

Remuneration Policy Addendum

Long Term Incentive Plan (LTIP) performance measures FY21

The Remuneration Committee has approved the targets for the LTIP performance measures in respect of awards granted in November 2020. The Committee determined to adjust the performance ranges to take account of the current economic uncertainty, and to reflect current external consensus for the financial measures.

As disclosed in the 2020 Directors' Remuneration Report, the FY21 LTIP performance measures are as set out below, with equal weighting. The three-year performance targets (threshold to maximum ranges), based on performance over the three year period to the financial year ending 31 July 2023, are as follows:

| | |
|---|--------------------------|
| <i>Earnings Per Share (EPS) growth (after tax)</i> | <i>5 – 14% pa (CAGR)</i> |
| <i>Organic Revenue growth</i> | <i>2 – 6% pa (CAGR)</i> |
| <i>Average Free Cash Flow (% of operating profit)</i> | <i>40 – 55%</i> |
| <i>Average Return on Capital Employed (ROCE)</i> | <i>13 – 16% pa</i> |

In 2018, the basis for granting LTIP awards was changed to a fixed number of shares, in line with the remuneration policy approved by shareholders at the 2018 AGM. This reinforces the alignment between executive and shareholder interests.

The Committee intends to review the targets and ranges for future grants to ensure they continue to be appropriately stretching taking into account internal and external forecasts and overall market stability.