



(Incorporated and registered in England and Wales with registered number 03853545)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about its contents or as to the action which you should take, you are recommended to seek your own independent financial advice from your stockbroker, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your shares in Domino's Pizza Group plc (the 'Company'), please pass this document and the form of proxy ('Proxy Form') as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

NOTICE OF GENERAL MEETING

TO BE HELD AT:

etc.venues St. Paul's
200 Aldersgate
London
EC1A 4HD

DATE AND TIME:

Friday 30 June 2023 at 10:00 am

Shareholders are requested to complete the enclosed Proxy Form in accordance with the instructions printed on it and return it to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by no later than 10:00 am on Wednesday 28 June 2023 or, in the event of any adjournment of the Meeting, the time being 48 hours before the time appointed for holding the Meeting.

LETTER FROM THE CHAIR

DOMINO'S PIZZA GROUP PLC

Incorporated and registered in England and Wales with registered number 03853545

DIRECTORS:

Matt Shattock (Chair)
Ian Bull (Senior Independent Director)
Elias Diaz Sese (Interim Chief Executive Officer)
Edward Jamieson (Chief Financial Officer)
Natalia Barseguyan (Non-executive Director)
Tracy Corrigan (Non-executive Director)
Stella David (Non-executive Director)
Lynn Fordham (Non-executive Director)
Usman Nabi (Non-executive Director)

5 June 2023

To: Shareholders of Domino's Pizza Group plc

Dear shareholder,

General Meeting – Friday 30 June 2023

This document includes the Notice of a General Meeting (the 'GM' or the 'Meeting') of the Company that sets out the resolutions that shareholders are being asked to consider and vote on. The GM is to be held at etc.venues St. Paul's 200 Aldersgate, London, EC1A 4HD, at 10:00 am on Friday 30 June 2023 to consider two matters relating to the Company's remuneration arrangements:

- (a) approval of a revised Directors' Remuneration Policy (the 'Policy'); and
- (b) amendments to the rules of the Company's 2022 Long Term Incentive Plan (the 'Plan') to permit the grant of Share Appreciation Rights (SARs) to facilitate the provision of Premium Priced Options.

These resolutions are a very important part of the governance of the Company and all shareholders are urged to vote, whether they are able to attend the Meeting or not.

As is the Company's normal practice, voting at the GM will be conducted by poll. This reflects the Company's established practice, and the Board considers that a poll is the best way of representing the views of as many shareholders as possible in the voting process. The results of the GM voting on the resolutions will be published after the GM and will be available on the Company's website.

We invite shareholders to raise any questions in connection with the business of the meeting by submitting any questions by email to company.secretary@dominos.co.uk by 10:00 am on Wednesday 21 June 2023. We will endeavour to answer any questions by 10.00 am on Friday 23 June 2023, and publish the answers on our website. This will allow all shareholders, and especially those voting by proxy, to reflect on those answers before voting on the resolutions.

The Notice of Meeting contains items of business which are of a technical nature. I encourage you to read the enclosed Notice of the GM which explains the particulars of the business to be considered at the meeting. There are ordinary resolutions numbered 1 and 2 to be transacted. Both these items of business are summarised and explained in detail below.

Background

At the time of the Company's Annual General Meeting on 4 May 2023, the Company's remuneration committee (the 'Remuneration Committee') remained in consultation with our major shareholders on proposals to amend the Policy and amend the rules of the Plan (the 'Proposals'). The Board is pleased to confirm that the Remuneration Committee has now concluded its consultation and is now seeking approval for the Proposals at the GM. The Proposals reflect the feedback received and we are grateful for shareholders' constructive comments and engagement on these matters.

Revised Directors' Remuneration Policy

Resolution 1 covers the proposed new Policy.

In accordance with the UK legislation applicable to a company admitted to the Official List of the London Stock Exchange, shareholders approved a new Policy at the 2022 Annual General Meeting (the '2022 AGM'). Since then, the Company's Board has determined that changes to that Policy and the Plan are required to allow appropriate incentives to support an acceleration in the Company's growth strategy.

Whilst the Company continues to execute its strategy at pace, the Board believes a change in its approach to executive remuneration is required to attract and retain a proven world-class talent as permanent Chief Executive Officer ('CEO') who the Board believes can, together with the senior management team, drive a significant increase in shareholder value.

In a globally competitive market for executive talent, the Company is not alone among UK companies in finding the ability to recruit world-class senior talent challenging, owing to historic differences in the remuneration environment between the UK and other major international markets, especially the US. The Board further considers that the historically low retention rate for the executive team hampers the delivery of the Company's growth strategy. In this context, the Board believes that the proposed changes to the Policy will be a key factor in securing the right talent, whilst ensuring that a large part of the remuneration package for a permanent CEO is not materially different to that of previous permanent CEOs.

Having assessed the current Policy with its independent remuneration advisers, the Board believes that it is appropriate to amend the current Policy to allow for the ability to make one-off awards of Premium Priced Options in addition to the current normal remuneration arrangements for the senior team in order to be able to:

- Recruit, and then retain, a permanent world-class CEO to lead the business
- Incentivise and retain the current senior management team
- Further align incentives through increased sharing of any material increase in the Company's market value with Premium Priced Options participants

The proposed Premium Priced Options will allow participants to share in the increase in value of the Company's shares in excess of a 'premium' strike price (which would be set at the higher of £4 and a 33% premium to the share price at the date of grant). Vesting of any awards will be subject to both continued employment and the meeting of an earnings per share ('EPS') underpin which will require the Company's fully diluted EPS to achieve a compound annual growth rate of at least 3% per annum before they can vest. The underpin has been included to reduce the risk of participants benefiting in circumstances when financial performance has been poor, but the share price has still increased by more than 33%.

The delivery mechanism will be structured as SARs to minimise the number of shares required to satisfy the awards. On exercise, instead of the participant paying the exercise price and acquiring the number of shares under option, the Company will transfer the number of shares equal to the value of the option 'gain'. The awards will be granted under the Plan provided that the amendments to the Plan are approved by shareholders in accordance with Resolution 2.

The proposed new Policy is set out in Appendix 1 on pages 9 to 19. Beyond the introduction of SARs to facilitate the provision of Premium Priced Options, the remainder of the current Policy remains the same as the one approved at the 2022 AGM. The Policy needs to be amended to allow for the operation of the amended Plan.

Shareholders will be asked to approve the content of the new Policy which, if approved, will take effect immediately after the end of the GM. The vote on the Policy is binding in accordance with the legislation.

Amendments to the rules of the Company's 2022 Long Term Incentive Plan

Resolution 2 covers the amendments to the Plan to enable SARs to be granted in accordance with the new Policy.

Shareholders approved the Plan at the 2022 AGM. The Plan provided for the grant of a number of different types of award. It is now proposed to add a further award type, namely SARs which provide essentially the same benefits as a Premium Priced Option.

SARs will:

- (a) provide no benefit unless the Company's share price reaches the higher of £4 or at least a 33% premium to the share price at the time of grant;
- (b) have terms that, in various respects, are more stringent than those applicable to other incentive awards granted under the Plan; and
- (c) have both a 'soft cap' (that caps the number of shares that can be acquired) and a 'hard cap' (that caps the monetary value of the ultimate benefit receivable by a participant, whatever the Company's share price growth).

Further details of the proposed alterations to the Plan to provide for the grant of SARs are set out in Appendix 2 on pages 20 and 21.

A copy of the draft rules of the amended Plan will be available for inspection on the Financial Conduct Authority's National Storage Mechanism and at the place of the Meeting for at least 15 minutes prior to and during the Meeting.

Action to be taken by shareholders

Proxy Forms should be completed and returned in accordance with the instructions printed thereon so that they arrive at the Company's registrars, Equiniti Limited, as soon as possible and, in any event, not later than 10:00 am on Wednesday 28 June 2023 or, in the event of any adjournment of the Meeting, the time being 48 hours before the time appointed for holding the Meeting. If you are unable to attend in person, you are strongly encouraged to appoint a proxy and return the completed Proxy Form by the specified deadline.

Recommendations

Your Directors consider that the resolutions to be put to the Meeting are in the best interests of the Company and are most likely to promote the success of the Company, for the benefit of members, as a whole.

Accordingly, the Directors unanimously recommend that you vote in favour of the resolutions to be proposed at the GM, as they intend to do in respect of their own interests, amounting in aggregate to 1,415,417 shares in the Company.

Yours faithfully,

Matt Shattock
Chair

NOTICE IS HEREBY GIVEN that a General Meeting (the 'Meeting', 'GM' or 'General Meeting') of Domino's Pizza Group plc (the 'Company') will be held at etc.venues St. Paul's, 200 Aldersgate, London, EC1A 4HD, at 10:00 am on Friday 30 June 2023, or at any adjournment thereof, for the following purposes:

RESOLUTIONS

To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions of the Company.

Resolution 1 – Directors' Remuneration Policy

To approve the Directors' remuneration policy contained in Appendix 1 on pages 9 to 19 of the document containing the notice of the General Meeting of the Company to be held on 30 June 2023.

Resolution 2 – Amendment to the rules of the Company's 2022 Long Term Incentive Plan

To authorise the Directors to: (a) amend the rules of the Company's 2022 Long Term Incentive Plan in accordance with the amended draft rules of the Plan produced to the GM and that is, for the purposes of identification, initialled by the Chairman: and (b) to do all such other acts and things as they may consider appropriate to carry the amendments into effect (including, but not limited to, making minor alterations to the proposed amendments).

Adrian Bushnell
Company Secretary

5 June 2023

Registered office:
1 Thornbury,
West Ashland,
Milton Keynes
MK6 4BB

EXPLANATORY NOTES

The following notes explain your general rights as a shareholder and your rights to attend and vote at the GM or to appoint a proxy or proxies to attend and vote on your behalf.

1. As permitted by regulation 41 of the Uncertificated Securities Regulations 2001, and section 311 of the 2006 Act, shareholders who hold shares in certificated or uncertificated form must be entered on the Company's relevant share register (the 'Register') by 6:30 pm on Wednesday 28 June 2023 (the 'Specified Time') in order to be entitled to attend and vote at the GM. Such shareholders may only cast votes in respect of Ordinary shares held at such time. Changes to entries on the relevant Register after that time shall be disregarded in determining the rights of any person to attend or vote at the Meeting. Should the GM be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned GM. Should the GM be adjourned for a longer period, then, to be so entitled, members must be entered on the Register at 6.30 pm on the date two working days before the time fixed for the adjourned GM or, if the Company gives notice of the adjourned GM, at the time specified in the Notice.
2. The right to appoint a proxy does not apply to persons whose Ordinary shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the 2006 Act ('Nominated Persons'). Nominated Persons may have a right under an agreement with the registered shareholder who holds the Ordinary shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the Ordinary shares as to the exercise of voting rights.

3. Any member entitled to attend and vote at the GM is entitled to appoint a proxy to attend, speak and vote instead of the member. A member may appoint more than one proxy in relation to the GM provided that each proxy is appointed to exercise the rights attached to a different Ordinary share or Ordinary shares of the member. A proxy need not be a member of the Company. Completion and return of a Proxy Form will not preclude a member from attending, speaking and voting at the Meeting in person, should he/she subsequently decide to do so.
4. In order to be valid, any Proxy Form and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must reach the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or in accordance with the reply paid details, not less than 48 hours (excluding non-working days) before the time of the GM (i.e. by 10:00 am on Wednesday 28 June 2023) or of any adjournment of the GM. If you do not have a Proxy Form and believe that you should have been sent one, please contact Equiniti on one of the numbers given in note 14.
5. A Proxy Form accompanies this Notice. Details of how to appoint a proxy are set out in the notes to the Proxy Form. If a member wishes to appoint more than one proxy and requires additional Proxy Forms, the member can photocopy the Proxy Form.
6. As an alternative to completing the hard-copy Proxy Form, you can appoint a proxy electronically by visiting www.sharevote.co.uk. You will need your voting ID, task ID and shareholder reference number (this is the series of numbers printed under your name on this Proxy Form). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Proxy Form at www.shareview.co.uk. Full instructions are given on both websites. To be valid, your proxy appointment(s) and instructions should reach Equiniti Limited no later than 10:00 am on Wednesday 28 June 2023.
7. The total number of Ordinary shares of 0.520833p each in issue as at 31 May 2023, the last practicable day before printing this document, was 418,384,736 Ordinary shares carrying one vote each. There were no shares held in treasury. The total level of voting rights in the Company as at this date was therefore 418,384,736.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the GM and any adjournments of it by using the procedures described in the CREST Manual. CREST Personal Members (as defined in the CREST Manual) or other CREST sponsored members, and those CREST members who have appointed voting service providers, should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf.
9. For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for those instructions as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to the previously appointed proxy must, to be valid, be transmitted so as to be received by the Company's agent (RA19) by the latest time for receipt of proxy appointments specified in this Notice of GM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or sponsored member or has appointed voting service providers, to procure that their CREST sponsors or voting service providers take) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this

connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Any corporation that is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.
13. Any member attending the GM has the right to ask questions. It would be helpful if members could state their name before asking a question. The Company must cause to be answered any question relating to the business to be dealt with at the Meeting put by a member attending the Meeting. However, members should note that no answer need be given in the following circumstances: a) if to do so would interfere unduly with the preparation of the Meeting or would involve a disclosure of confidential information; and/or b) if the answer has already been given on a website in the form of an answer to a question; and/or c) if it is undesirable, in the interests of the Company or the good order of the Meeting that the question be answered.
14. To change a proxy instruction, a member needs to submit a new proxy appointment using the methods set out above. Note that the deadlines for receipt of proxy appointments (10:00 am on Wednesday 28 June 2023) also apply in relation to amended instructions and any amended proxy appointment received after the relevant deadline will be disregarded. Where a member has appointed a proxy using the paper Proxy Form and would like to change the instructions using another such form, that member should contact the Company's registrars, Equiniti Limited, on +44 (0)371 384 2895 (lines are open 8:30 am to 5:30 pm Monday to Friday). If more than one valid proxy appointment is submitted, the appointment received last before the deadline for the receipt of proxies will take precedence.
15. In order to revoke a proxy instruction, a signed letter clearly stating a member's intention to revoke a proxy appointment must be sent by post or by hand to the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or in accordance with the reply paid details. Note that the deadline for receipt of proxy appointments is not less than 48 hours (excluding non-working days) before the time of the GM (i.e. by 10:00 am on Wednesday 28 June 2023) or not less than 48 hours before the date of any adjournment of the GM. This deadline also applies in relation to revocations and any revocation received after the deadline will be disregarded.
16. In the event that a member is a joint holder and the joint holder purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
17. Any electronic address provided either in this Notice or in any related documents (including the Proxy Form) may not be used to communicate with the Company for any purposes other than those expressly stated.
18. This Notice, together with information about the total number of Ordinary shares and voting rights in the Company in respect of which members are entitled to exercise voting rights at the Meeting as at 31 May 2023, being the last practicable day prior to the printing of this Notice, and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice, will be available on the Company's website: <https://investors.dominos.co.uk>.
19. Information regarding the GM, including the information required by section 311A of the 2006 Act, is available from: <https://investors.dominos.co.uk>.
20. Personal data provided by you, or on your behalf, which relates to you as a shareholder (including your name, contact details, votes and shareholder reference number) will be processed in line with the Company's privacy policy which is available at <https://www.dominos.co.uk/legal/content/privacy-policy>.

21. Shareholders who require further information about their shareholding may contact our Registrar, Equiniti on +44 (0) 371 384 2895, lines are open 8:30am to 5:30 pm, Monday to Friday excluding any non-working days. If you wish to receive electronic communications and manage your shareholding online please visit the website of our Registrar, Equiniti at www.shareview.co.uk and click to register.
22. Shareholders may follow-up on answers provided at the Meeting by email to Company.Secretary@dominos.co.uk.
23. The safety of our shareholders is our main priority. We will not permit behaviour that may interfere with anyone's security or safety or the good order of the meeting. Anyone who does not comply may be removed from the Meeting.
24. To be admitted to the GM, shareholders are asked to present their attendance card (which is attached to the Proxy Form) or present proof of identity.
25. The GM will be held at etc.venues St. Paul's, 200 Aldersgate, London , EC1A 4HD, on 30 June 2023 at 10:00 am.

Appendix 1

Proposed new Directors' Remuneration Policy

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

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

OBJECTIVES OF THE POLICY

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

- Clarity: maintain transparency, clear alignment with shareholder value and promotion of long-term, sustained performance;
- Predictability: ensure that performance targets for variable pay are stretching but achievable, specific and measurable, the quantum of reward reflects both Company and individual performance, and there are appropriate award caps and Committee discretions in place;
- Support for the Company's business strategy by aligning the Executive Directors' incentives with the Company's growth objectives;
- Simplicity: ensure that the remuneration structures avoid unnecessary complexity and are easy to understand for participants;
- Risk is appropriately managed: variable pay should drive performance within the Company's risk appetite and encourage a prudent and balanced approach to the business;
- Alignment to culture: the remuneration arrangements encourage the behaviour from the Executive Directors that the Committee expects to see throughout the business; and
- Proportionality: the link between individual awards, the delivery of strategy and long-term performance of the Company is clear.

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

- The Committee applies the principles set out in the UK Corporate Governance Code and also takes into account best practice guidance issued by the major UK institutional investor bodies and other relevant organisations;
- When the Committee determines and reviews the Policy for the Executive Directors, it considers and compares it against the pay, policy and employment conditions of our employees to ensure that there is appropriate alignment between the two; and
- The Committee conducts periodic external comparisons to examine current market trends and practices and equivalent roles in similar companies, taking into account their size, business complexity, international scope and relative performance to inform its decisions. However, the Committee recognises that such data and information should be used as a guide only and that there may be a need to phase in changes over a period of time.

EXECUTIVE DIRECTORS' REMUNERATION POLICY TABLE

Purpose and link to strategy	Operation	Maximum	Performance targets
Base salary <ul style="list-style-type: none"> — Reflects the responsibility level and complexity of the role — Reflects skills and experience over time — Provides an appropriate level of basic fixed income to avoid excessive risk arising from over-reliance on variable income 	<ul style="list-style-type: none"> — Salaries will typically be reviewed annually — Set in the context of pay and employment conditions in the Group and internal relativities — Salary levels take periodic account of pay levels in companies with similar characteristics and sector comparators 	<ul style="list-style-type: none"> — Salaries will typically be eligible for increases on an annual basis with the rate of increase (in percentage terms) typically linked to those of the wider workforce — If there are significant changes in responsibility, a change of scope in a role, a material sustained change in the size and/or complexity of the Company or very strong performance, these may merit base salary increases beyond those of the wider workforce — If pay is set at a discount to the Company's normal policy on appointment, it may be appropriate to phase an individual towards an appropriate rate using increases above those of the wider workforce based on performance and experience 	<ul style="list-style-type: none"> — n/a
Pension <ul style="list-style-type: none"> — Provides market-competitive, yet cost-effective retirement benefits — Opportunity for Executives to contribute to their own retirement plan 	<ul style="list-style-type: none"> — Defined contribution or cash supplement — HMRC-approved salary sacrifice arrangement (salary sacrifice for employee contribution) 	<ul style="list-style-type: none"> — Employer contribution to a pension arrangement or payment of a cash allowance in lieu of a pension up to 3% of basic salary 	<ul style="list-style-type: none"> — n/a
Other benefits <ul style="list-style-type: none"> — Provides cost-effective insured benefits to support the individual and their family — Access to company car to facilitate effective travel 	<ul style="list-style-type: none"> — Benefits are provided through third-party providers and include family-level private medical and up to four times salary life insurance cover — Company cars or cash equivalents provided — Participation in an HMRC-registered savings-related share option scheme on the same terms as other UK-based employees — The Committee may offer Executive Directors other benefits from time to time on broadly the same terms as provided to the wider workforce or, as appropriate, to enable them to effectively fulfil their duties. Relocation benefits may be offered if considered appropriate and reasonable — Any business-related expenses (including tax thereon) may be reimbursed 	<ul style="list-style-type: none"> — There is no maximum limit specified but the Committee reviews the overall cost of the benefits on a periodic basis. The value of insured benefits will vary from year to year, based on the cost from third-party providers 	<ul style="list-style-type: none"> — n/a
Annual performance bonus <ul style="list-style-type: none"> — Incentivise annual delivery of financial and operational goals linked to the Company's strategy 	<ul style="list-style-type: none"> — Up to two-thirds of the annual bonus is paid in cash and one-third is deferred into shares that will vest after three years and are subject to risk of forfeiture — Dividend equivalents which accrue on vested shares may be payable — Clawback and malus provisions apply — Stretching targets drive operational efficiency and influence the level of returns that should ultimately be delivered to shareholders through share price and dividends 	<ul style="list-style-type: none"> — The maximum bonus opportunity is 150% of salary for the CEO and 125% of salary for the CFO and other Executive Directors 	<ul style="list-style-type: none"> — Bonuses will be subject to a combination of financial and non-financial targets that are set by the Committee on an annual basis — The majority of the bonus will be measured against financial metrics (e.g. underlying PBT) with a graduated scale set around the target — A minority of the bonus may be set based on non-financial targets which are aligned to the key business objectives from year to year (which can include targets relating to ESG/ Sustainability) — A minority of each element will be payable for achieving the threshold performance level. In

Purpose and link to strategy	Operation	Maximum	Performance targets	
			<p>relation to financial targets, 20% of this part of the bonus becomes payable for achieving the threshold performance target. In relation to any non-financial measures used, it is not always practicable to set a sliding scale for each objective. Where it is, a similar proportion of the bonus becomes payable for achieving the threshold performance level as for financial targets</p> <p>— Details of the bonus measures and targets operated each year will be included in the relevant Directors' remuneration report</p>	
<p>2022 Long Term Incentive Plan ('2022 LTIP')</p>	<ul style="list-style-type: none"> — Aligned to main strategic objectives of delivering sustained profitable growth — Aids retention of senior management — Creates alignment with shareholders and provides focus on increasing the Company's share price over the medium term 	<ul style="list-style-type: none"> — Annual grant of performance shares which may be structured as conditional awards or nil cost options — Subject to performance conditions measured over three years. An additional two-year post-vesting holding period applies to awards granted to the Executive Directors — Clawback and malus provisions apply — Dividend equivalents which accrue during the vesting period and, where applicable, post-vesting holding period may be paid 	<ul style="list-style-type: none"> — Maximum annual opportunity of 200% of salary for the CEO and 175% for the CFO and other Executive Directors <p>— Long-term incentive awards vest based on three-year performance against one or more challenging financial targets and relative TSR performance set and assessed by the Committee at its discretion</p> <p>— Different measures may be set for future awards but financial targets will determine vesting in relation to at least 50% of an award</p> <p>— A maximum of 15% of any award vests for achieving the threshold performance level, with 100% of the awards being earned for maximum performance</p>	
<p>Premium priced options under the 2022 LTIP</p>	<ul style="list-style-type: none"> — To attract and retain Executive Directors of the right quality to drive share price growth / shareholder value generation 	<ul style="list-style-type: none"> — Awards can be granted on a one-off basis to Executive Directors in permanent roles — Awards of premium priced options at a strike price of the greater of £4 and a 33% premium to the market value of a share, normally averaged over five Stock Exchange dealing days before the grant date — Awards vest in three equal tranches after three, four and five years from date of grant; the first two tranches are subject to a post-vesting holding period until the fifth anniversary of grant — At exercise, the number of shares equal to the value of the option gain (i.e., value growth in excess of the strike price) will be transferred to the Executive Directors — The exercise period for all tranches expires six months after the fifth anniversary of the grant date — Malus and clawback provisions apply — No dividend equivalent will accrue — The maximum percentage of the issued share capital over which premium priced options may be granted is limited to 1.5% of the issued share capital at date of grant 	<p>At grant</p> <ul style="list-style-type: none"> — The CEO will receive options with fair value of no more than 300% of salary — Other Executive Directors will receive options with fair value of no more than 150% of salary — The fair value will be calculated in accordance with IFRS 2 — The minimum share price that will be used to determine the size of grant is £2.50 <p>At vesting</p> <ul style="list-style-type: none"> — The maximum share price that can be used to determine the number of shares to be transferred to the Executive Directors is capped at 3 times the share price at grant — If the share price at vesting exceeds 3 times the share price at grant, the maximum monetary value that can be delivered to the Executive Directors will be capped based on a share price of 4.5 times the share price at grant 	<ul style="list-style-type: none"> — An EPS underpin will apply such that the Company's fully diluted EPS must achieve a compound annual growth rate of at least 3% per annum before the Awards can vest — The Committee has discretion to reduce the level of vesting in exceptional circumstances to reflect the underlying business performance
<p>In-employment share ownership requirement</p>	<ul style="list-style-type: none"> — To provide alignment between Executives and shareholders 	<ul style="list-style-type: none"> — Executives are required to retain shares from the vesting of options and awards (on an after-tax basis) to build and 	<ul style="list-style-type: none"> — At least 200% of salary holding for Executive Directors whilst in employment <p>— n/a at cessation</p>	

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

NON-EXECUTIVE DIRECTORS' REMUNERATION POLICY TABLE

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

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

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

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

- who participates in the plans;
- when awards are granted and/or paid;
- the size of an award and/or a payment (subject to the limits stated in the policy table above);
- how to determine the level of vesting;
- how to deal with a change of control or restructuring of the Group;
- how to determine a good/bad leaver for incentive plan purposes;
- how to determine any adjustments required in certain circumstances (e.g. rights issues, corporate restructuring, events and special dividends); and
- reviewing the performance conditions (range of targets, measures and weightings) for the annual bonus plan and LTIP from year to year.

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

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

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

Share-settled incentive awards and any arrangements agreed prior to the effective date of this policy will

remain eligible to vest or pay out based on their original award terms. This includes any awards granted under the DSBP, the 2012 LTIP scheme or the 2016 LTIP scheme.

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

CLAWBACK AND MALUS PROVISIONS

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

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

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

BALANCE BETWEEN FIXED AND VARIABLE PAY

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

CHOICE OF PERFORMANCE METRICS

The Company is a growth business, and our investments in supply chain, digital innovation and the customer experience are all designed to improve the profitability of the overall system, reach new customers and drive repeat business from existing customers. However, neither system sales nor statutory revenue are appropriate performance measures, because the former is significantly influenced by franchisees, and the latter is affected by the volatility of food costs. As a result, underlying

profit before tax is used as the main performance metric in the annual bonus plan, as this captures both the growth and the efficiency of the business. Part of the annual bonus is also subject to strategic objectives.

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

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

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

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

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

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

HOW EMPLOYEES' PAY IS TAKEN INTO ACCOUNT

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

remuneration of the Executive Directors compares with the average total remuneration of employees generally.

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

HOW THE EXECUTIVE DIRECTORS' REMUNERATION POLICY RELATES TO THE GROUP

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

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

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

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

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

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

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

and the relevance of these to the remuneration strategy, most particularly when setting targets for performance-related pay.

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

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

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

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

HOW SHAREHOLDERS' VIEWS ARE TAKEN INTO ACCOUNT

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

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

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

SERVICE CONTRACTS AND POLICY ON EXIT

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

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

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

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

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

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

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

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

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

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

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

NON-EXECUTIVE DIRECTOR REMUNERATION

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

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

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

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

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

RECRUITMENT AND PROMOTION POLICY

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

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

EXTERNAL APPOINTMENTS

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

ILLUSTRATION OF REMUNERATION SCENARIOS

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



Assumptions:

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

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

Maximum – minimum plus max bonus and max LTIP.

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

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

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



Assumptions:

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

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

Maximum – minimum plus max bonus and max LTIP.

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

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

Appendix 2

Summary of proposed alterations to the 2022 Long Term Incentive Plan to provide for the grant of Share Appreciation Rights (“SARs”)

It is proposed to add a new type of award to those that can be granted under the Plan.

Background

The Plan currently provides for the grant of four award types:

- **Performance awards** are intended to encourage enhanced performance; vesting is subject to performance conditions.
- **Restricted share awards** are also intended to encourage enhanced performance and there is an annual grant limit of Y% of salary. Vesting is not normally subject to performance conditions. These would normally be granted as an alternative to performance awards.
- **Deferred bonus awards** provide a mechanism for deferring the receipt of a bonus which would otherwise be paid in cash.
- **Buyout awards** are intended to compensate for the loss of awards granted by a previous employer.

It is proposed to add a facility to grant share settled **Share Appreciation Rights (“SARs”)**.

Further information regarding the proposed SAR arrangements is set out below.

How SARs work

Each SAR is designed to deliver a benefit equal to the growth in value of a stated number of ordinary shares above a “strike price” which will be set at a 33.33% premium to the greater of (a) the market value of a share, normally averaged over five Stock Exchange dealing days before the grant date, and (b) £4.

An EPS underpin will apply such that the Company’s fully diluted EPS must achieve a compound annual growth rate of at least 3% per annum before the Awards can vest.

SARs may be satisfied using new issue or existing shares (including treasury shares).

Limits

SARs may be granted in addition to other awards granted under the Plan.

The ‘fair value’ (determined by the Committee’s independent advisors in accordance with international accounting standards) of SARs granted to an individual in a financial year will be limited to 300% of their basic salary. Currently, the fair value of a SAR is estimated to be approximately 15% of the face value of the shares subject to the SAR. The terms regarding grants to Executive Directors is set out in the proposed Policy.

The number of shares used to satisfy SARs will not exceed 1.5% of the Company’s ordinary share capital irrespective of the source of those shares. New issue or treasury shares used to satisfy SARs will count against the Plan’s 5% and 10% in 10 years limits on new issue and treasury shares that may be utilised respectively for the Company’s LTIP and for share plans generally.

The effect of the premium strike price, together with having ‘soft cap’ and ‘hard cap’ limits, is as follows:

Share price at exercise	Number of shares delivered
Not more than the strike price	Nil
Above the strike price, but not more than the soft cap (300% of the cap value , defined below)	An increasing number, reflecting the gain above the strike price.
Above the soft limit but not more than the hard cap (the number of shares with a value at exercise equal to 150% of what that number would be if the total value equals the cap value).	A constant number equal to that deliverable if the share price at exercise equals the cap value .
Above the hard cap .	A reducing number of shares, maintaining a constant gain equal to the value of shares delivered at the hard cap .

References above to the **cap value** are to the greater of the market value used to set the strike price and £2.50 (e.g. if the market value used is £3, the strike price will be £4 and the cap value will be £9 but if the market value used is £2.50, the strike price will still be £4 but the cap value will be £7.50).

The following table illustrates how the soft limit and hard limit applies for an award over 90,000 shares when the share price at grant was £3:

Share price at exercise	Number of shares delivered	Value of shares delivered	
£3.00	0	£0	
£4.50	10,000	£45,000	
£6.00	30,000	£180,000	
£7.50	42,000	£315,000	
£9.00	50,000	£450,000	Soft cap
£10.50	50,000	£525,000	
£12.00	50,000	£600,000	
£13.50	50,000	£675,000	
£15.00	45,000	£675,000	Hard cap
£16.50	40,909	£675,000	
£18.00	37,500	£675,000	

Other features of SARs that differ from normal Performance Awards

Because SARs provide an incentive beyond those normally granted under the Plan, their terms are more demanding in a number of respects, as indicated in the table below:

Feature	Normal Performance Awards structured as options	Share Appreciation Rights
Normal vesting period	3 years from grant.	1/3 after each of 3, 4 and 5 years after grant.
Normal exercise period	Vesting to 10 years from grant.	Vesting to 5 1/2 years after grant.
Additional shares/cash delivered representing dividends over the vesting period?	If determined at grant.	No.
Treated as "good leavers"?	Automatically treated as good leaver in case of certain prescribed circumstances or at discretion of Committee	No automatic treatment as good leaver – only at discretion of Committee
Holding period (during which shares cannot normally be sold other than to fund tax withholding)	If determined at grant. Awards granted to Executive Directors are subject to a holding period normally expiring five years after grant.	All SARs will be subject to a holding period that will normally expire no earlier than five years after grant.

