, reflecting the Investment Association's updated guidance, which no longer recommends maintaining a separate 5% limit for discretionary schemes. This change will provide the necessary flexibility to operate the proposed incentive arrangements effectively, while remaining within the Company's overall 10% dilution cap for all share schemes. It also brings our approach in line with common market practice amongst listed peers.

#### Changes to the remuneration policy that was approved by shareholders in 2023

The proposed changes to the Policy are set out in the table below

Element of remuneration	Current Policy	Amendment to Policy	Reason for change
<b>Base salary and benefits</b>	Salaries are reviewed annually, and any changes are normally effective from 1 January in the financial year.  A competitive level of benefits is provided.	No change to policy.  FY26 implementation: reflecting Jon Wormald's expanded role to include the remit of the Chief Supply Officer, Bill Allen, following his previously-announced retirement, as well as significant progression in role since his appointment and relative positioning to the external market, we will be increasing the Chief Financial Officer's salary from 1 October 2025 to £345,000.	N/A
<b>Pension</b>	Pension provision for all Executive Directors is aligned with the wider workforce (currently 5% of salary).	No change	N/A
<b>Annual bonus</b>	Maximum opportunity of 100% of base salary, with up to 50% of any award deferred into shares for a period of two years.  The majority of the annual bonus will be based on performance against stretching financial targets, with the balance based on non-financial metrics, which are aligned to the business strategy.	No change	N/A
<b>Long-Term Incentive Plan ('LTIP')</b>	Maximum opportunity of 100% of base salary.  Three-year vesting period, plus a two-year post-vesting holding period.  Awards will not be subject to any formulaic performance conditions.	In line with shareholder and proxy agency feedback during consultation, additional disclosure has been provided to clarify the Committee's approach to applying discretion at vesting under the performance underpin.	N/A



## APPENDIX 1 (CONTINUED)

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

#### Changes to the remuneration policy that was approved by shareholders in 2023 (continued)

Element of remuneration	Current Policy	Amendment to Policy	Reason for change												
<b>The Growth Plan</b>	N/A	<p>One-off award of market value options over, in aggregate, five per cent of the Company's share capital. The Executive Directors will receive the following portions of the aggregate Growth Plan awards:</p> <ul style="list-style-type: none"> <li>• CEO: 20%</li> <li>• CFO: 15%</li> <li>• CMO: 15%</li> </ul> <p>Awards will be subject to the achievement of a stretching adjusted basic earnings per share ('EPS') target of 38.7p between FY25 and FY29. The EPS target has been calibrated on the same growth trajectory from the FY24 baseline as the MTA, as set out in the table below:</p> <table> <tr> <th></th><th>FY24</th><th>MTA</th><th>Uplift (x FY24)</th></tr> <tr> <td>Adjusted PBT (£m)</td><td>31.0</td><td>85.0</td><td>2.74x</td></tr> <tr> <td>Adjusted basic EPS (p)</td><td>14.1</td><td>38.7</td><td>2.74x</td></tr> </table> <p>Awards will vest on achievement of the performance condition, with a post vesting holding period applying until the fifth anniversary of the date of grant.</p> <p>Malus will apply for duration of the 5 year vesting period, with clawback applying for a further 2 year period post vesting until the seventh anniversary of grant.</p>		FY24	MTA	Uplift (x FY24)	Adjusted PBT (£m)	31.0	85.0	2.74x	Adjusted basic EPS (p)	14.1	38.7	2.74x	<p>Directly aligned to MTA through the adjusted basic EPS performance condition.</p> <p>Use of market value options means management will be incentivised to deliver shareholder returns, alongside core achievement of the Growth Plan EPS target in order to receive value.</p> <p>Use of EPS target also directly aligns management incentives with shareholders.</p> <p>Delivered entirely in shares to ensure alignment with shareholders.</p> <p>The one-off Growth Plan award alongside the existing time-based LTIP motivates management towards achieving exceptional MTA growth targets whilst providing visibility over future reward.</p>
	FY24	MTA	Uplift (x FY24)												
Adjusted PBT (£m)	31.0	85.0	2.74x												
Adjusted basic EPS (p)	14.1	38.7	2.74x												
<b>Shareholding requirement</b>	<p>200% of base salary to be built up over five-year period from appointment and then subsequently held.</p> <p>Executive Directors are required to retain 100% of their shareholding requirement for two years post-cessation (or full actual holding if lower).</p>	<p>Increase of the shareholding requirement to 300% of base salary for current Executive Directors, with the additional 100% in excess of the current Policy to be built up over the five-year performance period of the Growth Plan.</p> <p>No change to the post-cessation shareholding requirement, such that Executive Directors are required to retain 100% of their shareholding requirement for two years post-cessation (or full actual holding if lower).</p>	<p>Reflects feedback received from shareholders through the consultation on the Policy and further enhances alignment between management and shareholders.</p>												

## APPENDIX 1 (CONTINUED)

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

#### Changes to the remuneration policy that was approved by shareholders in 2023 (continued)

Element of remuneration	Current Policy	Amendment to Policy	Reason for change
<b>Non-Executive Director fees</b>	<p>Non-Executive Directors are paid a base fee and may be paid additional fees for acting as chair of committees. The Chair of the Company does not receive any additional fees for membership of committees.</p> <p>Fees are typically reviewed every three years based on equivalent roles in an appropriate comparator group used to review salaries paid to the Executive Directors. Fees may be reviewed more regularly than this in exceptional circumstances, such as a significant increase in the size or complexity of the business.</p> <p>The base fees for Non-Executive Directors are set at a market rate. In general, the level of fee increase for the Non-Executive Directors will be set taking account of any change in responsibility and will take into account the general rise in salaries across the UK workforce.</p> <p>Non-Executive Directors do not participate in any variable remuneration or benefits arrangements.</p>	<p>From FY26 onwards, Non-Executive Director fees will be reviewed annually.</p>	<p>Reflects more typical market practice.</p>

## APPENDIX 1 (CONTINUED)

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

#### Policy table

The following table summarises each element of remuneration and how it supports the Company's short and long-term strategic objectives.

Element of remuneration	Operation	Maximum opportunity	Performance measures
<b>Base Salary</b> Provides a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Company's strategy.	<p>Salaries are reviewed annually, and any changes are normally effective from 1 January in the financial year. When determining an appropriate level of salary, the Committee considers:</p> <ul style="list-style-type: none"> <li>• remuneration practices within the Company;</li> <li>• the performance of the individual Executive Director;</li> <li>• the individual Executive Director's experience and responsibilities;</li> <li>• the general performance of the Company;</li> <li>• salaries within the ranges paid by the companies in the comparator group used for remuneration benchmarking; and</li> <li>• the economic environment.</li> </ul>	<p>Base salaries will be set at an appropriate level within a comparator group of UK listed companies of comparable size and will normally increase in line with increases made to the wider employee workforce.</p> <p>Individuals who are recruited or promoted may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases, subsequent increases in salary may be higher than the average until the target positioning is achieved.</p>	None
<b>Benefits</b> Provides a competitive level of benefits.	<p>The Executive Directors receive benefits, which include family private health cover.</p> <p>The Committee recognises the need to maintain suitable flexibility in the determination of benefits that ensure it is able to support the objective of attracting and retaining talent. Accordingly, the Committee expects to be able to adopt benefits such as relocation expenses, car allowance benefit, death in service life assurance, travel expenses (including tax if any), tax equalisation and support in meeting specific costs.</p>	<p>The maximum will be set at the cost of providing the benefits described.</p>	None
<b>Pension</b> Provides market competitive retirement benefits.	<p>The Committee maintains the ability to provide pension funding in the form of a salary supplement, which would not form part of the salary for the purposes of determining the extent of participation in the Company's incentive arrangements.</p>	<p>Pension provision for all Executive Directors is aligned with the wider workforce (currently 5% of salary).</p>	None



## APPENDIX 1 (CONTINUED)

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

#### Policy table (continued)

Element of remuneration	Operation	Maximum opportunity	Performance measures
<b>Annual Bonus Plan</b> The Annual Bonus Plan provides a significant incentive to the Executive Directors linked to achievement in delivering goals that are closely aligned with the Company's strategy and the creation of value for shareholders.	<p>Annual bonuses are paid part in cash and part in shares. Up to 50% of any award will be deferred into shares for two years.</p> <p>Malus will apply up to the date of the bonus determination and clawback will apply for three years from the date of bonus determination.</p>	<p>The maximum bonus opportunity is 100% of base salary.</p>	<p>Performance is measured over the financial year. The annual bonus will be based on a scorecard of financial and non-financial performance targets, which are aligned to the business strategy. At least half of the bonus will be based on financial performance.</p> <p>The Committee is of the opinion that given the commercial sensitivity arising in relation to the targets used for the annual bonus, disclosing precise targets for the bonus plan in advance would not be in shareholder interests. Actual targets, performance achieved, and awards made will be published at the end of the performance periods so shareholders can fully assess the basis for any pay-outs under the annual bonus.</p> <p>The Committee retains discretion in exceptional circumstances to change performance measures and targets and the weightings attached to performance measures part-way through a performance year if there is a significant and material event that causes the Committee to believe the original measures, weightings and targets are no longer appropriate. Discretion may also be exercised in cases where the Committee believes that the bonus outcome is not a fair and accurate reflection of business performance.</p>

## APPENDIX 1 (CONTINUED)

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

#### Policy table (continued)

Element of remuneration	Operation	Maximum opportunity	Performance measures
<b>Long-Term Incentive Plan ('LTIP')</b> Awards are designed to incentivise the Executive Directors to maximise total shareholder returns.	<p>Awards are granted annually to Executive Directors in the form of nil cost options.</p> <p>These will vest at the end of a three-year period subject to the Executive Director's continued employment at the date of vesting.</p> <p>The Committee may award dividend equivalents on awards to the extent that these vest.</p> <p>A further two-year holding period post vesting will apply.</p> <p>Malus will apply for the three-year period from grant to vesting with clawback applying for the two-year period post vesting.</p>	<p>Maximum annual award of up to 100% of base salary.</p>	<p>Awards will not be subject to any formulaic performance conditions.</p> <p>A discretionary underpin will apply during the vesting period such that the Committee may reduce the vesting outcome in cases where the Committee believes that the vesting outcome is not a fair and accurate reflection of business performance.</p> <p>Following feedback during consultation, the new policy provides additional clarity that the factors the Committee may consider when assessing the underpin include (but are not limited to):</p> <ul style="list-style-type: none"> <li>• Financial performance outcomes, such as PBT and TTV performance in the year of vesting relative to the year of grant;</li> <li>• Share price movement since grant;</li> <li>• Environmental, social and governance performance insofar as it is relevant to strategy; and</li> <li>• Major strategic or investment decisions and the returns on that investment.</li> </ul>

## APPENDIX 1 (CONTINUED)

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

#### Policy table (continued)

Element of remuneration	Operation	Maximum opportunity	Performance measures
<b>The Growth Plan</b> The Growth Plan provides a one-off incentive to motivate Executive Directors to deliver on the Company's Medium Term Ambition and maximise total shareholder returns.	<p>Awards will be granted to Executive Directors in the form of a one-off market value option, with the exercise price set equal to the Company's average share price over the 30-day period prior to the date of grant.</p> <p>The award will vest and become exercisable on the achievement of the performance target and continued employment to that date and become immediately exercisable. Awards will thereafter be subject to a post-vesting holding period until the fifth anniversary of grant, excluding any sale to cover tax arising on vesting or exercise.</p> <p>The Committee may award dividend equivalents on awards in respect of the vesting period and on unexercised options post-vesting.</p> <p>Malus will apply for the duration of the vesting period, with clawback applying for the period post vesting until the seventh anniversary of grant.</p>	<p>The award will be made over a total pool of options over 5% of the Company's share capital.</p> <p>For the Executive Directors, this will be distributed as follows:</p> <ul style="list-style-type: none"> <li>• CEO: 20% of the pool; and</li> <li>• CFO and CMO: 15% of the pool per individual.</li> </ul> <p>The remaining proportion of the pool will be distributed amongst the other participants.</p>	<p>The Growth Plan will vest subject to the achievement of an adjusted basic EPS target of 38.7p in any financial year between FY25 and FY29. Vesting is also subject to continued employment to the date that the performance target is deemed to have been achieved. In the event that the EPS target is not achieved in any of the five financial years within the performance period, the award will lapse in full.</p> <p>The Committee retains the discretion to adjust the formulaic outcome if the underlying performance of the business is not consistent with the formulaic outcome. This discretion may also be exercised if there are instances of severe reputational damage, poor shareholder experience, or windfall gains.</p> <p>Following any material M&amp;A activity, the Committee may adjust the EPS target to ensure it is not materially more or less difficult to satisfy than was originally intended. Any such changes would be explained in the subsequent annual remuneration report and, if appropriate, be the subject of consultation with the Company's major shareholders.</p>
<b>HMRC Share Incentive Plan</b> To encourage wide employee share ownership and thereby align employees' interests with shareholders.	The Company has a share incentive plan in which the Executive Directors are eligible to participate (which is HMRC registered and is open to all eligible staff).	UK scheme in line with HMRC limits as amended from time to time (currently £1800 per tax year).	None



## APPENDIX 1 (CONTINUED)

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

#### Policy table (continued)

Element of remuneration	Operation	Maximum opportunity	Performance measures
<b>Shareholding Requirement</b> To support long-term commitment to the Company and the alignment of Executive Director interests with those of shareholders.	<p>For current Executive Directors and any future incoming Executive Directors who are participants in the Growth Plan, 300% of salary to be built up over the five year performance period of the Growth Plan and subsequently held. For all other future incoming Executive Directors, 200% of salary to be built up over five-year period from appointment and then subsequently held.</p> <p>Executive Directors must retain a shareholding on cessation of employment for two years equal to the lower of:</p> <ul style="list-style-type: none"> <li>• For participants of the Growth Plan, 300% of salary.</li> <li>• For any future incoming Executive Directors who do not participate in the Growth Plan, 200% of salary.</li> <li>• For all Executive Directors, their actual shareholding on cessation.</li> </ul> <p>Shares bought by Executive Directors and share options granted prior to the 2023 Policy coming into force are not subject to this holding requirement.</p>	N/A	None



## APPENDIX 1 (CONTINUED)

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

#### Policy table (continued)

Element of remuneration	Operation	Maximum opportunity	Performance measures
<b>Non-Executive Director fees</b> Provides a level of fees to support recruitment and retention of Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Company's strategic objectives.	<p>The Board as a whole is responsible for setting the remuneration of the Non-Executive Directors, other than the Chairman, whose remuneration is considered by the Committee and recommended to the Board.</p> <p>Non-Executive Directors are paid a base fee and may be paid additional fees for acting as chair of committees. The Chair of the Company does not receive any additional fees for membership of committees.</p> <p>Fees are typically reviewed annually based on equivalent roles in an appropriate comparator group used to review salaries paid to the Executive Directors. Fees may be reviewed more regularly than this in exceptional circumstances, such as a significant increase in the size or complexity of the business. Non-Executive Directors do not participate in any variable remuneration or benefits arrangements.</p>	<p>The base fees for Non-Executive Directors are set at a market rate.</p> <p>In general, the level of fee increase for the Non-Executive Directors will be set taking account of any change in responsibility and will take into account the general rise in salaries across the UK workforce.</p> <p>The Company will pay reasonable expenses incurred by the Chairman and Non-Executive Directors.</p>	None

#### Discretion

The Committee has discretion in several areas of policy as set out in this report. This discretion includes, but is not limited to:

- Timing of awards and payments.
- Size of awards, within the overall limits disclosed in the policy table.
- Determination of vesting.
- Ability to override formulaic outcomes.
- Treatment of awards in the case of change of control or restructuring.
- Treatment of leavers within the rules of the plan and the policy on 'Payments for loss of office' as set out in this policy.
- Adjustments needed in certain circumstances, for example a rights issue or corporate restructuring.

While performance conditions will generally remain unchanged once set, the Committee has the usual discretions to amend the measures, weightings and targets where the original conditions would cease to operate as intended. This includes an assessment of the ongoing relevance of the performance conditions in the event of any material M&A activity. In relation to the Growth Plan, the adjusted basic EPS target will be assessed to ensure it remains consistently stretching.

Any such changes would be explained in the subsequent annual remuneration report and, if appropriate, be the subject of consultation with the Company's major shareholders. Consistent with best practice, all of the incentive plan rules also provide that any such amendment must not make, in the view of the Committee, the amended condition materially more or less difficult to satisfy than the original condition was intended to be before such event occurred.

The Committee may also exercise operational and administrative discretions under relevant plan rules approved by shareholders as set out in those rules. In addition, the Committee has the discretion to amend the Policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

## APPENDIX 1 (CONTINUED)

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

#### Differences in policy from the wider employee population

The Group aims to provide a remuneration package for all employees that is market competitive and operates the same reward and performance philosophy throughout the business. As with many companies, the Group operates variable pay plans primarily focused on mid to senior management level.

#### Recruitment policy

The Recruitment policy is unchanged from the previous Policy, with the exception of the inclusion of the Growth Plan. The Company's approach when setting the remuneration of any newly recruited Executive Director will be assessed in line with the same principles for the Executive Directors, as set out in the Policy table. The Committee's approach to recruitment remuneration is to pay no more than is necessary to attract candidates of the appropriate calibre and experience needed for the role from the market in which the Company competes. The Committee will have regard to guidelines and shareholder sentiment regarding one-off or enhanced short or long-term incentive payments made on recruitment and the appropriateness of any performance measures associated with an award.

The remuneration package for a new Executive Director would be set in accordance with the terms of the Company's approved Policy. In the year of recruitment, the maximum variable pay under the annual bonus and LTIP would normally be 200% of salary (other than in exceptional circumstances where up to 300% of salary may be made if sign-on compensation is provided). This maximum excludes any participation in the Growth Plan. A new Executive Director may be invited to join the Growth Plan at the discretion of the Committee, provided that they join within the first two years of the normal vesting period for other participants.

The Committee's policy is not to provide sign on compensation. However, in exceptional circumstances, where the Committee decides to provide this type of compensation, it will endeavour to provide the compensation in equity, subject to a holding period during which cessation of employment will generally result in forfeiture and subject to the satisfaction of performance targets. The maximum value of this one-off compensation will be proportionate to the overall remuneration offered by the Company and in all circumstances is limited to 100% of salary.

The Committee will carefully consider this matter to ensure consistency with the principles outlined earlier, particularly in relation to shareholder alignment, and will take appropriate external advice before finalising a decision in this regard and where practical will consult with the Company's key shareholders.

The Committee's policy is not to provide buy outs as a matter of course. However, should the Committee determine that the individual circumstances of recruitment justified the provision of a buyout, the equivalent value of any incentives that will be forfeited on cessation of a director's previous employment will be calculated taking into account the following:

- the proportion of the performance period completed on the date of the director's cessation of employment;
- the performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied; and
- any other terms and conditions having a material effect on their value ('lapsed value').

The Committee may then grant up to the same value as the lapsed value, where possible, under the Company's incentive plans. To the extent that it was not possible or practical to provide the buyout within the terms of the Company's existing incentive plans, a bespoke arrangement would be used.

Where an existing employee is promoted to the Board, the Policy would apply from the date of promotion but there would be no retrospective application of the Policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing employee would be honoured and form part of the ongoing remuneration of the person concerned. These would be disclosed to shareholders in the Remuneration report for the relevant financial year.

The Company's policy when setting fees for the appointment of new Non-Executive Directors is to apply the Policy which applies to current Non-Executive Directors.

#### Service agreements and letters of appointment

Each of the Executive Directors' service agreements is for a rolling term and may be terminated by the Company or the Executive Director by giving six months' notice. The Committee's policy for setting notice periods is that a six-month period will apply for Executive Directors. The Committee may in exceptional circumstances arising on recruitment, allow a longer period of up to 12 months, which would in any event reduce to six months following the first year of employment.

The Non-Executive Directors of the Company (including the Chairman) do not have service agreements. The Non-Executive Directors are appointed by letters of appointment, which set out the terms and conditions of their appointment.

## APPENDIX 1 (CONTINUED)

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

The dates of appointment of the Non-Executive Directors and their notice periods are as stated in the table below.

Non-Executive Director	Date of appointment	Notice period
Elaine O'Donnell	3 July 2018	3 months
Richard Pennycook	1 April 2019	3 months
Justine Greening	4 March 2021	3 months
Simon Cooper	30 June 2023	3 months
Veronica Sharma	1 September 2023	3 months
Victoria Self	3 February 2025	3 months

The terms of the Non-Executive Directors' positions are subject to their re-election by the Company's shareholders at the 2026 AGM and to re-election at any subsequent AGM at which the Non-Executive Directors stand for re-election.

#### Payment for loss of office

The Committee will honour Executive Directors' contractual entitlements. Service agreements do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There are no contractual arrangements that would guarantee a pension with limited or no abatement on severance or early retirement. There is no agreement between the Company and its Executive Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

When determining any loss of office payment for a departing individual, the Committee will always seek to minimise cost to the Company, whilst seeking to address the circumstances at the time.

Remuneration element	Treatment on exit
<b>Salary, benefits and pension</b>	Salary, benefits and pension will normally be paid over the notice period. The Company has discretion to make a lump sum payment on termination equal to the salary, value of benefits and value of Company pension contributions payable during the notice period. In all cases, the Company will seek to mitigate any payments due.
<b>Annual bonus</b>	If the Executive Director is a good leaver, the bonus will be pro-rated to time and performance for year of cessation. Otherwise, no bonus is payable for the year of cessation.
<b>LTIP</b>	<p>If an Executive Director is a good leaver, unless the Committee determines otherwise, unvested LTIP awards will be pro-rated to time and performance and vest on the normal vesting date. In exceptional circumstances, as determined by the Committee, for example, in the case of the participant's death, awards may vest immediately. For bad leavers, all unvested LTIP awards will lapse.</p> <p>The post-vesting holding period will continue to apply irrespective of employment status unless the Committee, in exceptional circumstances, determines otherwise.</p>
<b>The Growth Plan</b>	<p>If the Executive Director is a good leaver, unless the Committee determines otherwise, awards under the Growth Plan will be pro-rated for time and vest on the normal vesting date. For the Growth Plan, good leavers are participants who cease to be in employment by reason of injury, ill-health, disability, death and any other reason which the Committee decides, and participants will normally only be eligible to be treated as a good leaver if they have served as an active employee of the Company for at least 3 years out of the 5 year plan vesting period.</p> <p>For bad leavers, Growth Plan awards will lapse.</p>
<b>Post cessation shareholding requirement</b>	Upon departure, Executive Directors will be required to retain 100% of their shareholding requirement (or full actual holding if lower) for a period of two years post-cessation.



## APPENDIX 1 (CONTINUED)

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

#### Change of control

The Committee's policy on the vesting of incentives on a change of control is summarised below:

Name of incentive plan	Change of control	Discretion
<b>Annual bonus plan</b>	Pro-rated to time and performance to the date of the change of control.	The Committee has discretion to continue the operation of the Plan to the end of the bonus year.
<b>LTIP</b>	The number of shares subject to subsisting LTIP awards vesting on a change of control will be pro-rated to time and performance to the date of the change of control.	<p>The Committee retains absolute discretion regarding the proportion vesting taking into account time and performance.</p> <p>There is a presumption that the Committee will pro-rate to time. The Committee will only waive pro-rating in exceptional circumstances where it views the change of control as an event that has provided a material enhanced value to shareholders, which will be fully explained to shareholders. In all cases any applicable performance conditions must be satisfied.</p>
<b>The Growth Plan</b>	<p>The number of shares subject to unvested Growth Plan awards vesting on a change of control will be subject to a pro-rata assessment of performance against the performance target as at the date of change of control.</p> <p>The exercise price will still apply in all circumstances.</p>	<p>In the event of a change of control, the award vests on the date of change of control and performance will be assessed on a pro-rata basis.</p> <p>The Committee has discretion to override the default position (i.e. time and performance pro-rata) and be more generous.</p> <p>For Growth Plan awards, the exercise price will still apply in all circumstances.</p>

#### Consideration of shareholder views

The Committee considers shareholder feedback received in relation to the AGM each year and guidance from shareholder representative bodies more generally.

In formulating the 2025 Policy, the Committee consulted directly with shareholders representing over 59% of the register as well as major proxy agencies, through two rounds of written correspondence, virtual meetings and follow up calls.

The feedback received from both rounds of consultation was instrumental in shaping the final proposals. As a result of the constructive consultation process, amendments were made to the original proposal to reflect shareholder and proxy feedback. The three key amendments were:

- 1) a shift from a PBT target to an EPS target;
- 2) enhanced clarity on the time-based LTIP discretionary underpin and;
- 3) increased shareholding requirements of Executive Directors.

#### Consideration of conditions elsewhere in the company

The Committee considers pay and employment conditions across the Company when reviewing the remuneration of the Executive Directors and other senior employees. In particular, the Committee considers the range of base pay increases across the Group when reviewing base salaries for Executive Directors in addition to a range of applicable pay ratios.

The Committee supports the Board's initiative to ensure employee views and concerns are taken into account in its decision making and has a clear understanding of pay and benefits at all team member levels in the Group. This includes decisions relating to the remuneration arrangements for senior management and the Executive Directors.

Our employees are critical to our success, and we aim to provide market competitive remuneration and benefit packages in order to continue to be seen as an employer of choice. The remuneration structure for our wider workforce is similar to that of our Executive Directors (with the exception of the Growth Plan) and contains both fixed and performance-based elements. Generally, the more senior the individual, the greater the variable pay as a proportion of overall pay due to the ability of senior managers to impact more directly upon Company performance.



## APPENDIX 1 (CONTINUED)

### THE 2025 ON THE BEACH GROUP PLC DIRECTORS' REMUNERATION POLICY

Whilst the Committee does not consult directly with colleagues when determining the policy for Executive Directors, awards under the LTIP scheme are operated for other colleagues to ensure alignment of objectives across the Group and pension entitlement for the current Executive Directors is in line with the rest of the workforce. Whilst the Growth Plan is limited to the Executive team and any other individuals at the discretion of the Remuneration Committee, the continuation of the LTIP provides alignment between the incentives operated for our Executive Directors and the senior management team. We also have an open, collaborative and inclusive management structure and engage regularly with our employees on a range of issues including the Group's approach to remuneration.

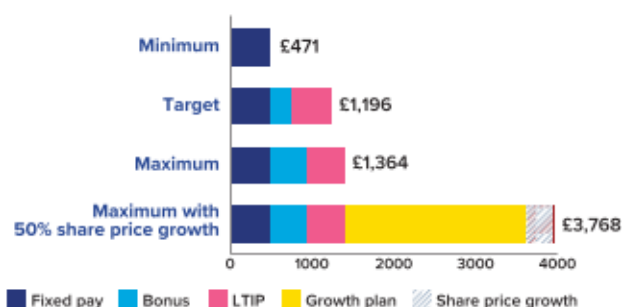
#### Illustrations of application of remuneration policy

The following charts illustrate how the potential future remuneration of the Executive Directors may vary at different levels of performance and the percentage each element may form together with the possible total value. For the purpose of these charts, the following assumptions have been made:

- The base salary levels are those in effect as at the date of the Meeting.
- Fixed elements comprise base salary, pension and other benefits.
- Benefits levels are assumed to be the same as in the 2024 financial year for each Executive Director.
- Bonus opportunity and LTIP award levels are the maximum levels set out in the Policy table, while Growth Plan awards are as set out in the Policy table for each Executive Director.
- The LTIP vesting is assumed to be 100% of the maximum under each performance scenario due to the lack of any performance conditions.
- The Growth Plan is assumed to give a nil payout for the on-target and maximum scenarios (excluding the share price growth scenario) due to the exercise price of the awards.
- The market capitalisation used to illustrate the Growth Plan is as at 28 July 2025.
- No share price increase has been assumed, save for in the scenario which illustrates the impact of 50% share price appreciation on the potential value of future remuneration.
- Dividend equivalents have not been added to LTIP or Growth Plan share awards.

#### Scenario charts

##### CEO Shaun Morton £k



##### CFO Jon Wormald £k



##### CMO Zoe Harris £k



## APPENDIX 2

### SUMMARY OF THE KEY TERMS OF THE ON THE BEACH GROUP PLC GROWTH PLAN

This Appendix summarises the principal terms of the On the Beach Group plc Growth Plan ('**Growth Plan**'). Notwithstanding the plan rules summarised below, the intention is to implement the Growth Plan in line with the proposed Directors' Remuneration Policy as set out in Appendix 1.

#### 1. Operation

The Company's Remuneration Committee (the '**Committee**') will supervise the operation of the Growth Plan under which awards may be made over ordinary shares of the Company ('**Shares**'). Awards will be granted in the form of a market value option, with an exercise price set with reference to the share price over a 30 day averaging period prior to the date of the award.

#### 2. Eligibility

All employees (including Executive Directors) of the Group are eligible for selection to participate in the Growth Plan at the discretion of the Committee provided that they have not given or received notice of termination. The intention is that participation in the Growth Plan will be limited to the Executive Team including the Executive Directors and may also include other individuals at the discretion of the Remuneration Committee.

#### 3. Grant of awards

The Committee shall determine which employees will be granted awards under the Growth Plan ('**Awards**'). In line with the UK Corporate Governance Code, no Awards may be granted under the Growth Plan more than 10 years after the date the Growth Plan is approved by shareholders of the Company. It is intended that awards will be granted as soon as practicable following the 2025 General Meeting, conditional on approval by shareholders of the Company.

#### 4. Vesting of awards

Awards under the Growth Plan will be subject to the achievement of a pre-determined performance target and other conditions set by the Committee at the date of grant. Awards will normally vest, subject to the achievement of the pre-determined performance target and these conditions, during one of the financial years between FY25 to FY29.

Awards granted as options will normally remain exercisable for a period determined by the Committee at grant which shall not exceed 10 years from grant.

Any performance conditions applying to Awards may be varied, substituted or waived if the Committee considers it appropriate, provided that the Committee considers that (except in the case of a waiver) the new performance conditions are not materially less or more difficult to satisfy than the original conditions. This includes an assessment of the ongoing relevance of the performance conditions in the event of any material M&A activity.

In line with the UK Corporate Governance Code, the Committee will have overriding discretion to adjust the level of vesting upwards or downwards if in its opinion the level of vesting resulting from the application of applicable performance conditions is not a fair and accurate reflection of business performance, the participant's personal performance and such other factors as the Committee may consider appropriate.

At its discretion, the Committee may decide to satisfy Awards with a payment in cash or Shares equal to any gain that a participant would have made over the option price had the relevant award been satisfied with Shares.

Awards will include the right to a payment in cash or Shares on vesting, equivalent to dividends that would have been paid on the Shares subject to the relevant Award between grant and vesting.

#### 5. Holding period

Following the vesting of an Award (except for cessation of a participant's employment with the Group by reason of death), the Shares subject to the relevant Award may be subject to a holding period, determined by the Committee at the time of grant, during which any vested and exercised Awards cannot normally be sold or otherwise disposed of except for tax arising on vesting or exercise.

#### 6. Malus and clawback

The Committee may decide, at the vesting of an Award under the Growth Plan or at any time before, that the number of Shares subject to the Award shall be reduced (including to nil) on such basis that the Committee in its discretion considers to be fair and reasonable in the following circumstances:

- discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any member of the Group;
- the assessment of any performance target or condition in respect of an Award was based on error, or inaccurate or misleading information; and/or
- the discovery that any information used to determine the number of Shares subject to an Award was based on error, or inaccurate or misleading information; and/or

## APPENDIX 2 (CONTINUED)

### SUMMARY OF THE KEY TERMS OF THE ON THE BEACH GROUP PLC GROWTH PLAN

- action or conduct of a participant which, in the reasonable opinion of the Committee, amounts to fraud or gross misconduct; and/or
- events or behaviour of a participant have led to the censure of a member of the Group by a regulatory authority or have had a significant detrimental impact on the reputation of any member of the Group provided that the Committee is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to them; and/or
- a material failure of risk management of the Company, a member of the Group or a business unit of the Group; and/or
- the Company or any member of the Group or business of the Group becomes insolvent or otherwise suffers a corporate failure so that the value of Shares is materially reduced provided that the Committee determines following an appropriate review of accountability that the participant should be held responsible (in whole or in part) for that insolvency or corporate failure.

The malus period will be up to the date of vesting and the clawback period will be period following vesting until the seventh anniversary of grant. Clawback may be effected, among other means, by requiring the transfer of shares, payment of cash or reduction of Awards (including the reduction of awards under any other employee share scheme operated by the Company).

#### 7. Leaving employment

An Award will lapse immediately upon a participant ceasing to be employed by or holding office with the Group, unless the cessation is by reason of death, disability, ill-health, injury or any other reason at the Committee's discretion. In these circumstances and provided the participant has been an employee for at least 3 years of the 5-year performance period, the participant's Award will vest on the normal vesting date (unless the Committee permits vesting on cessation), to the extent applicable performance conditions are satisfied. Awards will be pro-rated, unless the Committee otherwise decides, to reflect the period between grant and cessation as a proportion of the original vesting period. Awards granted as options may be exercised during a period of six months (12 months in the case of death) commencing on the date of vesting (or such longer period as the Committee determines) and will otherwise lapse at the end of that period (or such longer period as the Committee determines) and will otherwise lapse at the end of that period.

#### 8. Corporate events

Awards will generally vest early on a takeover, scheme or arrangement or winding up (except an internal reorganisation). Alternatively, participants may be allowed to, or required to, exchange their Awards for Awards over shares in the acquiring company. Where an Award vests in these circumstances, any performance condition will be tested to the date of vesting. To the extent the award does not vest, it will lapse.

#### 9. Plan limits

Awards under the Growth Plan will be limited to 5% of the Company's issued share capital at the time of grant.

The Growth Plan may operate over newly issued shares, treasury shares or shares purchased in the market. The total number of shares over which Awards may be granted is limited such that in any period of 10 calendar years, not more than 10% of the Company's issued share capital may be issued under the Growth Plan and under any other employees' share scheme operated by the Company. For the purposes of this limit, any Shares issued in relation to an Award shall be taken into account once only and shares issued out of treasury count towards these limits for so long as this is required by institutional shareholder guidelines. Awards which are renounced or lapse shall be disregarded for the purposes of this limit.

#### 10. General

The number or type of Shares subject to an Award and/or any exercise price may be adjusted to reflect a rights issue, demerger or any variation in the share capital of the Company. Awards are not generally transferable (except to personal representatives on death) and are not pensionable. Participants do not pay for the grant of an Award.

Any Shares issued following the vesting of Awards will rank equally with Shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

#### 11. Amendments

In line with typical market practice, amendments to the Growth Plan rules may be made at the discretion of the Committee. However, the basis for determining a participant's entitlement to be granted an Award and/or acquire Shares, the persons to whom an Award may be granted, the limitations on the total number of shares over which an award can be granted and the adjustments that may be made following a variation of capital cannot be altered to the advantage of participants without prior shareholder approval, except for minor amendments to benefit the administration of the Growth Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the Group. Amendments may not normally adversely affect the rights of participants except where participants are notified of such amendment and the majority of participants approve such amendment.



