

# Robust corporate governance is vital for sustainable growth and success

The Board is committed to maintaining high standards of corporate governance, with an increasing focus on sustainability.



**“The Board’s primary focus is leading the XPS Group to deliver sustainable and profitable growth, and long-term value for our shareholders, whilst upholding high standards of corporate governance.”**

**Alan Bannatyne**  
Chairman

Seven consecutive years of revenue growth may steal the headlines at the front end of this Annual Report, but it is not the only track record that we are proud of. We are also building a record of growing sustainably, particularly in terms of shaping and supporting safe pension outcomes as well as being rated highly by our people. Underpinning these is our adherence to high corporate governance standards. Overseeing a culture of strong governance is the Board’s responsibility; leading by example is key.

### Appointments

Leading by example starts with the make-up of the Board itself. In December 2023, we welcomed Imogen Joss and Martin Sutherland as Independent Non-Executive Directors after a comprehensive appointment process. Both have high-level leadership and oversight experience and skill sets that complement those of the existing Directors, thereby ensuring the Board continues to have the resources it needs to discharge its responsibilities effectively.

### Directors’ remuneration

Leading by example also concerns how Directors are remunerated. During the year, we undertook an extensive consultation exercise, which saw myself and Margaret Snowden OBE, Chair of the Remuneration Committee, engage with our 20 largest shareholders accounting for c.85% of the Group’s issued share capital. The resultant new Directors’ Remuneration Policy, which takes on board shareholder views and introduces an element of bonus deferral, was approved by shareholders at the March 2024 General Meeting.

### Continual improvement

As a Board, we recognise high governance standards are there to be continually improved upon. In line with this, we have commenced the process of incorporating the changes included in the new UK Corporate Governance Code, which was published in January 2024, ready for this to apply to XPS in FY 2026. For now, the following report outlines how the Company has applied the main principles of the 2018 Corporate Governance Code (the “Code”), and how it has complied with all relevant provisions of the Code during the reporting period.

A handwritten signature in black ink, appearing to read 'A Bannatyne'.

**Alan Bannatyne**  
Chairman  
19 June 2024

### Statement of compliance with the UK Corporate Governance Code 2018

In FY 2024, the Company has applied the principles and complied with the provisions of the UK Corporate Governance Code 2018 as they applied to it as a “smaller company” (defined in the Code as being a company below the FTSE 350), during the year. The Code is publicly available at [www.frc.org.uk](http://www.frc.org.uk).

Further information on how the Company has applied the five overarching categories of the principles can be found on the following pages:

- (i) Board leadership and Company purpose: pages 56 to 60;
- (ii) division of responsibilities: pages 60 to 61;
- (iii) composition, succession and evaluation: pages 56 to 62;
- (iv) audit, risk and internal control: pages 66 to 69; and
- (v) remuneration: pages 72 to 95.



## Board of Directors

The Board is composed of nine members, consisting of the Chairman, three Executive Directors and five Independent Non-Executive Directors.



### Alan Bannatyne

Independent Non-Executive Chairman

**Appointed:** November 2022

**Appointed to Board:** January 2017

**Committee membership**



**Key strengths**

- Chartered accountant
- Recent and relevant financial experience

**Key experience**

- Qualified with Deloitte & Touche
- Previous Commercial Manager of Primecom and Financial Director of Foresight – both subsidiaries of Primedia

- 20+ years at Robert Walters plc, Group Financial Controller 2002-2007, Chief Financial Officer 2007-2023

**Current external listed company directorships/ key appointments**

- None

**Meetings attended**

12/12



### Paul Cuff

Co-Chief Executive Officer

**Appointed:** October 2016

**Committee membership** n/a

**Key strengths**

- Qualified actuary with 20+ years of experience in the pensions industry

- Responsible for raising the profile of XPS in the market, generating new business and the Group strategy with regard to M&A opportunities and technology investment

**Key experience**

- Partner at KPMG 2008-2016
- Head of KPMG London pensions team prior to joining XPS

**Current external listed company directorships/ key appointments**

- None

**Meetings attended**

14/14



### Ben Bramhall

Co-Chief Executive Officer

**Appointed:** April 2014

**Committee membership** n/a

**Key strengths**

- Qualified actuary with 25 years of experience in the pensions industry and Scheme

Actuary to a number of large pension schemes

- Responsible for the day-to-day operation of the business, including provision of services to existing clients, revenue generation and the Group's people strategy

**Key experience**

- Eight years at KPMG
- 18 months leading pricing and deal team at Lucida, a former bulk annuity provider

**Current external listed company directorships/ key appointments**

- None

**Meetings attended**

13/14



### Snehal Shah

Chief Financial Officer

**Appointed:** July 2019

**Committee membership**



**Key strengths**

- Chartered accountant with 25+ years of experience

**Key experience**

- Ten years with PwC
- Senior finance roles including Group Financial Controller, Head of Investor Relations and Finance Director for Integration at Ladbrokes plc 2009-2017

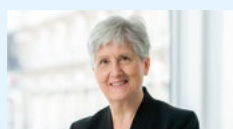
- Interim Director (Finance & Corporate Governance) at Parkdean Resorts Ltd and Interim Director of Finance & Investor Relations at Countrywide plc 2017-2019

**Current external listed company directorships/ key appointments**

- None

**Meetings attended**

14/14



### Margaret Snowdon OBE

Senior Independent Non-Executive Director

**Appointed:** November 2022

**Appointed to Board:** January 2017

**Committee membership**



**Key strengths**

- 40+ years of experience in the pensions industry

**Key experience**

- Partner and director level positions with leading employee benefit consultancies
- Previous Non-Executive Director of The Pensions Regulator
- Appointed an OBE in 2010 and received many awards for her contribution to pensions

**Current external listed company directorships/ key appointments**

- Non-Executive member of Phoenix Group With Profits Committee
- Advisory Board member of Moneyhub Financial Technology Limited
- Chair of Pension Scams Industry Group

- President of the Pensions Administration Standards Association

**Meetings attended**

13/13

## Key to Committee membership

● Chair ● Member ● A Audit & Risk ● R Remuneration ● N Nomination ● S Sustainability



### Sarah Ing

Independent  
Non-Executive  
Director

**Appointed:** May 2019

#### Committee membership

A R N S

#### Key strengths

- Chartered accountant
- 30+ years of experience in financial services including audit, corporate finance, investment banking and asset management

- Previously a top-rated equity research analyst covering the UK general financial services sector and also founded and ran a hedge fund investment management business
- Non-Executive Director of Gresham House plc until December 2023, where she chaired the Audit Committee

#### Current external listed company directorships/ key appointments

- Senior Independent Non-Executive Director of Marex Group since July 2021 where she chairs the Audit & Compliance Committee
- Non-Executive Director of CMC Markets plc since September 2017,

where she chairs the Remuneration Committee

- Non-Executive Director of City of London Investment Group plc

#### Meetings attended

14/14



### Aisling Kennedy

Independent  
Non-Executive  
Director

**Appointed:** February 2023

#### Committee membership

A R N S

#### Key strengths

- Experienced Irish qualified actuary
- A wealth of experience across consulting, insurance companies and professional bodies

#### Key experience

- Head of Life & Health Pricing UK at Swiss Re until 2020, where she spent eight years

#### Current external listed company directorships/ key appointments

- Non-Executive Director of State Street Fund Services (Ireland) since 2021, where she chairs the Audit Committee

- Non-Executive Director of Athora Ireland plc since 2020, where she chairs the Risk Committee
- Chair of ECCU Assurance Company since 2023, where she has served as Director since 2018
- Non-Executive Director of White Horse Insurance Ireland since 2021

- Non-Executive Director of the Irish Auditing and Accounting Supervisory Authority since 2020
- Chair of Irish charity MABS Support CLG

#### Meetings attended

14/14



### Imogen Joss

Independent  
Non-Executive  
Director

**Appointed:** December 2023

#### Committee membership

A R

#### Key strengths

- Experience working for a range of technology and information services companies

#### Key experience

- Senior Independent Director of Gresham Technologies plc until 2020

#### Current external listed company directorships/ key appointments

- Chair of Grant Thornton UK LLP since 2021, where she was previously Non-Executive Director from 2017 to 2021

- Senior Independent Non-Executive Director of Fintel plc since 5 January 2021, where she chairs the Nomination, Remuneration and ESG and Wellbeing Committees
- Non-Executive Director of Envetec Sustainable Technologies since 2022

- Non-Executive Director of SThree plc since 2022

- Non-Executive Director of IPSX since 2017, where she chairs the Remuneration Committee

#### Meetings attended

2/4



### Martin Sutherland

Independent  
Non-Executive  
Director

**Appointed:** December 2023

#### Committee membership

A R

#### Key strengths

- Delivering growth in services and consulting businesses through product innovation, market diversification and geographical expansion

- Extensive international experience at senior management and director level

#### Key experience

- Chief Executive Officer of Reliance Cyber Ltd 2020–2023
- Chief Executive Officer of De La Rue plc 2014–2019

- Managing Director of Detica Ltd 2008–2014

#### Current external listed company directorships/ key appointments

- Chair of Logiq Consulting Ltd since 2023
- Non-Executive Director of Forterra plc since 2017

- Non-Executive Director of Alliance Pharmaceuticals Ltd since 2023, where he chairs the Remuneration Committee

#### Meetings attended

3/4

## Board and Committee composition and operation

The Board is composed of nine members, consisting of the Chairman, three executive Directors and five Independent Non-Executive Directors.

The Company complied with the provisions of the Code for smaller companies below the FTSE 350 which requires the composition of the board of directors of a UK listed company to include at least two independent non-executive directors (excluding the chairman). We acknowledge that the Group will become a constituent of the FTSE 250 effective from 24 June 2024. We will report on our compliance with the Code, as this now applies, within our next annual report and accounts.

Imogen Joss and Martin Sutherland were appointed as Independent Non-Executive Directors as of 7 December 2023, following a recruitment process supported by Russell Reynolds Associates. Other than supporting the recruitment of the Group's Chairman and Non-Executive Directors, Russell Reynolds Associates has no other connection to the Group.

The Board considers that the Chairman, Alan Bannatyne, Senior Independent Director, Margaret Snowdon OBE, and Non-Executive Directors, Sarah Ing, Aisling Kennedy, Imogen Joss and Martin Sutherland, are each independent of management in character, judgement and opinion and are free from relationships or circumstances that could affect their judgement. The Board benefits from the wide experience of its Non-Executive Directors. Biographical details of all Board members are given on pages 56 to 57.

### Board Committees

The Audit & Risk Committee's role is to assist the Board in discharging its oversight responsibilities by reviewing and monitoring the following: the integrity of the financial information provided to shareholders; the effectiveness of the Company's system of internal controls and risk management; the external audit process and auditor; and the processes for compliance with laws, regulations and ethical codes of practice.

**I** Further details are given in the Audit & Risk Committee Report on pages 66 to 69

The role of the Remuneration Committee is to assist the Board to fulfil its responsibility to shareholders to ensure that the Remuneration Policy and practices of the Company reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to sustainability and statutory and regulatory requirements. The Committee recommends the policy the Board should adopt on executive remuneration and, within the terms of the Directors' Remuneration Policy approved by shareholders at the AGM in March 2024, determines and agrees with the Board the levels of remuneration for each of the Executive Directors, the Company Chairman and the Group's Executive Committee.

**I** Further details are given in the Remuneration Report on pages 72 to 95

The role of the Nomination Committee is to undertake an annual review of succession planning and ensure that the membership, composition and diversity of the Board and its Committees, including the balance of skills, remain appropriate. The Committee also reviews the outcome of the annual Board effectiveness review to determine any changes required.

**I** Further details are given in the Nomination Committee Report on pages 63 to 65

The role of the Sustainability Committee is to support the Board's oversight responsibilities of the Company's environmental, social and governance impact and initiatives. The Committee oversees practices, reporting and communication in relation to factors that have a material impact on business strategy, business performance and the long-term sustainability of the Group.

**I** Further details are given in the Sustainability Committee Report on pages 70 and 71

Written terms of reference for each Committee are subject to annual review and periodic updating to reflect any changes in legislation, regulation or best practice. The terms of reference for the Committees are available on the Company's website at [www.xpsgroup.com/investors/corporate-governance/committees/](http://www.xpsgroup.com/investors/corporate-governance/committees/).

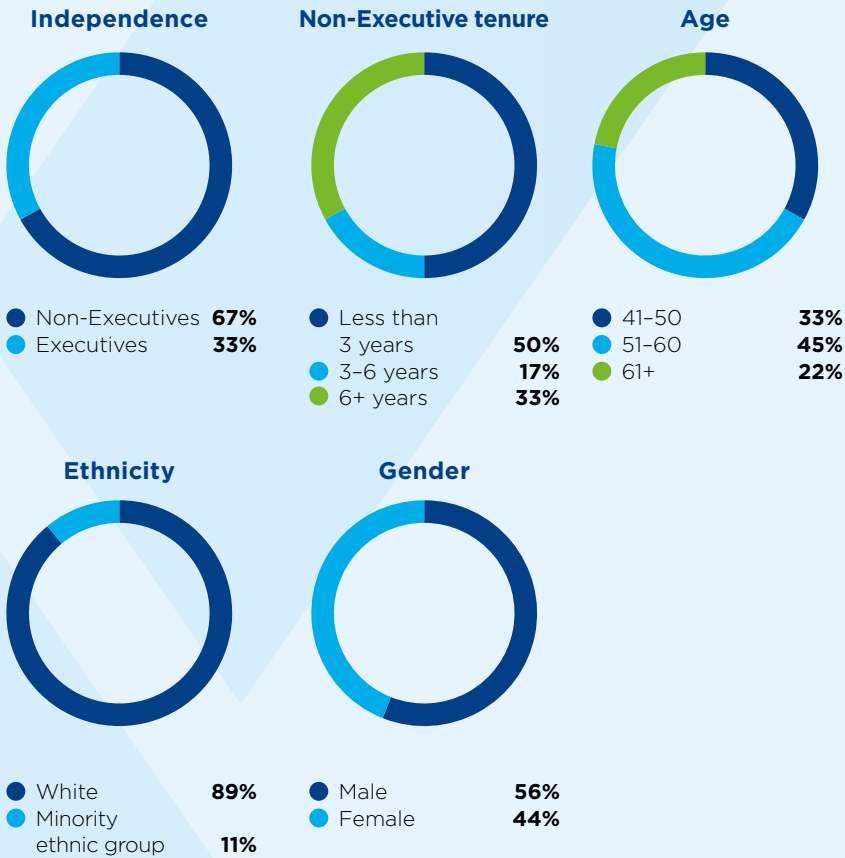
The Company complies with the Code provision that a smaller (defined as below FTSE 350) UK listed company's remuneration and audit committees should comprise at least two independent non-executive directors and that the nomination committee should comprise a majority of independent directors. The Company Chairman is not a member of the Audit & Risk Committee, in compliance with the Code. Each Chair reports on the business of their previous Committee meeting at the next scheduled Board meeting.

### Executive Committee

The Co-Chief Executive Officers operate an Executive Committee to support them in the performance of their duties, including the development and implementation of strategy and the day-to-day operational management of the business. During the year the Committee was comprised of the Executive Directors, Chief Information Officer, Head of Advisory, Managing Director of Administration, Head of Investment, General Counsel and HR Director.

## Group governance at a glance

### Board composition



### Board members' key skills:

- Mergers and acquisitions
- Risk management
- Financial reporting
- Workforce engagement
- Prior FTSE experience
- Pensions industry
- Cyber security
- Technology
- Investor relations
- Marketing
- Corporate governance
- Environmental and social sustainability
- Business development
- Operational management

### Board operation and meetings

Decisions on operational matters are delegated by the Board to the Executive Directors, consistent with the schedule of matters reserved for Board approval. In advance of scheduled Board meetings, each Director receives documentation providing updates on Group strategy, finances, operations and business development. The Board meets at least seven times a year and at other times as and when necessary. During the year, all Board meetings were attended by all Directors, with the exception of meetings where conflicts of interest were present, or prior commitments prevented attendance.

The Board reviews the business strategy for the year ahead at the beginning of each financial year and receives strategy updates at each Board meeting. At least once a year the Board will hold a strategy session to discuss and review business strategy in depth. The Directors are expected to attend all meetings of the Board and any Committees of which they are members, and to devote sufficient time to the Company's affairs to fulfil their duties as Directors. Non-Executive Directors each need to commit to a minimum of 28 days of service per year to the Company. The Board is satisfied that each Non-Executive Director commits sufficient time to the Company.



## Board and Committee composition and operation continued

### Board operation and meetings continued

Non-Executive Directors remain in regular contact with the Chairman, whether in face-to-face meetings or by telephone, to discuss matters relating to the Company and on occasion meet without the Executive Directors present.

If a Director is unable to attend a meeting, they will still receive Board papers before the meeting and they are encouraged to submit any comments to the Chairman or Company Secretary to ensure that their views are recorded and taken into account during the meeting. The Director will also receive the minutes and matters arising in the usual way in order to ensure that they are fully informed.

The Board is ultimately responsible for the effectiveness and monitoring of the Group's system of internal controls. The Audit & Risk Committee's role is to assist the Board with its oversight responsibility by reviewing and monitoring the Company's system of internal controls. It met four times in the financial year and at its meeting in June 2024 considered the internal controls assurance framework used during the financial year, concluding that it was sound and appropriate for the business.

Directors are reminded at the commencement of each meeting to notify the Board of any conflicts of interest. Any actual or potential conflicts of Directors with the interests of the Company that arise must be disclosed for consideration and, if appropriate, authorisation by the Board in accordance with the Company's Articles of Association. The Board may authorise conflicts and potential conflicts, as long as the potentially conflicted Director is not counted in the meeting quorum and does not vote on the resolution to authorise. Directors are required to notify the Group Chairman when a conflict or potential conflict does arise in order that Board authorisation can be considered. If the Board determines that a conflict or potential conflict can be authorised, it may impose additional conditions on the Director concerned.

A formal induction programme has been developed and tailored for any new Directors joining the Board. The Chairman, with the support of the Company Secretary, ensures that the development and ongoing training needs of individual Directors and the Board as a whole are reviewed and agreed following the annual performance evaluation of the Board, its Committees and individual Directors.

Directors may seek independent professional advice at the Company's expense where they consider it appropriate in relation to their duties. All Directors have access to the advice and services of the Company Secretary.

### Embedding culture

At XPS, our values are embedded in everything we do. The Board recognises the importance of its role in setting the tone and monitoring of the Group's culture, championing the behaviours we expect to see and embedding these throughout the Group. In addition to the Board, the Executive Committee upholds our values and ensures that the importance of compliance and integrity is recognised at all levels throughout the Group.

### Division of responsibilities

The Board is focused on providing entrepreneurial and sustainable leadership to the Group. It is responsible for directing and controlling the Group and has overall authority for the effective and prudent management and conduct of the Group's business and the Group's strategy and development. The Board monitors performance and is responsible for ensuring that appropriate financial and human resources are in place for the Group to meet its objectives, and takes the lead in setting and embedding the Group's culture, values and standards. The Board is also responsible for ensuring the maintenance of a sound system of internal control and risk management (including financial, operational and compliance controls, and for reviewing the overall effectiveness of systems in place), and for the approval of any changes to the capital, corporate or management structure of the Group.

**D** There is a formal schedule of matters reserved for Board approval which is subject to annual review and published on the Company's website: [www.xpsgroup.com](http://www.xpsgroup.com)

The matters reserved for the Board include:

- the Group's long-term objectives, business strategy and risk appetite;
- the Company's policies, culture, values and standards;
- annual business plans, budgets and forecasts;
- extension of the Group's activities into new business or geographic areas;
- changes in capital structure and any form of fundraising or asset securitisation;
- major changes to the corporate structure, including material acquisitions and disposals;
- interim and annual financial statements and dividend policy;
- material guarantees, indemnities and letters of comfort;
- the Group's system of internal control and risk management;
- contracts which are material strategically or by reason of size or duration;
- calling of shareholder meetings and related documentation;
- changes to the membership of the Board and its Committees;
- Remuneration Policy for the Directors and senior management;
- introduction of new share incentive plans or major changes to existing plans; and
- the Company's overall corporate governance arrangements.



## Board division of responsibilities



**Alan Bannatyne**

### **Alan Bannatyne** Chairman

- Leads the Board and manages the effective leadership and governance of the Board
- Provides direction and focus on business strategy, performance, value creation and accountability
- Ensures the Board establishes a strategy that facilitates the entrepreneurial development of the Group and promotes the long-term sustainable success of the Group's approach
- Ensures clear structure for effective operation of the Board and its Committees
- Sets Board agenda and ensures sufficient time is allocated to promote effective debate to support sound decision making
- Ensures the Board receives precise, timely and clear information
- Encourages Directors to contribute fully to Board discussions, ensuring sufficient challenge of major proposals
- Meets with the Non-Executive Directors independently of the Executive Directors
- Leads the process for evaluating the performance and development needs of the Board, its Committees and individual Directors
- Leads the Board succession planning process and chairs the Nomination Committee
- Acts as a sounding board for the Co-CEOs on important business issues
- Ensures the Board sets the risk appetite it is willing to take in the implementation of strategy
- Ensures effective communication with shareholders to ensure that the Board understands their views on governance and performance against the strategy
- Ensures effective communication with other key stakeholders



**Paul Cuff**

### **Paul Cuff** Co-Chief Executive Officer

- Primarily responsible for raising the profile of XPS in the market and generating new business, both in traditional service areas and in the development of new services as the market evolves
- Develops the Group's strategy with regard to M&A opportunities and technology investment



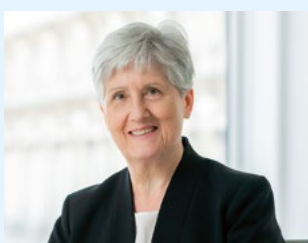
**Ben Bramhall**

### **Ben Bramhall** Co-Chief Executive Officer

- Primarily responsible for the day-to-day operation of the business, including the provision of services to existing clients, revenue generation and the Group's people strategy
- Develops the Group's internal strategy to pursue large opportunities within the market
- The Board considers that the Co-CEO structure works well with clear accountability of roles between the Executive Directors

### **Co-Chief Executive Officers**

- The Co-CEOs have worked together for over 20 years, having both started their careers as trainee actuaries at Punter Southall, before spending many years in the same team at KPMG
- Their long friendship and history of working together, and their complementary skill sets, make the Co-CEO arrangement a success
- The Co-CEOs report to the Chairman and the Board and are responsible for jointly leading the Group's business and managing it in accordance with the business plan approved by the Board, the Board's overall risk appetite, the Group policies approved by the Board and its delegated authorities, and all applicable laws and regulations
- The Co-CEOs, with the support of the CFO, recommend budgets and forecasts for Board approval, lead the investor relations programme and maintain a dialogue with the Chairman on significant business developments and strategy issues
- Both Co-CEOs have leadership roles on large clients



**Margaret Snowdon OBE**

### **Margaret Snowdon OBE** Senior Independent Non-Executive Director

- Acts as a sounding board for the Chairman and other Directors
- Leads the annual review of the Chairman's performance
- Leads any Non-Executive Director meetings without the Chairman present
- Acts as an additional point of contact for shareholders, if they have concerns that contact through the normal channels have failed to resolve or for which such contact is inappropriate



## Board and Committee composition and operation continued

### Annual General Meeting

The Company's Annual General Meeting (AGM) will take place at 1.00pm on Thursday 5 September 2024 at the Group's Reading office. The AGM notice setting out the resolutions to be proposed at the meeting and including explanatory notes, together with this Annual Report and Accounts, will be available on the Company's website ([www.xpsgroup.com](http://www.xpsgroup.com)) and distributed to shareholders who have elected to receive hard copies of shareholder information at least 20 working days prior to the date of the meeting.

Voting at the AGM will be conducted by way of a poll and the results will be announced through the London Stock Exchange Regulatory News Service and made available on the Company's website. All Board members are expected to attend the meeting and the Chair of each of the Board's Committees will be present to answer any questions put to them by shareholders.

### 2023 AGM and 2024 GM

At the Company's 2023 Annual General Meeting all resolutions were passed and there was strong support for the Directors' Remuneration Report reflecting the application of the 2020 Directors' Remuneration Policy. Ahead of the 2023 AGM, the Company withdrew the resolution to seek shareholder approval of the Directors' Remuneration Policy 2023 in favour of continuing to engage with shareholders.

### Board evaluation

The Board acknowledges that the Code requires regular external Board evaluations (as a company below the FTSE 350) and conducted an external Board evaluation in 2023, facilitated by Ceradas Limited. All Board members engaged with the process, in addition to a number of the senior management team. Ceradas Limited has no other connections to the Company or the Directors.

In 2024, the Board completed an internally facilitated evaluation, using questionnaires agreed by the Chairman and Company Secretary. The Senior Independent Director also met with each Board member to appraise the performance of the Chairman. The Board discussed the outcome of the evaluation at the May 2024 Board meeting, and agreed actions as follows:

- the Remuneration Committee to receive increased internal support from the HR function;
- the Nomination Committee to agree the best way to ensure smooth transition when the Chairman and Senior Independent Director reach nine years' tenure in January 2026; and
- the Sustainability Committee to report formally to the Board annually.

### 2023 Board evaluation outcomes and progress

The 2023 externally facilitated evaluation, supported by Ceradas Limited, identified the following areas for improvement; progress is reported as follows:

Actions from the 2023 evaluation	Improvements
The Board agenda to be developed to optimise the focus of discussions.	The Board's agenda has been re-ordered and a clearer focus on strategic items established.
Nomination Committee to consider planning for Non-Executive Director succession in the next three years.	In recognition of the Group's Chairman, Alan Bannatyne, and Senior Independent Director, Margaret Snowdon OBE, reaching nine years' tenure in January 2026, the Nomination Committee appointed two additional Independent Non-Executive Directors to the Board in December 2023. The Nomination Committee reviews the Board, including Non-Executive Director, succession plan bi-annually.
More formal feedback from the Employee Engagement Group to be shared with the Board.	The Designated Employee Engagement Non-Executive Director, Margaret Snowdon OBE, feeds back to the Board after each Employee Engagement Group meeting.

The Remuneration Committee then continued to undertake an extensive shareholder consultation, ahead of the policy being approved at the March 2024 General Meeting (GM). During the consultation, the Group's 20 largest shareholders, covering c.85% of the Company's issued share capital and key proxy advisory firms, were invited to meet with the Chairman and the Remuneration Committee Chair. The policy approved at the GM is effectively a continuation of the previously approved policy, introducing an element of bonus deferral in line with evolving market practice, reflecting that the overwhelming majority of shareholders consulted felt that the existing policy was appropriate. The Board acknowledges that the policy received less than 80% support at the GM, and recognises that a small number of shareholders have differing views.

Following the 2023 AGM, during which the resolutions to re-elect Alan Bannatyne (Chairman) and Margaret Snowdon OBE (Senior Independent Non-Executive Director and Remuneration Committee Chair) received below 80% support, the Company has appointed two additional Independent Non-Executive Directors, Imogen Joss and Martin Sutherland to further strengthen the Board, and continued to engage with shareholders regarding Board composition.

# Succession planning for a sustainable future

This year, we strengthened our Board further with the recruitment of two additional Non-Executive Directors who bring excellent skill sets to complement the Board.



**Alan Bannatyne**  
Chair of the Nomination Committee

Committee membership	Attendance
<b>Chair</b>	
Alan Bannatyne	4/4
<b>Members</b>	
Margaret Snowdon OBE	4/4
Sarah Ing	4/4
Aisling Kennedy	4/4

## Dear Shareholder,

I am pleased to present the report of the Nomination Committee for the year ended 31 March 2024.

The Committee has met four times during FY 2024 and all meetings were attended by all members of the Committee. The Committee intends to continue to meet at least twice annually with additional meetings as required. The members of the Committee are Margaret Snowdon OBE, Sarah Ing, Aisling Kennedy and myself as Chair.

The Nomination Committee assists the Board in determining the composition and make-up of the Board, including its skills, knowledge, experience and diversity.

It is responsible for developing and maintaining a formal, rigorous and transparent procedure for identifying appropriate candidates for Board appointments and making recommendations to the Board.

The Committee is also responsible for keeping under review the leadership needs of the Group, both Executive and Non-Executive, and for ensuring that succession planning focuses on the continued ability of the Group to deliver its strategic goals and compete effectively. The terms of reference of the Committee are reviewed annually and available on the Company's website, [www.xpsgroup.com](http://www.xpsgroup.com).



### Non-Executive Director appointments

During the year, the Nomination Committee reviewed the composition of the Board and Committees and the Non-Executive Director succession plan and agreed to commence a search for two additional Non-Executive Directors. The recruitment process was led by the Nomination Committee and external search firm Russell Reynolds Associates, with which the Group and the Directors have no other connections. Following the completion of a successful recruitment process, we were delighted to welcome Imogen Joss and Martin Sutherland to the Board on 7 December 2023. Imogen and Martin also joined the Remuneration and Audit & Risk Committees at the same time. The Committee is satisfied that the Board and its Committees have the right balance of skills, experience, independence and knowledge required.

### Recruitment process

- The Nomination Committee identified key skills required.
- Russell Reynolds Associates commenced a search for candidates.
- A shortlist of candidates was drawn up by Russell Reynolds Associates.
- Alan Bannatyne, Group Chairman and Nomination Committee Chair, interviewed a number of candidates.
- The Nomination Committee interviewed Imogen Joss and Martin Sutherland.
- The Executive Directors met with Imogen Joss and Martin Sutherland.
- All Directors fed back at a Nomination Committee meeting, and agreed to appoint both Imogen Joss and Martin Sutherland as Independent Non-Executive Directors and members of the Remuneration and Audit & Risk Committees.

### Board evaluation

During the year, an internally facilitated Board evaluation was completed; further details of the process and the outcomes can be found on page 62. The Group conducted an externally facilitated Board evaluation supported by Ceradas Limited in 2023, and will continue to conduct an externally facilitated evaluation every three years going forward as required by the Corporate Governance Code.

### Succession planning

During the year, the Nomination Committee reviewed detailed succession plans covering the roles considered key to the business, including those of the Executive Directors, the Non-Executive Directors and the Executive Committee. The Committee is satisfied that the contingency and talent management plans in place for key positions are appropriate and has agreed that the Group's succession planning will be kept under review, at least bi-annually.

### Induction programme and training

A formal tailored induction for Non-Executive Directors is in place supported by a programme of training to further their knowledge of the Group, its business, culture, operations, employees and governance and to ensure awareness of their regulatory duties and obligations as a Director of a UK premium listed company.

## Diversity, equality and inclusion

I am proud to confirm that XPS complies with the requirements of the FCA's diversity listing rules, with over 40% female representation on our Board (44%), one senior board position held by a female and one Board member from an ethnic minority background. Whilst we recognise that XPS has further progress to make in relation to the diversity of our Board and executive management, we are pleased to have made progress in recent years and continue reporting compliance with the listing rules. We have also committed to 37% of our senior management team being female by 2028 and are pleased to report good progress this year, with female representation increasing to 35% (FY 2023: 31%).

The Company has an established Inclusion and Diversity Committee, championed by Non-Executive Director Margaret Snowdon OBE and chaired by a senior female within the Group. The Committee has made great progress, has a significant impact across the business and is a key channel of communication and engagement for employees and management. You can read more about the Group's I&D strategy and commitment to further progress on page 25 of our Sustainability Report.

The Company acknowledges that there remains a gender pay gap within the business which reflects a higher proportion of males in higher paid roles than females.

Whilst this is partly a challenge of the UK industry in which the Company operates, with a male-dominated actuarial profession, the Board believes it has a responsibility to promote change, both within XPS and the industry more generally. The Group continued to recruit into the apprentice scheme during the year and hopes this continues to improve the diversity of the Group and profession in the future.

The Board believes that no individual should be discriminated against, whether for reasons of gender, ethnicity or other grounds that restrict social inclusion, and this extends to Board appointments, which it considers should be made on merit and on the basis of ensuring an appropriate balance of skills and experience within the Board. The Board recognises that greater diversity, in the widest sense of diversity of race, experience and approach, can generate a more diverse perspective on issues which, in turn, has the ability to benefit Board effectiveness through improved discussions and better decisions.



**Alan Bannatyne**  
Chair of the Nomination Committee  
19 June 2024

Table 1. Reporting table on sex/gender representation as at 31 March 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
<b>Men</b>	<b>5</b>	<b>56%</b>	<b>4</b>	<b>7</b>	<b>78%</b>
<b>Women</b>	<b>4</b>	<b>44%</b>	<b>1</b>	<b>2</b>	<b>22%</b>
<b>Not specified/prefer not to say</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

Table 2. Reporting table on ethnicity representation as at 31 March 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
<b>White British or other White (including minority White groups)</b>	<b>8</b>	<b>89%</b>	<b>4</b>	<b>8</b>	<b>89%</b>
<b>Mixed/multiple ethnic groups</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Asian/Asian British</b>	<b>1</b>	<b>11%</b>	<b>1</b>	<b>1</b>	<b>11%</b>
<b>Black/African/Caribbean/Black British</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Other ethnic group, including Arab</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Not specified/prefer not to say</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

Executive management is defined as the XPS Executive Committee.

This data was obtained from HR data held by the Group.

# Delivering independent oversight

The Audit & Risk Committee continues to provide independent oversight of the Group’s financial reporting procedures, risk management and internal control framework.



**Sarah Ing**  
Chair of the Audit & Risk Committee

Committee membership	Attendance
<b>Chair</b>	
Sarah Ing	4/4
<b>Members</b>	
Margaret Snowdon OBE	4/4
Aisling Kennedy	4/4
Imogen Joss	1/1
Martin Sutherland	1/1

## Dear Shareholder,

I am pleased to present the report of the Audit & Risk Committee for the year ended 31 March 2024. The Committee met four times during FY 2024 and intends to continue to meet at least three times annually. All meetings were attended by all members of the Committee.

## Membership of the Committee

Imogen Joss and Martin Sutherland were appointed to join the Board and the Committee in December 2023, and the Committee members are now Margaret Snowdon OBE, Aisling Kennedy, Imogen Joss, Martin Sutherland and me. The Board is satisfied that the Audit & Risk Committee as a whole has competence relevant to the sector in which the Company operates and that I have recent relevant financial experience as can be seen in our biographies included on pages 56 and 57 of the Annual Report.

The Executive Directors are invited to each meeting as well as the Company’s Non-Executive Chairman, Chief Information Officer, Head of Risk, General Counsel, Financial Controller, and other members of the management team as the agenda dictates.

The Committee’s performance evaluation was conducted as part of the wider Board evaluation, you can read about this on page 62.

## Significant accounting matters considered during the year

### Carrying value of goodwill and intangible assets

#### Matters considered

The Group has significant intangible assets on the balance sheet in the form of goodwill, customer relationships, brands and software. The intangible assets have to be reviewed for impairment at least annually or if there are any indicators of impairment.

#### Action

The carrying value of all indefinite life assets is tested for impairment annually. In reaching its conclusion that the treatment adopted is appropriate, the Committee has reviewed the forecasts, key assumptions and methodology adopted by management. BDO LLP’s findings have also been considered by the Committee in reaching its conclusions over the appropriateness of the treatment within the financial statements.

## Revenue recognition, accrued income and trade receivables

### Matters considered

Depending on the income stream and the nature of the engagement, the Group recognises revenue on either time cost incurred, fixed fee or rateably over the period of providing the relevant services. Billing is mainly in arrears and occurs monthly or quarterly.

### Action

The Committee reviewed the approach to revenue recognition including the process for accrued and deferred revenue. The Committee receives regular updates on ageing of accrued revenue and trade receivables. The Committee has also considered the conclusions reached by BDO LLP as part of its audit of this area and is satisfied that management has adopted appropriate processes and controls over revenue recognition, accrued revenue and trade receivables.

## Business disposals

### Matters considered

During the year, the Group disposed of its defined contribution master trust, National Pension Trust (NPT). The transaction completed on 20 November 2023 for an initial consideration of £35 million with an additional £7.5 million payable contingently based on the future performance of NPT.

The trade and transaction-related income and costs are not presented as a discontinued operation on the face of the consolidated income statement, as the NPT business does not meet the criteria set

out in IFRS 5 (it does not constitute a separate cash-generating unit).

Further information can be found in note 7 to the financial statements on page 123.

### Action

The Committee has reviewed management's assessment of the fair value of the assets and liabilities disposed of and the resulting profit on disposal. The Committee has reviewed the disclosures in respect of the disposal and considers the accounting and disclosures to be appropriate.

## Presentation and disclosure of exceptional and non-trading items

### Matters considered

The Group classifies certain items in the income statement as exceptional/non-trading to allow a clearer understanding of the underlying trading performance of the business.

Exceptional and non-trading items in the year totalled £15.0 million (FY 2023: £14.2 million). For more details, see note 6 to the financial statements on page 123.

### Action

As part of its assessment that the treatment of exceptional/non-trading items in the financial statements is appropriate, and consistent with the Group's accounting policies and with the guidance issued by the FRC, the Committee has considered each of the items treated as exceptional/non-trading and challenged, where necessary, the treatment adopted by management. The Committee has also considered the conclusions reached by BDO LLP as part of its audit in this area and is satisfied.

## Letter from the Financial Reporting Council (FRC)

### Matters considered

The Group received a letter from the FRC disclosing the results of a review undertaken of the Annual Report and Accounts for the year ended 31 March 2023. Whilst the FRC suggested some improvements could be made to aid a reader's understanding of the accounts, it was also clear that it did not have any specific questions or queries to raise.

### Action

The Group has considered all points raised by the FRC and has implemented changes in the 31 March 2024 Annual Report and Accounts where appropriate. The Committee, in consideration with the Group's auditors, has reviewed the changes made by the Group and has sent an acknowledgement to the FRC in response to their letter.



### Auditor

The Committee is responsible for making recommendations to the Board regarding the appointment of its external auditor and its remuneration. BDO LLP has been the Group's auditor since 2014. The Group audit partner is required to rotate after a maximum of five years; the current audit partner, Andrew Radford, was appointed in September 2020, and BDO LLP have begun the process to identify a successor, to ensure appropriate handover of the audit partner. During FY 2021, the Committee undertook an audit tender exercise and BDO LLP were retained as the Company's auditor.

The Committee is responsible for making an assessment on the independence of the Company's auditor, BDO LLP. In addition, the auditor has internal processes, which include peer reviews, to ensure that independence is maintained. The Committee will review the level of audit fees and non-audit fees on an ongoing basis. See note 5 to the financial statements on page 122.

The Committee has reviewed the approach to the annual audit at a meeting that the auditor attended ahead of the start of fieldwork. The auditor then attended a further Committee meeting at the completion stage of the audit to present its findings.

There is an open line of communication between the Chair of the Audit & Risk Committee and the audit engagement partner, and a closed session between the Audit & Risk Committee and the audit partner is held at the beginning of each Committee meeting, without the Executive Directors and management team present.

The audit partner is also invited to attend the Committee meetings for the duration of the meeting. The Committee assessed the effectiveness of the external audit process by obtaining feedback from parties involved in the process, including management and the external auditor.

Based on this feedback and its own ongoing assessment, the Committee remains satisfied with the efficiency and effectiveness of the audit.

After due and careful consideration, the Committee remains satisfied with the effectiveness and independence of BDO LLP and has recommended to the Board that BDO LLP be reappointed as the Company's auditor.

### Internal Audit

The Internal Audit function is provided using a co-sourcing agreement, with PwC reappointed in 2020 after a retender as it had been in place since 2017. It offers independent oversight of operational and risk management activities, with audit reports and relevant findings presented to the Committee. This year it focused on the Group's anti-money laundering (AML) controls and the integration of the recent Michael J Field acquisition, with no significant control weaknesses identified.

The Internal Audit program is integrated with the existing framework of internal and external assurance activities, e.g. CE+, AAF, IoA QAS, which are carried out by the Risk and Compliance teams. These activities focus on the design and effectiveness of internal controls for key processes.

## “The robust risk management and internal control framework deployed across the XPS Group ensures visibility of existing and emerging risks.”

**Sarah Ing**

Chair of the Audit & Risk Committee

### Annual Report review

A final draft of the Annual Report is reviewed by the Committee prior to consideration by the Board and the Committee considered whether the 2024 Annual Report was fair, balanced and understandable and whether it provided the necessary information for shareholders to assess the Group's position and performance, business model and strategy.

The Committee was satisfied that, taken as a whole, the Annual Report is fair, balanced and understandable and provides the necessary information.

Effective 24 June 2024, the Group will become a constituent of the FTSE 250. The FRC's minimum standard for Audit Committees and the External Audit will now apply to the Group on a comply or explain basis. We will report on this as required within our next annual report and accounts.

### Risk management and internal control

The existing risk management and internal control framework deployed across the Group continues to be developed and enhanced to ensure it manages existing and emerging risks to the XPS Group. Effective communication of risk appetites and key controls are supported by clear direction from executive management, which drives a strong risk culture and active engagement from staff.

The framework supports a standardised risk management approach across all businesses and support functions in the Group, enabling clear and consistent reporting. This includes a clear articulation of the key controls required to ensure risks are managed within their stated appetites.

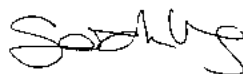
The use of a common approach for all risk types covers the full spectrum of the Group's activities, and supports the achievement of the organisation's objectives. The framework also highlights key processes and controls, supporting their regular review, with amendments made as required to reflect the findings of these reviews. All review findings are recorded centrally to ensure identified improvements are implemented consistently across the Group. Executive management is provided with regular updates on the Group's overall risk profile and actions required to keep within appetite. This is supported by a rolling programme of deep dives on specific risks at the Risk Management Committee. These meetings are held on a regular basis and support the Audit & Risk Committee to ensure that the risk management and internal control framework meets the needs of the Group's stakeholders.

The Risk function supports all businesses within the Group, ensuring that best practice is applied consistently. The team is also responsible for co-ordinating the existing assurance frameworks across the Group, to ensure all risks and controls are considered and assessed appropriately. These assurance activities include certifications to ISO 14001 and ISO 27001, AAF 01/20, IIP and the IoA Quality Assurance Scheme (QAS). In addition to these, the Group has also maintained accreditation against the PASA pensions administration standard.

The Audit & Risk Committee regularly reviews the wider internal control processes as part of its meeting cycle. The Committee enlists external support from specialist advisers to support these reviews when appropriate. To recognise the importance of operational resilience and protection of Group and client assets from cyber risks, the Committee considers this as a standing item at each meeting. This includes the performance of key controls and the independent assurance frameworks in place.

### Whistleblowing

The Group has a clear, formalised Whistleblowing Policy and procedure available to all staff in order to raise concerns about perceived wrongdoing, non-compliance with our own standards, regulatory requirements and/or the law. This policy was reviewed this year. We have a confidential helpline, run by a third party, Expolink, in order that staff can report any concerns or perceived shortcomings within our operations without fear of sanction or disadvantage. The helpline is promoted through the intranet and posters. Incidents are reported and then reviewed by the Board at the next scheduled meeting, or sooner if required. The Group's Audit & Risk Committee reviews the policy and process annually to ensure they remain fit for purpose.



**Sarah Ing**

Chair of the Audit & Risk Committee  
19 June 2024



# Strengthening our approach to sustainability

We are embedding sustainability across the business to support our purpose: to shape and support safe, robust and well-understood pension schemes for the benefit of people and society. This year we focused on reviewing our strategic approach to sustainability as well as further developing our environmental, community and clients and members programmes.



**“This year we refreshed our materiality and strengthened our sustainability framework by taking into account the views and interests of key stakeholders.”**

**Sarah Ing**  
Chair of the Sustainability Committee

Committee membership	Attendance
<b>Chair</b>	
Sarah Ing	<b>5/5</b>
<b>Members</b>	
Margaret Snowdon OBE	<b>5/5</b>
Aisling Kennedy	<b>5/5</b>
Snehal Shah	<b>5/5</b>
Charlotte West	<b>5/5</b>
Adrian Davison	<b>5/5</b>
Alex Quant	<b>4/5</b>

## Dear shareholder,

I am pleased to present the report of the Sustainability Committee for the year ended 31 March 2024.

The Committee met five times during the year and all meetings were attended by all members, with the exception of one meeting due to planned annual leave. The Committee intends to continue to meet at least twice yearly with additional meetings as required.

The Sustainability Committee takes into account the views and interests of all key internal and external stakeholders of the Group. Its role is to set the sustainability framework, oversee its implementation and drive improvements in reporting and communication in relation to environmental, social and governance (ESG) factors that have a positive impact on the business strategy and performance of the Group.

## The membership of the Committee

The membership of the Committee during the year was Margaret Snowdon OBE (Senior Independent Non Executive Director), Aisling Kennedy (Independent Non-Executive Director), Snehal Shah (CFO), Charlotte West (Head of Employee Engagement), Adrian Davison (Head of Risk), Alex Quant (Head of ESG for the Investment business) and myself as Chair. Martin Sutherland (Independent Non-Executive Director appointed to Board on 7 December 2023) attended the Committee meeting in January 2024 and Imogen Joss (Independent Non-Executive Director appointed to the Board on 7 December 2023) attended the Committee meeting in March 2024 as part of their Board induction process. Imogen has joined the Committee as a member since 1 April 2024.

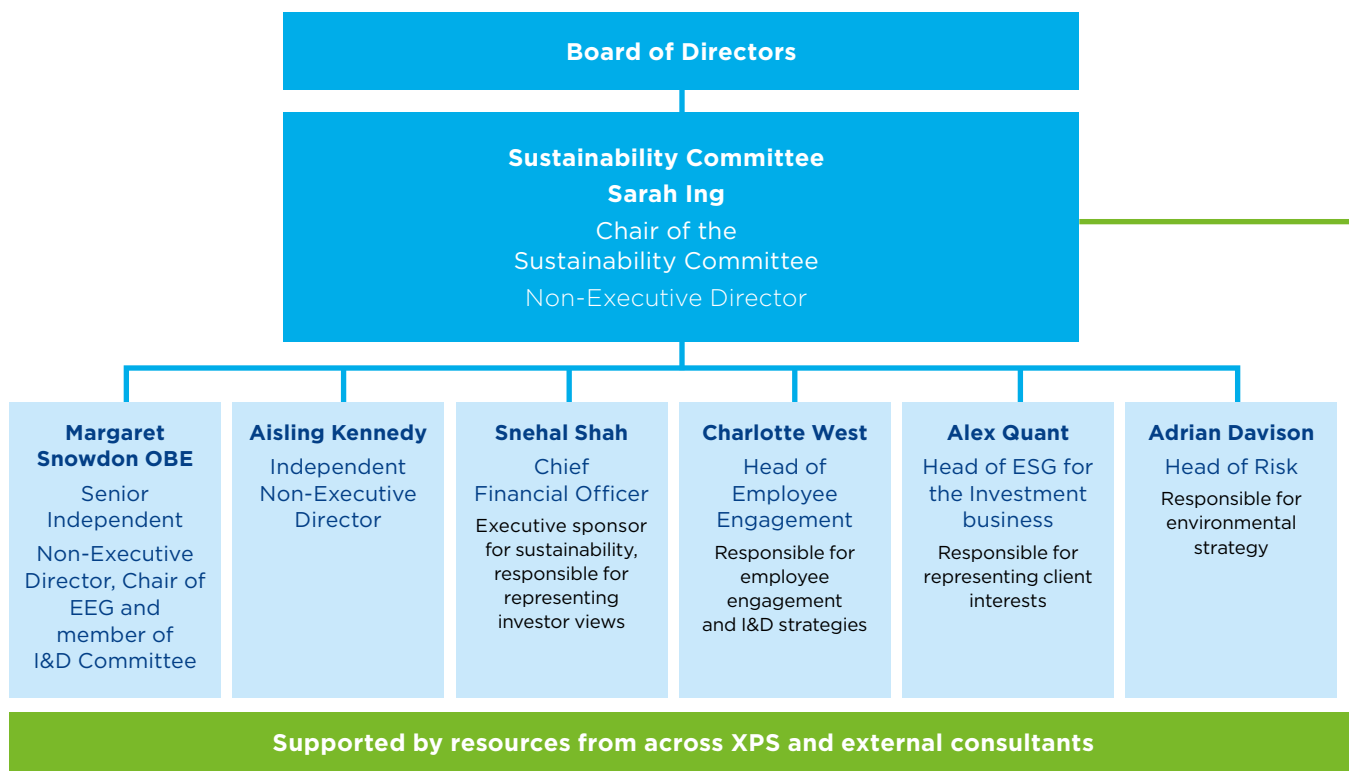
## The focus of the Committee

During the year, the Committee tracked the performance on the Group’s key sustainability issues: our employees, our environment, our communities, our members and clients and our governance. Its work plan included the following focus areas:

### 1. Refreshed materiality assessment

In an effort to ensure the Group’s sustainability framework continues to be relevant, the Committee provided oversight on the completion of a dynamic materiality assessment. As part of the process, key stakeholder groups were asked to review which sustainability issues they thought were priorities and how they felt the Group was performing on them.

The Committee discussed the findings of the materiality assessment twice and approved a refreshed set of material issues, which are included on page 20.



## 2. Strengthened sustainability framework

The Committee continued to oversee the development of the Group’s sustainability framework during the year. We took note of the key insights from the materiality assessment, which identified, inter alia, that stakeholders perceived the Group’s impact on people and the environment to be strong, and that its impact on the community leaves room for improvement. In addition, stakeholders recognised that internal and external communication of the Group’s strategic framework could be improved to drive engagement.

Over the year, we guided the update of the sustainability framework. As shown on page 21, the framework was reshaped to display our priorities clearly, building on the foundation of good governance. We also supported the adoption of a stronger communications framework around the narrative of “shaping a better future” and of ambition statements that outline our direction of travel.

## 3. Oversight sustainability initiatives

A strong focus for the Committee this year was to provide oversight of the Group’s activities on key priorities such as the environment, community and clients and members. We reviewed:

- progress on our net zero commitment and approved a detailed roadmap;
- performance on embedding sustainability considerations in our support to clients and members including compliance with the UK Stewardship Code; and
- charitable giving in the Group and, after reviewing alternatives, agreed to maintain the current approach.

## Looking ahead

At a high level, the focus for the year ahead includes:

- overseeing the further integration of our sustainability framework across the Group, including stronger and more frequent communication to internal and external stakeholders;
- continuing to play a critical friend role in reviewing progress and performance, including the development of a regular sustainability dashboard for the Board;
- monitoring the Group’s existing and emerging sustainability risks and opportunities and updating our approach where necessary;
- introducing a refreshed charitable giving policy to provide a more strategic approach to our current charitable giving practice; and
- continuing to engage with our key internal and external stakeholders to receive feedback on our sustainability performance.

At the end of this report, all that remains is for me to thank the members and the attendees of the Sustainability Committee for their hard work and contributions. I have handed the chair over to Aisling Kennedy, who took over the reins from 1 April 2024.

The terms of reference of the Committee are reviewed annually and are available on the Company’s website, [www.xpsgroup.com](http://www.xpsgroup.com).

**Sarah Ing**  
 Chair of the Sustainability Committee  
 19 June 2024

# Remuneration at a glance

The overall Remuneration Policy is designed to promote the long-term success of the Group whilst ensuring it does not support inappropriate risk taking. The Remuneration Committee has developed the Directors' Remuneration Policy with the following principles in mind:

**Aligned with shareholders** – in order to motivate Executive Directors and incentivise the delivery of sustained performance over the long term, and to promote alignment with shareholders' interests.

**Aligned with financial performance** – to motivate Executive Directors and support the delivery of the Group's financial and strategic business targets.

**Aligned with colleagues** – by striving for as consistent as possible an approach between the Executive Directors and senior management.

**Aligned with clients** – the continued strategy to be the best provider of services to the UK pensions market, as a one stop shop for everything trustees and employers need in this market, at the same time as achieving sustainable growth through investing in client services, technology and staff, demonstrates the commitment to providing an agile, high-quality and market-leading service that puts client satisfaction at the heart of the business.

**Competitive** – remuneration packages are reviewed annually and benchmarked by reference to the external market. This allows us to attract and retain highly talented people, who know that good performance will be rewarded.

**Designed to encourage retention and to reward performance** – deferred variable remuneration does not give rise to any immediate entitlement. Long-term incentive awards normally require the participant to be employed continuously by the Group until at least the third anniversary of grant in order to vest in full.



## FY 2024

### Fixed pay

#### Base salary

Co-CEOs	CFO
<b>£356,048</b>	<b>£300,745</b>

#### Pension

Co-CEOs	CFO	Average employee
<b>6%</b>	<b>6%</b>	<b>6%</b>

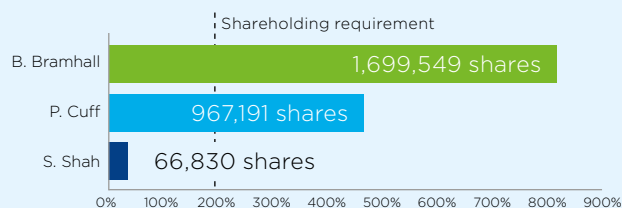
#### Benefits

Benefits currently include permanent health insurance, life insurance, private medical insurance and car allowance.

#### Shareholding

Actual level % of base salary at 31 March 2023

Ben Bramhall	Paul Cuff	Snehal Shah
<b>817%</b>	<b>465%</b>	<b>35%</b>



#### Annual bonus

#### 2024 annual bonus

Co-CEOs	CFO
<b>£534,072</b>	<b>£375,931</b>
100% of maximum	100% of maximum
150% of salary	125% of salary

#### Long-term incentive plan

#### 2021 PSP estimated outcome\*

Co-CEOs	CFO
<b>100%</b>	<b>100%</b>

Performance conditions:

**EPS – 75%**                      **TSR – 25%**

Subject to two-year holding period.

Malus and clawback provisions apply.

\* Vesting 1 July 2024.

## FY 2025

### Fixed pay

#### Base salary

Co-CEOs	CFO	Average employee
<b>£372,070</b>	<b>£321,797</b>	
⬆️4.5%	⬆️7%	⬆️5.8%

#### Pension

No change for FY 2025.

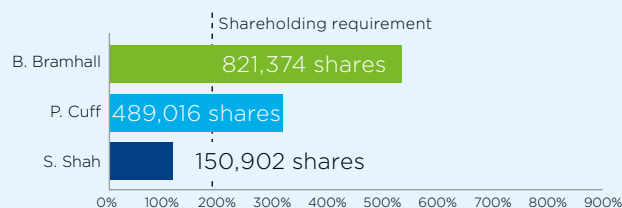
#### Benefits

No change for FY 2025.

#### Shareholding

Actual level % of base salary at 31 March 2024

Ben Bramhall	Paul Cuff	Snehal Shah
<b>533%</b>	<b>317%</b>	<b>116%</b>



#### Annual bonus

#### 2025 annual bonus

Co-CEOs	CFO
<b>Maximum</b>	<b>Maximum</b>
<b>150% of salary</b>	<b>125% of salary</b>

Bonus delivery

**Beyond 100% of salary delivered in shares**



#### Long-term incentive plan

#### Anticipated award grants as % of base salary

Co-CEOs	CFO
<b>150%</b>	<b>125%</b>



## Aligning remuneration with sustainable success

The Remuneration Committee continues to ensure a robust link between the execution of strategy, reward and performance and is committed to fairness and transparency.



**Margaret Snowdon OBE**  
Chair of the Remuneration Committee

Committee membership	Attendance
<b>Chair</b>	
Margaret Snowdon OBE	<b>5/5</b>
<b>Members</b>	
Alan Bannatyne	<b>5/5</b>
Sarah Ing	<b>5/5</b>
Aisling Kennedy	<b>5/5</b>
Imogen Joss (appointed 7 December 2023)	<b>2/2</b>
Martin Sutherland (appointed 7 December 2023)	<b>2/2</b>

### Dear Shareholder,

The Directors' Remuneration Report for the year ended 31 March 2024 contains:

- my annual statement;
- the Directors' Remuneration Policy, which was approved at the March 2024 General Meeting; and
- the annual report on remuneration which describes how the Directors' Remuneration Policy has been applied in FY 2024 and how it will be implemented in FY 2025.

At the 2024 AGM, in addition to the voting resolution on the advisory vote on the Directors' Remuneration Report, there will be a resolution asking shareholders to approve the new deferred bonus plan rules.

### Operational highlights

During the year ended 31 March 2024, we produced an excellent year of robust financial performance. At a Group level, revenues increased 20% year on year and adjusted fully diluted EPS rose 21% year on year. This was delivered in a year where employee engagement and client satisfaction remained high.

The Company's strong operational and financial progress was reflected in the share price and value delivered to our shareholders. XPS ended the year as one of the top performers in the FTSE All-Share, delivering a total shareholder return of over 50% across the year.

### Engaging with our stakeholders

#### Shareholders

At last year's Annual General Meeting held on 7 September 2023, the Remuneration Committee was pleased that shareholders approved the Remuneration Report with 85% of votes for.

The resolution to approve the Directors' Remuneration Policy was withdrawn from the AGM in favour of continuing to engage with shareholders, as outlined on page 62. We undertook an extensive consultation with our 20 largest shareholders in the lead up to the General Meeting held on 7 March 2024 where the Directors' Remuneration Policy 2024 was approved with 76% of votes in favour.

This 2024 Policy is effectively a continuation of the previously approved policy, introducing an element of bonus deferral in line with evolving market practice, reflecting that the overwhelming majority of shareholders consulted felt that the existing policy was appropriate. The Board acknowledges that 19.5% of the Group's total issued share capital was voted against the resolution and recognises that a small number of shareholders have differing views. I would like to thank those shareholders that participated in the consultation and will continue to engage as appropriate in the future.

### Employees

The Employee Engagement Group, which I chair as XPS Group's Designated Employee Engagement Non-Executive Director, considers Executive Directors' remuneration, taking account of employee views.

The Employee Engagement Group was set up with the purpose of providing an "employee voice" to the Board by raising any matters or issues highlighted by employees. It is a forum for employees to share ideas and concerns with the Board in a consultative manner and is not a decision-making group. One area of focus for the Employee Engagement Group is reward and remuneration of Executive Directors; members are asked to provide feedback on the Directors' Remuneration Policy and Executive Director objectives. The group improves engagement between the Board and XPS employees.

### Wider workforce remuneration

We continue to review the remuneration arrangements for the wider workforce and take these into account when considering remuneration arrangements for the Executive Directors and other members of senior management.

The Remuneration Committee also reviewed the Group's gender pay gap analyses and action plans. I have also continued to play an active role throughout the year on the Group's Inclusion & Diversity Committee, in addition to chairing the Employee Engagement Group.

### Annual bonus payments for FY 2024

The financial element of these bonuses is based on Group profit before tax (PBT). The reported Group adjusted PBT for FY 2024 has resulted in a bonus payment of 100% of the maximum for this element of the bonus.

The Committee determined that the strategic objectives had been fully met which therefore led to a bonus outturn of 100% of the maximum for the Co-CEOs and CFO. When considering the appropriateness of the bonus outturn, the Committee was mindful that this was only the second maximum bonus payment since IPO (in 2017) and that in three of the previous six years the bonus had been reduced, with the agreement of the Co-CEOs, from the formulaic outcome.

	% of salary	% of maximum
Ben Bramhall	150%	100%
Paul Cuff	150%	100%
Snehal Shah	125%	100%

### Vesting outcomes for the 2021 PSP awards

The July 2021 PSP award is subject to underlying EPS performance and relative TSR performance. The estimated overall vesting of the award is expected to be 100% of maximum.

The Committee considers that the policy operated as intended during FY 2024 and that remuneration outcomes are consistent with the Group performance and appropriately reflect performance delivered for our shareholders over the respective periods. The Committee felt that no discretion needed to be applied for these remuneration outcomes. With regard to the PSPs, the Committee considers that the increase in share price from the date of grant is aligned to the underlying performance of the business.

### Operation of the Directors' Remuneration Policy for FY 2025

Looking forward into FY 2025, we have given consideration to actions on pay matters which we regard as appropriate and designed to support shareholders' interests over the long term.

When reviewing the Executive Directors' salaries, the Committee considered the matter holistically, taking into consideration the roles outlined above, the impact of salary increases on total remuneration and increases applicable to the wider workforce along with the strong absolute and relative performance of the Group.

The Committee agreed to award salary increases for the Co-CEOs of 4.5% and the CFO's salary has been increased by 7%, reflecting performance and the expansion of the role across risk and sustainability. This compares with an average increase over the year awarded to all staff of 5.8%.

The resultant salaries for the Executive Directors remain low against similarly sized companies, and annual target remuneration is low in comparison to senior leadership and senior client facing roles at some of the Group's competitors, which include Big 4 accounting firms and other equity partnerships.

The maximum bonus opportunities for the Co-CEOs and CFO will remain unchanged at 150% and 125% of salary respectively.

The PSP awards due to be made in July 2024 will revert to the normal award levels of 150% and 125% of salary for the Co-CEOs and CFO respectively.

## Directors' remuneration report continued

### Operation of the Directors' Remuneration Policy for FY 2025 continued

Component of remuneration	Summary of approach																								
<b>Base salary and benefits</b>	<p>Base salary and benefits are reviewed annually on 1 April in light of a number of factors, including the approach to salary reviews more generally across the Group and the performance of the individuals and the Company. The base salaries of the Co-CEOs have been increased by 4.5% for FY 2025 and the CFO's salary has been increased by 7%, reflecting performance and the expansion of the role across risk and sustainability. This compares with an average increase over the year awarded to all staff of 5.8%.</p> <p>Ben Bramhall – £372,070 Paul Cuff – £372,070 Snehal Shah – £321,797</p> <p>The increase since 1 April 2018 remains below that of the general level of salary increases across the Group since then:</p> <table border="1"> <thead> <tr> <th></th> <th>1 April 2019</th> <th>1 April 2020</th> <th>1 April 2021</th> <th>1 April 2022</th> <th>1 April 2023</th> <th>1 April 2024</th> <th>Annualised</th> </tr> </thead> <tbody> <tr> <td>Co-CEOs</td> <td>0%</td> <td>0%</td> <td>9.0%</td> <td>6.0%</td> <td>7.0%</td> <td><b>4.5%</b></td> <td>4.4%</td> </tr> <tr> <td>Average staff</td> <td>3.0%</td> <td>3.2%</td> <td>3.2%</td> <td>5.9%</td> <td>12%</td> <td><b>5.8%</b></td> <td>5.5%</td> </tr> </tbody> </table>		1 April 2019	1 April 2020	1 April 2021	1 April 2022	1 April 2023	1 April 2024	Annualised	Co-CEOs	0%	0%	9.0%	6.0%	7.0%	<b>4.5%</b>	4.4%	Average staff	3.0%	3.2%	3.2%	5.9%	12%	<b>5.8%</b>	5.5%
	1 April 2019	1 April 2020	1 April 2021	1 April 2022	1 April 2023	1 April 2024	Annualised																		
Co-CEOs	0%	0%	9.0%	6.0%	7.0%	<b>4.5%</b>	4.4%																		
Average staff	3.0%	3.2%	3.2%	5.9%	12%	<b>5.8%</b>	5.5%																		
<b>Pension</b>	<p>Defined contribution/cash supplements of 6% are paid and are aligned with the levels available for new employees. This is well below the rate provided to many employees who have joined the business through the acquisitions we have made.</p>																								
<b>Annual bonus</b>	<p>Payable subject to the achievement of challenging financial/strategic/personal performance conditions. These are expected to incorporate sustainability, culture and technology-based goals. Malus and clawback provisions apply.</p> <p>Maximum bonus opportunity:</p> <p>Ben Bramhall – 150% of salary Paul Cuff – 150% of salary Snehal Shah – 125% of salary</p> <p>Bonus above 100% of salary will be paid in shares, deferred over two years.</p>																								
<b>Long-term incentives</b>	<p>Annual awards of performance shares. Shares vest, subject to the achievement of the performance conditions, after three years and are subject to a further two-year holding period. Malus and clawback provisions apply.</p> <p>Maximum grant levels FY 2025:</p> <p>Ben Bramhall – 150% of salary Paul Cuff – 150% of salary Snehal Shah – 125% of salary</p>																								
<b>All-employee share plans</b>	<p>Executive Directors are entitled to participate in all of the Company's employee share plans, including the Share Save Plan, on the same terms as other employees.</p>																								
<b>Share ownership guidelines</b>	<p>Executive Directors are subject to a minimum shareholding requirement of 200% of salary with a requirement to maintain a shareholding post cessation of employment at 200% for one year and 100% for a second year.</p>																								

#### The Chairman's and the Non-Executive Directors' fees

Following a review, the Committee recognised that the fee paid for the Chairman of the Board was considerably lower than typically paid at companies of a similar size to XPS Group. Therefore, effective 1 April 2024, the Chair's fee was increased to £150,000. This fee is still below the typical Chair fee for comparable sized UK listed businesses.

The Board reviewed the fees paid to the Non-Executive Directors. The base fee for Non-Executive Directors remains unchanged at £60,000 p.a. The Board approved an increase to the additional responsibility fee levels resulting in a fee of £15,000 p.a. for the Chair of the Audit & Risk Committee and £10,000 p.a. for each of the Senior Independent Director, Chair of the Remuneration Committee and Chair of the Sustainability Committee.

These represent the first increases to Non-Executive fee levels since IPO.

I trust that you find this report to be informative and transparent and I hope to receive your support for our decisions this year as described in the Directors' Remuneration Report at the AGM. I am keen to encourage ongoing open dialogue with our shareholders on executive remuneration and welcome all engagement.



**Margaret Snowdon OBE**  
Chair of the Remuneration Committee  
19 June 2024

## Directors' Remuneration Policy

This Remuneration Policy, which has been approved by the Board, contains the material required to be set out in the Directors' Remuneration Report for the purposes of Part 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, which amended The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the "DRR Regulations").

The Directors' Remuneration Policy as set out in this section of the Directors' Remuneration Report was approved in March 2024 and took effect for all payments made to Directors with effect from the conclusion of the General Meeting at which it was approved. The Policy as approved can be found at [xpsgroup.com/investors/shareholder-information/agms-and-general-meetings](https://xpsgroup.com/investors/shareholder-information/agms-and-general-meetings). We have reproduced it below for the convenience of our shareholders.

Element and purpose	Policy and operation	Maximum	Performance measures
<p><b>Base salary</b></p> <p>The core element of pay, reflecting the individual's position within the Company and experience</p>	<p>The base salary of each Executive Director takes into account the performance of each individual and is set at an appropriate level to secure and retain the talent needed to deliver the Group's strategic objectives. Salaries are reviewed annually on 1 April and are influenced by: information from relevant comparator groups (referencing the Group's competitors and public companies in other industries); the performance of each individual Executive Director; and average increases for employees across the Group as a whole.</p>	<p>Annual increases will not exceed 7.5% + RPI or the average increase of employees across the Group in any given year, whichever is higher. The level of increase may deviate from this maximum in the case of special circumstances, for example increases in responsibilities or promotion. As an example, this may occur if the market capitalisation of the Company increases as the shares are "re-rated" by investors such that the comparator group changes.</p> <p>In this scenario, the Board would consider the increase and the performance of the Company. Other elements of remuneration may also change. In these cases, any exceptional increase will not exceed 20% of salary a year.</p>	n/a
<p><b>Benefits in kind</b></p> <p>To provide market-competitive benefits valued by recipients</p>	<p>Benefits currently include permanent health insurance, life insurance, private medical insurance and car allowance and may also include other benefits in the future. In certain limited circumstances, relocation allowances may be necessary. All benefits are subject to annual review to ensure they remain in line with market practice.</p>	<p>Benefits (excluding any relocation allowances) may be provided up to an aggregate value of normally £35,000 for each Executive Director (indexed to inflation).</p>	n/a
<p><b>Pension</b></p> <p>To provide retirement benefits</p>	<p>Executive Directors participating in the pension plan benefit from matching annual Group contributions of 6% of base salary. Executive Directors are entitled to take all or part of their pension contributions as a cash allowance.</p>	<p>The maximum employer's contribution (or cash supplement) is 6% of salary.</p> <p>Executive Directors' employer's contribution levels are aligned to the contribution levels for the majority of the workforce.</p>	n/a



### Directors' Remuneration Policy continued

Element and purpose	Policy and operation	Maximum	Performance measures
<p><b>Annual bonus</b></p> <p>To motivate Executive Directors and support the delivery of the Group's financial and strategic business target over a one-year operating cycle</p>	<p>Annual bonus plan levels and the appropriateness of measures are reviewed annually to ensure they continue to support our strategy. Once set, performance measures and targets will generally remain unchanged for the year, except to reflect events (e.g. corporate acquisitions, other major transactions) where the Committee considers it to be necessary in its opinion to make appropriate adjustments.</p> <p>For financial years commencing following the approval of this Policy, bonus payments of up to 100% of salary are to be paid as cash with amounts in excess of this deferred into shares for two years.</p> <p>The value of the deferred awards may be increased to reflect the value of dividends that would have been paid in respect of any record dates falling between the grant of awards and the expiry of any vesting period.</p> <p>Clawback and malus provisions apply as explained in more detail in the notes to this Policy table.</p>	<p>The maximum annual bonus opportunity is 150% of base salary. For FY 2025, the maximum opportunity will be 150% of base salary for the Co-CEOs and 125% for the CFO.</p>	<p>Bonuses will be payable subject to the achievement of performance conditions which will be set by the Remuneration Committee.</p> <p>The targets may be financial and/or personal and strategic. The intended weighting of these measures is not less than 60% financial. Where a sliding scale of targets is used, attaining the threshold level of performance for any measure will not typically produce a payout of more than 20% of the maximum portion of overall annual bonus attributable to that measure, with a sliding scale to full payout for maximum performance. Bonus payments will also be subject to the Committee considering that the proposed bonus amounts, calculated by reference to performance against the targets, appropriately reflect the Company's overall performance and shareholders' experience. If the Committee does not believe this to be the case, it retains the discretion to adjust the bonus outturn accordingly.</p>
<p><b>Performance Share Plan</b></p> <p>To motivate Executive Directors and incentivise the delivery of sustained performance over the long term, and to promote alignment with shareholders' interests</p>	<p>Awards under the PSP may be granted as nil/nominal cost options which vest to the extent performance conditions are satisfied over a period normally of at least three years.</p> <p>Awards will vest at the end of the specified vesting period at the discretion of the Remuneration Committee and are subject to a further holding period of two years (or such shorter period so that the period from the date of grant until the end of the holding period will be equal to five years).</p> <p>The PSP rules allow that the number of shares (or the cash equivalent) subject to vested PSP awards may be increased to reflect the value of dividends that would have been paid in respect of any record dates falling between the grant of awards and the expiry of any vesting period.</p> <p>Clawback and malus provisions applied are explained in more detail in the notes to this Policy table.</p>	<p>The market value of shares to be awarded to Executive Directors in respect of any year will normally be up to 150% of base salary, with awards of a maximum of 200% allowable in exceptional circumstances.</p>	<p>The Remuneration Committee may impose such conditions as it considers appropriate which must be satisfied before any award will vest.</p> <p>All awards made to Executive Directors will be subject to performance conditions which measure performance over a period normally no less than three years.</p> <p>No more than 25% of awards vest for attaining the threshold level of performance.</p> <p>The formulaic outcome of all PSP performance measures will also be subject to the Committee considering that the proposed levels, calculated by reference to performance against the targets, appropriately reflect the Company's overall performance and shareholders' experience. If the Committee does not believe this to be the case, it retains the discretion to adjust the PSP outturn accordingly.</p>

Element and purpose	Policy and operation	Maximum	Performance measures
<p><b>Share ownership guidelines</b></p> <p>To promote stewardship and to further align the interests of Executive Directors with those of shareholders</p>	<p>The share ownership guidelines encourage Executive Directors to build or maintain (as appropriate) a shareholding in the Company.</p> <p>If any Executive Director does not meet the guideline, they will be expected to retain up to 50% of the net of tax number of shares vesting under any of the Company's discretionary share incentive arrangements (including any deferred bonus shares) until the guideline is met. Any performance vested shares subject to a holding period and any shares awarded in connection with annual bonus deferral will be credited for the purpose of the guidelines (discounted for anticipated tax liabilities).</p> <p>Executive Directors will be required to maintain a shareholding in the Company for a two-year period after stepping down from that position, being in the first year, the lesser of the guideline level or the Executive Directors' actual relevant shareholding at leaving and reducing to 50% of this requirement in the second year.</p> <p>For the purpose of this requirement, the Executive Directors' actual relevant shareholding will include shares vesting under any of the Company's discretionary share incentive arrangements (including any deferred bonus shares) from awards granted after the 2020 AGM but excludes shares acquired and the release of shares under share incentive plans where the grant occurred prior to the adoption of the Policy. The Committee will retain the discretion to remove the holding requirement if it is deemed to be inappropriate.</p>	<p>No maximum level but not less than 200% of base salary for any Executive Director.</p>	<p>n/a</p>
<p><b>All-employee share plans</b></p> <p>To facilitate and encourage share ownership by staff, thereby allowing everyone to share in the long-term success of the Company and align interests with those of shareholders</p>	<p>The Executive Directors will be entitled to participate in all of the Company's employee share plans, including the Share Save Plan, on the same terms as other employees.</p> <p>These all-employee share plans are established under HMRC tax-advantaged regimes and follow the usual form for such plans.</p>	<p>The maximum participation levels for all-employee share plans will be the limits for such plans set by HMRC from time to time. However, the Company may impose lower limits on a scheme-by-scheme basis.</p>	<p>Consistent with normal practice, such awards would not be subject to performance conditions.</p>

### Directors' Remuneration Policy continued

Element and purpose	Policy and operation	Maximum	Performance measures
<p><b>Chairman and Non-Executive Directors' fees</b></p> <p>To enable the Company to recruit and retain Company Chairs and Non-Executive Directors of the highest calibre, at the appropriate cost</p>	<p>The fees paid to the Chairman and Non-Executive Directors aim to be competitive with other listed companies of equivalent size and complexity.</p> <p>The fees payable to the Non-Executive Directors are determined by the Board, with the Chairman's fees determined by the Committee. No Director participates in decisions regarding their own fees.</p> <p>The Chairman and Non-Executive Directors do not participate in any new cash or share incentive plans.</p> <p>The Chairman and Non-Executive Directors are entitled to benefits relating to travel and office support and such other benefits as may be considered appropriate.</p> <p>The Chairman is paid a single fee for the role, although he will be entitled to an additional fee if he is required to perform any specific and additional services.</p> <p>Non-Executive Directors receive a base fee for the role. Additional fees are paid for acting as Senior Independent Director, Chair of the Audit &amp; Risk, Remuneration or other Board Committees or Designated Employee Engagement NED to reflect the additional time commitment. They will be entitled to an additional fee if they are required to perform any specific and additional services.</p>	<p>The aggregate fees and any benefits of the Chairman and Non-Executive Directors will not exceed the limit from time to time prescribed within the Company's Articles of Association for such fees, currently £500,000 p.a. in aggregate.</p> <p>Any increases in fee levels made will be appropriately disclosed.</p>	n/a

#### Notes to the Policy table

- 1. Stating maxima for each element of the Remuneration Policy:** The DRR Regulations and related investor guidance encourage companies to disclose a cap within which each element of the Directors' Remuneration Policy will operate. Where maximum amounts for elements of remuneration have been set within the Policy, these will operate simply as caps and are not indicative of any aspiration.
- 2. Travel and hospitality:** While the Committee does not consider it to form part of benefits in the normal usage of that term, it has been advised that corporate hospitality, whether paid for by the Company or another, and business travel for Directors (and in exceptional circumstances their families) may technically come within the applicable rules, and so the Committee expressly reserves the right to authorise such activities.
- 3. Past obligations:** In addition to the above elements of remuneration, any commitment made prior to, but due to be fulfilled after, the approval and implementation of this Remuneration Policy will be honoured.
- 4. Malus/clawback:** The Committee may apply malus (being the ability to withhold or reduce a payment/ vesting) and clawback (the ability to reclaim some or all of a payment/vesting) to an award under the annual bonus or PSP where there are circumstances which would justify such action.

The relevant circumstances where these powers of recovery may operate include:

  - the Company materially misstated its financial results for any reason and that misstatement would result or resulted either directly or indirectly in an award being granted or vesting to a greater extent than would have been the case had that misstatement not been made;

- the extent to which any performance target and/or any other condition was satisfied was based on an error, or on inaccurate or misleading information or assumptions which resulted either directly or indirectly in an award being granted or vesting to a greater extent than would have been the case had that error not been made;
- circumstances arose (or continued to arise) during the vesting period (including any holding period) of an award which would have warranted the summary dismissal of the participant; or
- there is a sufficiently significant impact on the reputation of the Company (including a Company failure) to justify the operation of malus or clawback.

Normally, clawback can operate for up to two years following the vesting of an award.

**5. Performance conditions:** The performance-related elements of remuneration take into account the Group's risk policies and systems, and are designed to align the senior executives' interests with those of shareholders. The Committee reviews the metrics used and targets set for the Group Executive Directors and senior management (not just the Executive Directors) every year, in order to ensure that they are aligned with the Group's strategy and to ensure an appropriate level of consistency.

**6. Differences between the policy in respect of remuneration for Directors and the policy on remuneration for other staff:** While the appropriate benchmarks vary by role, the Company seeks to apply the philosophy behind this policy across the Company as a whole. Where the Group's pay policy for Directors differs from its pay policies for groups of staff, this reflects the appropriate market rate position and/or typical practice for the relevant roles. The Company takes into account pay levels, bonus opportunity and share awards applied across the Group as a whole when setting the Executive Directors' Remuneration Policy.

**7. Committee discretions:** The Committee will operate the annual bonus plan and PSP according to their respective rules and the above Remuneration Policy table. The Committee retains discretion, consistent with market practice, in a number of respects, in relation to the operation and administration of these plans. This discretion includes, but is not limited to, the following:

- the selection of participants;
- the timing of grant of awards;
- the size of an award/bonus opportunity subject to the maximum limits set out in the Remuneration Policy table and the rules of the relevant plan;
- the determination of performance against targets and resultant vesting/pay-outs;
- discretion required when dealing with a change of control or restructuring of the Company;
- determination of the treatment of leavers based on the rules of the relevant plan and the appropriate treatment chosen;
- adjustments required in certain circumstances (e.g. rights issue, corporate restructuring events and special dividends); and
- the annual review of performance measures, weightings and targets from year to year.

In addition, while performance measures and targets used in the annual bonus plan and PSP will generally remain unaltered, if events occur which the Committee determines would make a different or amended target a fairer measure of performance, such amended or different targets can be set provided they are not materially more or less difficult to satisfy, having regard to the event in question.

Any use of the above discretion would, where relevant, be explained in the Annual Report on Directors' Remuneration and may, where appropriate and practicable, be the subject of consultation with the Company's major shareholders.

The Committee may make minor amendments to the Remuneration Policy set out above for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation, without obtaining shareholder approval for that amendment.

### Directors' Remuneration Policy continued

#### Remuneration policy on recruitment

The Company's recruitment remuneration policy aims to give the Committee sufficient flexibility to secure the appointment and promotion of high-calibre executives to strengthen the management team and secure the skill sets to deliver our strategic aims.

In terms of the principles for setting a package for a new Executive Director, the starting point for the Committee will be to apply the Remuneration Policy for Executive Directors as set out above and structure a package in accordance with that policy. Consistent with the DRR Regulations, any caps contained within the Policy for fixed pay do not apply to new recruits, although the Committee would not envisage exceeding these caps in practice unless absolutely necessary.

The annual bonus plan and PSP, including the maximum award levels, will operate as detailed in the general Remuneration Policy in relation to any newly appointed Executive Director. For an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment as appropriate.

For both external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses as it considers appropriate.

For external candidates, it may be necessary to make additional awards in connection with the recruitment to buy-out awards forfeited by the individual on leaving a previous employer. Any recruitment-related awards which are not buy-outs will be subject to the limits of the annual bonus plan and PSP as stated in the general policy. Details of any recruitment-related awards will be appropriately disclosed.

For any buy-outs the Company will not pay more than is necessary in the view of the Committee and will be limited in value to what the Committee considers to be a fair estimate of the value of the awards foregone. The Committee will in all cases seek, in the first instance, to deliver any such awards under the terms of the existing annual bonus plan and PSP. It may, however, be necessary in some cases to make buy-out awards on terms that are more bespoke than the existing annual bonus plan and PSP.

All buy-outs, whether under the annual bonus plan, PSP or otherwise, will take due account of the service obligations and performance requirements for any remuneration relinquished by the individual when leaving a previous employer.

The Committee will seek, where it is practicable to do so, to make buy-outs subject to what are, in its opinion, comparable requirements in respect of service and performance. However, the Committee may choose to relax this requirement in certain cases, such as where the service and/or performance requirements are materially completed, or where such factors are, in the view of the Committee, reflected in some other way, such as a significant discount to the face value of the awards forfeited, and where the Committee considers it to be in the interests of shareholders.

#### Service contracts

##### Executive Directors

Ben Bramhall and Paul Cuff entered into a service agreement with the Company that was effective upon Admission and dated 16 February 2017. Snehal Shah entered into a service agreement with the Company that was effective 28 May 2019, the date of his employment beginning, although Snehal was not appointed as Chief Financial Officer until FCA approval was received on 9 July 2019. The policy is that each Executive Director's service agreement should be of indefinite duration, subject to termination by the Company or the individual on no more than 12 months' notice.

The service agreements of all Executive Directors, which are available for inspection at the Company's registered office, comply with this policy:

- the Executive Directors' service agreements are terminable by either party on not less than nine months' written notice for the Co-CEO, six months for the CFO or immediately upon payment in lieu of notice, and contain a garden leave clause; and
- in each case any payment in lieu of notice will be calculated by reference to base salary and contractual benefits only, and will not include any entitlement to bonus.

##### Chairman and Non-Executive Directors

The appointments of Alan Bannatyne and Margaret Snowdon OBE are subject to the terms of letters of appointment agreed between each of them and the Company dated 24 January 2017, the appointment of Sarah Ing is subject to the terms of a letter of appointment dated 19 March 2019, the appointment of Aisling Kennedy is subject to the terms of a letter of appointment dated 22 February 2023 and the appointments of Imogen Joss and Martin Sutherland are subject to the terms of letters of appointment dated 7 December 2023. They are not entitled to receive any compensation on termination of their appointment (other than payment in respect of a notice period where notice is served) and are not entitled to participate in the Company's share plans, bonus arrangements or pension schemes.

They are entitled to be reimbursed all reasonable out-of-pocket expenses incurred in the proper performance of their duties.

Their appointment may be terminated at any time upon three months' written notice by either party and with immediate effect in certain circumstances. The appointment may also be terminated pursuant to the Articles or as otherwise required by law. They are subject to retirement by rotation every three years under the Articles but intend to retire and submit themselves for re-election by shareholders each year at the Annual General Meeting.

### Remuneration policy on termination

The Committee will consider treatments on a termination having regard to all of the relevant facts and circumstances available at that time. This policy applies both to any negotiations linked to notice periods on a termination and any treatments that the Committee may choose to apply under the discretions available to it under the terms of the annual bonus plan and PSP. The potential treatments on termination under these plans are as follows:

#### Annual bonus plan

If an Executive Director resigns or is dismissed for cause before the bonus payment date, the right to receive any bonus normally lapses (unless the Committee determines otherwise). If an Executive Director ceases employment before the bonus date because of death, injury, ill health, disability or any other reason determined by the Committee, such bonus will be payable as the Committee in its absolute discretion determines taking into account the circumstances for leaving, time in employment and performance. Similar treatment will apply in the event of a change in control of the Company.

Deferred bonus awards are normally preserved in all leaver cases (unless an Executive Director ceases employment due to gross misconduct or gross negligence) but release will not typically be accelerated, except in the case of death in service. The Committee has the ability to release a leaver's awards early in exceptional circumstances.

#### Performance Share Plan (PSP)

The Committee's Policy is in accordance with the rules of the Performance Share Plan 2017. If, during the performance or vesting period, a participant:

- resigns or is dismissed for cause, awards will normally lapse in full; and
- ceases to be employed due to death, ill health, injury or disability, retirement with the agreement of the participant's employer, redundancy, the sale or transfer of the participant's employing company or business out of the Group (other than on change of control), or for other reasons specifically approved by the Committee, the award shall be retained and will vest at the normal vesting date (unless the Committee exercises its discretion to allow awards to vest early on cessation in exceptional circumstances) to the extent that the Committee determines. The Committee will determine the extent to which an award will vest taking into account the extent to which the performance conditions have been met and, where appropriate, the period that has expired to the date of cessation.

If a participant ceases employment during the holding period, performance-vested awards will normally be retained and vest as normal at the end of the holding period (unless the Committee exercises its discretion to allow awards to vest early on cessation in suitable cases).

The all-staff Share Save scheme provides treatments for leavers in line with HMRC rules for such plans.

The Company has the power to enter into settlement agreements with Directors and to pay compensation to settle potential legal claims.

In addition, and consistent with market practice, in the event of the termination of an Executive Director, the Company may make a contribution towards that individual's legal fees and fees for outplacement services as part of a negotiated settlement. Any such fees will be disclosed as part of the detail of termination arrangements.

#### External appointments

The Company's policy on external appointments permits an Executive Director, subject to the approval of the Chairman, to serve as a Non-Executive director for normally no more than one other organisation where this does not conflict with the individual's duties to the Company. When an Executive Director takes such a role, they may be entitled to retain any fees which they earn from that appointment.

#### Statement of consideration of employment conditions elsewhere in the Company

The Committee receives regular updates on overall pay and conditions in the Company which enable it to take the wider workforce remuneration into account when setting the policy for executive remuneration. Whilst the Committee does not consult directly with employees as part of the process for reviewing executive pay, the Committee does receive insights from the broader employee population via an employee engagement group. Accordingly, the Committee confirms that the new Policy has been designed with due regard to the policy for remuneration of employees across the Group.

The Remuneration Policy for other employees is based on broadly consistent principles as described above. Annual salary reviews across the Company take into account Company performance, relevant pay and market conditions and salary levels for similar roles in comparable companies.

Other members of senior management participate in similar annual bonus arrangements to the Executive Directors, although award sizes vary by organisational level. Share incentive awards may also be granted to a broader population than the Executive Directors although the award sizes and terms of the awards vary. The Company operates discretionary bonus schemes for eligible groups of employees under which a bonus is payable subject to the achievement of appropriate targets. All eligible employees may participate in the Company's Share Save scheme on identical terms.

#### Statement of consideration of shareholders' views

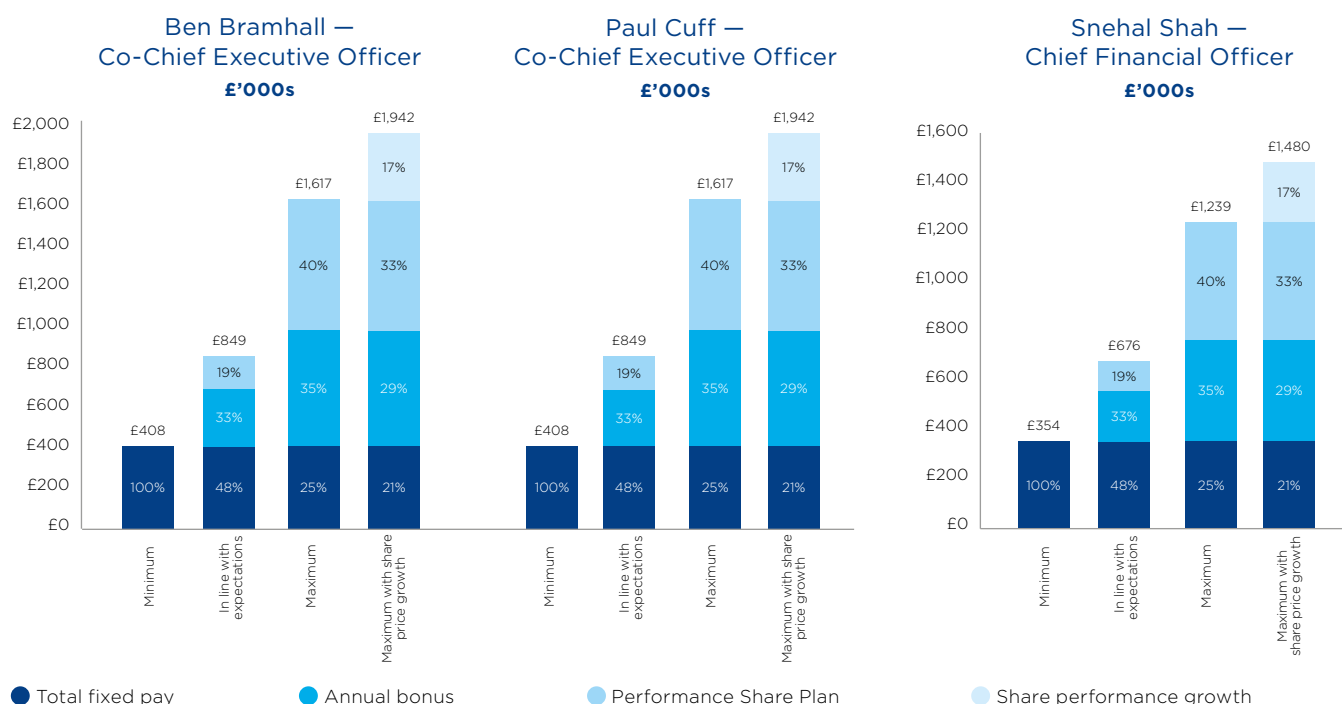
The Committee considers shareholder views received during the year and at each AGM, as well as guidance from shareholder representative bodies more broadly, when determining the Remuneration Policy and its implementation. The Committee seeks to build an active and productive dialogue with investors on developments on the remuneration aspects of corporate governance generally and it will consult with major shareholders in advance of any material change to the structure and/or operation of the Policy and will seek formal shareholder approval for any such change if required.

Directors' Remuneration Policy continued

Illustrations of application of the Directors' Remuneration Policy

The charts below show how the Remuneration Policy set out above will be applied for Executive Directors in FY 2025 based on three performance scenarios and using the assumptions below.

<b>Minimum</b>	<p>Consists of base salary, benefits and pension:</p> <ul style="list-style-type: none"> <li>• base salary is the salary to be paid in FY 2025;</li> <li>• benefits measured as benefits paid in FY 2024; and</li> <li>• pension measured as the defined contribution or cash allowance in lieu of Company contributions of 6%.</li> </ul>
<b>Target</b>	<p>Based on what the Executive Director would receive if performance were in line with expectations or on target (excluding share price appreciation and dividends):</p> <ul style="list-style-type: none"> <li>• annual bonus: consists of the on-target bonus (50% of maximum opportunity used for illustrative purposes); and</li> <li>• PSP: consists of the threshold level of vesting (25% vesting) under the PSP.</li> </ul>
<b>Maximum</b>	<p>Based on the maximum remuneration receivable (excluding share price appreciation and dividends):</p> <ul style="list-style-type: none"> <li>• annual bonus: consists of maximum bonus of 150% of salary for the Co-CEOs and 125% of salary for the CFO; and</li> <li>• PSP: consists of the face value of awards (150% of base salary for Co-CEOs and 125% of base salary for the CFO) under the PSP.</li> </ul>
<b>Maximum with 50% share price growth</b>	As the Maximum scenario plus the value resulting from a share price growth of 50% in relation to the PSP award.



## Annual report on remuneration

### Remuneration Committee membership

The Remuneration Committee is chaired by Margaret Snowdon OBE, who is Senior Independent Non-Executive Director. Alan Bannatyne, Sarah Ing, Aisling Kennedy, Imogen Joss and Martin Sutherland are also members of the Committee. Imogen Joss and Martin Sutherland were appointed to the Committee in December 2023. The Committee meets at least twice a year and at such other times as the Chair of the Committee shall require or as the Board may direct. The Committee met five times during the year. All members attended every Committee meeting they were eligible to attend throughout the year.

Other individuals, such as the Co-Chief Executive Officers, the Chief Financial Officer, the HR Director and external professional advisers, were invited to attend for all or part of any meeting as and when appropriate and necessary.

The purpose of the Committee is to establish a formal and transparent procedure for developing the Remuneration Policy in accordance with the Code and to set the remuneration of the Chairman and selected individuals with due account taken of all relevant factors such as individual and Group performance as well as remuneration payable by companies of a comparable size and complexity.

The Committee has formal terms of reference which are reviewed annually and can be viewed on the Company's website: [www.xpsgroup.com](http://www.xpsgroup.com).

### Advisers

FIT Remuneration Consultants LLP (FIT), signatory to the Remuneration Consultants Group's Code of Conduct, was appointed by the Committee. FIT has been retained to provide advice to the Committee on matters relating to executive remuneration. FIT provided no other services to the Company and, accordingly, the Committee was satisfied that the advice provided by FIT was objective and independent. FIT's fees in respect of FY 2024 were £73,958 (FY 2023: £54,282). FIT's fees are charged on the basis of the firm's standard terms of business for advice provided.

The following (audited) section provides details of how the Directors were paid during the financial year to 31 March 2024.

Director		Salary/fees £	Taxable benefits <sup>1</sup> £	Bonus <sup>2</sup> £	Long-term incentives <sup>3</sup> £	Pension <sup>4</sup> £	Total remuneration £	Total fixed pay £	Total variable pay £
<b>Executive Directors</b>									
Ben Bramhall	<b>2024</b>	<b>356,048</b>	<b>13,320</b>	<b>534,072</b>	<b>748,403</b>	<b>19,985</b>	<b>1,671,828</b>	<b>389,353</b>	<b>1,282,475</b>
	2023	332,755	12,993	499,133	598,029	18,701	1,461,611	364,449	1,097,162
Paul Cuff	<b>2024</b>	<b>356,048</b>	<b>13,120</b>	<b>534,072</b>	<b>748,403</b>	<b>19,985</b>	<b>1,671,628</b>	<b>389,153</b>	<b>1,282,475</b>
	2023	332,755	12,793	499,133	598,029	18,701	1,461,411	364,249	1,097,162
Snehal Shah	<b>2024</b>	<b>300,745</b>	<b>12,872</b>	<b>375,931</b>	<b>526,797</b>	<b>17,069</b>	<b>1,233,414</b>	<b>330,686</b>	<b>902,728</b>
	2023	281,070	12,523	316,203	412,702	15,994	1,038,492	309,587	728,905
<b>Non-Executive Directors</b>									
Alan Bannatyne <sup>5</sup> – Chairman of Board and Chair of Nomination Committee	<b>2024</b>	<b>120,000</b>	–	–	–	–	<b>120,000</b>	<b>120,000</b>	–
	2023	100,398	–	–	–	–	100,398	100,398	–
Margaret Snowdon OBE – Chair of Remuneration Committee, Senior Independent NED and Designated Employee Engagement NED	<b>2024</b>	<b>75,000</b>	–	–	–	–	<b>75,000</b>	<b>75,000</b>	–
	2023	72,822	–	–	–	–	72,822	72,822	–
Sarah Ing – Chair of Audit & Risk and Sustainability Committees	<b>2024</b>	<b>75,000</b>	–	–	–	–	<b>75,000</b>	<b>75,000</b>	–
	2023	70,644	–	–	–	–	70,644	70,644	–
Aisling Kennedy <sup>6</sup>	<b>2024</b>	<b>60,000</b>	–	–	–	–	<b>60,000</b>	<b>60,000</b>	–
	2023	6,250	–	–	–	–	6,250	6,250	–
Imogen Joss <sup>7</sup>	<b>2024</b>	<b>19,048</b>	–	–	–	–	<b>19,048</b>	<b>19,048</b>	–
	2023	19,048	–	–	–	–	19,048	19,048	–
Martin Sutherland <sup>7</sup>	<b>2024</b>	<b>19,048</b>	–	–	–	–	<b>19,048</b>	<b>19,048</b>	–
	2023	19,048	–	–	–	–	19,048	19,048	–
Tom Cross Brown <sup>8</sup> – former Chairman of Board	<b>2024</b>	<b>52,727</b>	–	–	–	–	<b>52,727</b>	<b>52,727</b>	–
	2023	52,727	–	–	–	–	52,727	52,727	–
<b>Total</b>	<b>2024</b>	<b>1,380,937</b>	<b>39,312</b>	<b>1,444,075</b>	<b>2,023,603</b>	<b>57,039</b>	<b>4,944,966</b>	<b>1,477,288</b>	<b>3,467,678</b>
	2023	1,249,421	38,309	1,314,469	1,608,760	53,396	4,264,355	1,341,126	2,923,229



## Annual report on remuneration continued

### Advisers continued

- 1 Each of the Executive Directors is entitled to a range of benefits, comprising permanent health insurance, life insurance, private medical insurance and car allowance. The Non-Executive Directors do not receive other benefits.
- 2 No element of annual bonus was deferred in respect of bonuses shown.
- 3 The outturn for the July 2021 PSP which vests in July 2024 is expected to be 100% and the vesting share price has been estimated at 219.33p, based on the three-month average share price ended 31 March 2024. The grant share price for the award was 138p and accordingly the relevant figures are reflective of an increase of 59% in the Company's share price comparing the award price to the vesting price. Details of the performance measures and targets applicable to the 2021 PSP are set out on page 87. The outturn for the November 2020 PSP which vested on 30 November 2023 was 66% and the value has been updated reflecting the actual vesting share price of 237p and the dividend equivalents.
- 4 Pension values shown all relate either to pension contributions or to cash allowances in lieu of pension.
- 5 Appointed Non-Executive Chairman on 30 November 2022.
- 6 Appointed to the Board on 22 February 2023.
- 7 Appointed to the Board on 7 December 2023.
- 8 Stepped down from the Board on 8 September 2022.

### FY 2024 annual bonus (audited)

The Executive Directors' annual bonus targets were set at the beginning of the financial year. The financial targets which account for 75% of the annual bonus were set based on Group PBT. The Group PBT targets set are shown below.

	Threshold £'000	Target £'000	Maximum £'000	Actual £'000	Payout (% of this element)
Group adj. PBT (75% of potential)	36,066	37,384	38,672	44,975	100%

The personal performance goals which account for 25% of the annual bonus were agreed with each Executive Director and were based on a range of strategic and other objectives set at the start of the year. The targets were principally designed to focus and reward the Executive Directors for accomplishing strategic goals which directly support the Company's strategy. Details of the measures and performance, to the extent they are not commercially sensitive, are outlined below.

### Ben Bramhall and Paul Cuff – Co-CEOs

Measure	Target	Performance	Assessment
Maintain high level of staff satisfaction and morale	Maintain high employee satisfaction score in employee survey	Exceptional employee Net Promoter Score of +31 achieved	100%
Progress inclusion and diversity agenda	Reduce gender pay gap	Median and mean gender pay gaps fell by 0.6% and 2.1% respectively between April 2023 and 2024	100%
	Increase females in senior management roles	Significant increase in the percentage of females in the senior management team achieved	
Maintain high level of client satisfaction	High level of client retention to be maintained	Client retention remained very high with no material client losses due to service quality	100%
Continued effectiveness of client care program		Client care programme continues to be embedded across the client base	
Pursue and execute accretive M&A opportunities	Execute smoothly any opportunities approved by the Board	Successful sale of National Pension Trust achieved with a smooth transition for staff and clients, and positive feedback from shareholders. Strategic partnership with acquirer has been maintained	100%
Technology	Smooth client transition onto new administration platform to commence	Transition commenced and remains largely on track against the plan	100%

## Snehal Shah - CFO

Measure	Target	Performance	Assessment
Support improved KPIs and financial analysis of performance in certain business areas	Improved financial reporting to the Board and Executive Committee	Significant improvement made with granular management information leading to better business decisions	100%
Maintain OCF conversion	Above 90%	Achieved	100%
Debt reduction	Continue de-leveraging	Debt reduced during the year and NPT sale resulted in de-leveraging to below 0.5x at the end of the year	100%
Continue to drive strong shareholder interest and engagement in XPS	Meet with non-holders and secure at least two new institutional investors	Met with over 50 non-holders and in excess of 15 new institutional investors added in the year	100%

Each objective is measurable (albeit some detail has been removed given the commercially sensitive nature), with target achievement levels evidenced by activities and outcomes. The Remuneration Committee then assessed performance against each objective in each category on the basis of evidenced outcomes and rated the level of achievement.

In light of the high standards of attainment of each of the Executive Directors, the Remuneration Committee assessed that performance against the targets had been met in full and would result in 100% of maximum for this element of bonus to be payable to the Co-CEOs and CFO.

This results in an outcome in aggregate of 100% of maximum for the Co-CEOs and CFO.

	Weightings	Outcomes		
		Ben Bramhall	Paul Cuff	Snehal Shah
Financial performance (% of this element)	75%	100%	100%	100%
Strategic performance (% of this element)	25%	100%	100%	100%
Total actual performance outcome (% of maximum)		100%	100%	100%
Total actual performance outcome (% of salary)		150%	150%	125%
Total actual performance outcome (£)		£534,072	£534,072	£375,931

### Statement of Directors' shareholding and share interests (audited)

For each Director, the total number of Directors' interests in shares at 31 March 2024 was as follows:

Director	Ben Bramhall	Paul Cuff	Snehal Shah	Alan Bannatyne	Margaret Snowdon OBE	Sarah Ing	Aisling Kennedy	Imogen Joss	Martin Sutherland
<b>Number of ordinary shares held as at 31 March 2024</b>	<b>821,374</b>	<b>489,016</b>	<b>150,902</b>	<b>36,594</b>	<b>30,303</b>	<b>15,000</b>	<b>—</b>	<b>—</b>	<b>—</b>
Share ownership requirement (% of salary)	200%	200%	200%	n/a	n/a	n/a	n/a	n/a	n/a
Share ownership requirement met?	Y	Y	N	n/a	n/a	n/a	n/a	n/a	n/a
<b>Holding as % of March 2023 salary</b>	<b>533%</b>	<b>317%</b>	<b>116%<sup>1</sup></b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Number of ordinary shares held as at 31 March 2023	1,699,549	967,191	66,830	36,594	30,303	15,000	—	—	—

<sup>1</sup> In line with the Directors' Remuneration Policy, Snehal Shah will retain 50% of vested shares until he reaches the 200% ownership requirement.

The shareholdings above include those held by Directors and their respective connected persons. There were no changes in the Directors' interests in shares between 31 March 2024 and 19 June 2024.

Under the share ownership guidelines, the Executive Directors are required to build and maintain a shareholding equivalent to at least 200% of salary and are required to maintain a shareholding for a period after leaving the Board.

## Annual report on remuneration continued

### Awards granted in the year under the PSP (audited)

The following nominal cost option PSP awards were granted in July 2023.

These awards vest in 2026 subject to performance relating to a mix of adjusted EPS, relative TSR and ESG-related targets. The details of these targets are shown in the "Outstanding share plan awards" section below.

Director	Date of grant	Basis of award (% of salary)	Face value of awards at grant <sup>1</sup>	Number of shares under award	Date of vesting
Ben Bramhall	17 July 2023	175%	£623,084	333,200	July 2026
Paul Cuff	17 July 2023	175%	£623,084	333,200	July 2026
Snehal Shah	17 July 2023	150%	£451,117	241,239	July 2026

<sup>1</sup> Based on the share price of £1.87 on 14 July 2023.

### Outstanding share plan awards (audited)

Details of all outstanding PSP awards made to Executive Directors are set out below:

Director	Date of grant	Exercise price	Interests held at 31 March 2023	Interests awarded during the year	Interests vested during the year	Interests lapsed during the year	Interests held at 31 March 2024	Vesting period
Ben Bramhall	30 November 2020	0.05p	348,387	—	230,632 <sup>1</sup>	117,755	—	November 2023
	1 July 2021	0.05p	341,217	—	—	—	341,217	July 2024
	1 July 2022	0.05p	383,948	—	—	—	383,948	July 2025
	17 July 2023	0.05p	—	333,200	—	—	333,200	July 2026
Paul Cuff	30 November 2020	0.05p	348,387	—	230,632 <sup>2</sup>	117,755	—	November 2023
	1 July 2021	0.05p	341,217	—	—	—	341,217	July 2024
	1 July 2022	0.05p	383,948	—	—	—	383,948	July 2025
	17 July 2023	0.05p	—	333,200	—	—	333,200	July 2026
Snehal Shah	30 November 2020	0.05p	240,423	—	159,160 <sup>3</sup>	81,263	—	November 2023
	1 July 2021	0.05p	240,181	—	—	—	240,181	July 2024
	1 July 2022	0.05p	270,260	—	—	—	270,260	July 2025
	17 July 2023	0.05p	—	241,239	—	—	241,239	July 2026

<sup>1</sup> On 12 December 2023, Ben Bramhall exercised awards over 230,632 shares granted on 30 November 2020 and sold 108,807 shares to settle resultant tax and social security obligations. The closing share price on the day of exercise was £2.20.

<sup>2</sup> On 11 December 2023, Paul Cuff exercised awards over 230,632 shares granted on 30 November 2020 and sold 108,807 shares to settle resultant tax and social security obligations. The closing share price on the day of exercise was £2.20.

<sup>3</sup> On 11 December 2023, Snehal Shah exercised awards over 159,160 shares granted on 30 November 2020 and sold 84,072 shares to settle resultant tax and social security obligations. The closing share price on the day of exercise was £2.20.

### Vesting outcomes for the FY 2022 PSP awards (granted in July 2021)

These awards comprise nominal cost options with an exercise price of 0.05p per option and vest in July 2024 subject to performance relating to: (i) adjusted earnings per share (EPS) targets as to 75% of the award; and (ii) relative total shareholder return (TSR) targets as to the remaining 25% of the award.

The details of the EPS and TSR target ranges and performance against them are shown in the table below.

Diluted adjusted EPS for the three-year period to the end of FY 2024	Portion of award vesting
Compound annual growth in EPS (CAG) of less than 3% above CPI	0%
CAG of 3% above CPI	25%
CAG of between 3% and 7% above CPI	Between 25% and 100% on a straight-line basis
CAG of 7% or more above CPI	100%
<b>Actual performance<sup>1</sup>:</b> CAG of 12.6% above CPI	100%

1 Measured by normalising for the impact of IFRS 16 and on a constant tax rate basis, to ensure the outturn is an accurate reflection of operational performance.

XPS Group's TSR ranking vs a comparator group of companies	Portion of award vesting
Below median	0%
Median	25%
Between median and upper quartile	Between 25% and 100% on a straight-line basis
Upper quartile	100%
<b>Actual performance<sup>2</sup>:</b> Above upper quartile threshold	100%

2 Based on performance to the end of May. This is an estimate as TSR performance will be measured to the third anniversary of the date of grant which is 1 July 2024.

The TSR comparator group consists of the constituents of the FTSE Small Cap Index (excluding investment trusts) at the start of the performance period.

Based on the above the expected percentage of the total award vesting is 100% of maximum. Details of the shares under award and their estimated value (based on the three-month average share price at 31 March 2024 of 219.33p per share) are as follows:

Executive	Maximum number of shares	Number of shares to vest	Number of shares to lapse	Estimated value vesting £ <sup>1</sup>
Ben Bramhall	341,217	341,217	—	748,403
Paul Cuff	341,217	341,217	—	748,403
Snehal Shah	240,181	240,181	—	526,797

1 Based on the three-month average share price to 31 March 2024.

The awards also receive the value of dividend equivalents.

## Annual report on remuneration continued

### FY 2023 PSP awards (granted in July 2022)

These awards comprise nominal cost options with an exercise price of 0.05p per option and vest in 2025 subject to performance relating to: (i) adjusted earnings per share (EPS) targets as to 75% of the award; and (ii) relative total shareholder return (TSR) targets as to the remaining 25% of the award. The EPS target range was set considering both the internal and external expectations for EPS performance over the next three years. The details of the EPS and TSR target ranges are shown in the table below.

Diluted adjusted EPS <sup>1</sup> for the three-year period to the end of FY 2025	Portion of award vesting
Compound annual growth in EPS (CAG) of less than 5%	0%
CAG of 5%	25%
CAG between 5% and 10%	Between 25% and 100% on a straight-line basis
CAG of 10% or more	100%

1 Measured on a constant tax rate basis, to ensure the outturn is an accurate reflection of operational performance.

XPS Group's TSR ranking vs a comparator group <sup>2</sup> of companies	Portion of award vesting
Below median	0%
Median	25%
Between median and upper quartile	Between 25% and 100% on a straight-line basis
Upper quartile	100%

2 The TSR comparator group consists of the constituents of the FTSE Small Cap Index (excluding investment trusts) at the start of the performance period.

### FY 2024 PSP awards (granted in July 2023)

These awards comprise nominal cost options with an exercise price of 0.05p per option and vest in 2026. These awards comprised a main award of 150% and 125% of salary for the Co-CEOs and the CFO respectively and a one-off additional award of 25% of salary.

Vesting of both awards will be based on the measures as summarised in the tables below, with performance measured over a three-year period.

For the main award, there are three performance criteria, with the vesting of 70% of the shares under this award subject to EPS performance, 20% subject to relative total shareholder return and the remaining 10% is based on a reduction of the Company's CO<sub>2</sub> emissions.

The details of the target ranges are shown in the table below.

Diluted adjusted EPS <sup>1</sup> for the three-year period to the end of FY 2026	Portion of award vesting
Compound annual growth in EPS (CAG) of less than 5%	0%
CAG of 5%	25%
CAG of between 5% and 10%	Between 25% and 100% on a straight-line basis
CAG of 10% or more	100%

1 Measured on a constant tax rate basis, to ensure the outturn is an accurate reflection of operational performance.

The EPS target range was set considering both the internal and external expectations for EPS performance over the next three years.

XPS Group's TSR ranking vs a comparator group <sup>2</sup> of companies	Portion of award vesting
Below median	0%
Median	25%
Between median and upper quartile	Between 25% and 100% on a straight-line basis
Upper quartile	100%

2 The TSR comparator group consists of the constituents of the FTSE Small Cap Index (excluding investment trusts) at the start of the performance period.

XPS Group's CO <sub>2</sub> emissions <sup>3</sup> for the three-year period to the end of the FY 2026	Portion of award vesting
Below 20% reduction	0%
20% reduction	25%
Between 20% and 30% reduction	Between 25% and 100% on a straight-line basis
30% or more reduction	100%

<sup>3</sup> The CO<sub>2</sub> emissions are based on Scope 1 and 2 emissions and will be calculated on an emissions per number of employees basis.

For the additional award, vesting is fully based on EPS performance. The details of the EPS target range is shown in the table below.

Diluted adjusted EPS <sup>1</sup> for the three-year period to the end of the FY 2026	Portion of award vesting
CAG of 10%	0%
CAG of between 10% and 15%	Between 25% and 100% on a straight-line basis
CAG of 15% or more	100%

<sup>1</sup> Measured on a constant tax rate basis, to ensure the outturn is an accurate reflection of operational performance.

The EPS performance range of the additional award was set to ensure vesting will occur only once the EPS element of the main award has vested in full.

### External Board appointments

The Executive Directors did not hold any external directorships during the year. The approved Directors' Remuneration Policy makes provisions for them to retain any fees for one appointment.

### Payments to past Directors (audited)

There were no payments to past Directors in the financial year FY 2024 (FY 2023: £nil).

### Payments for loss of office (audited)

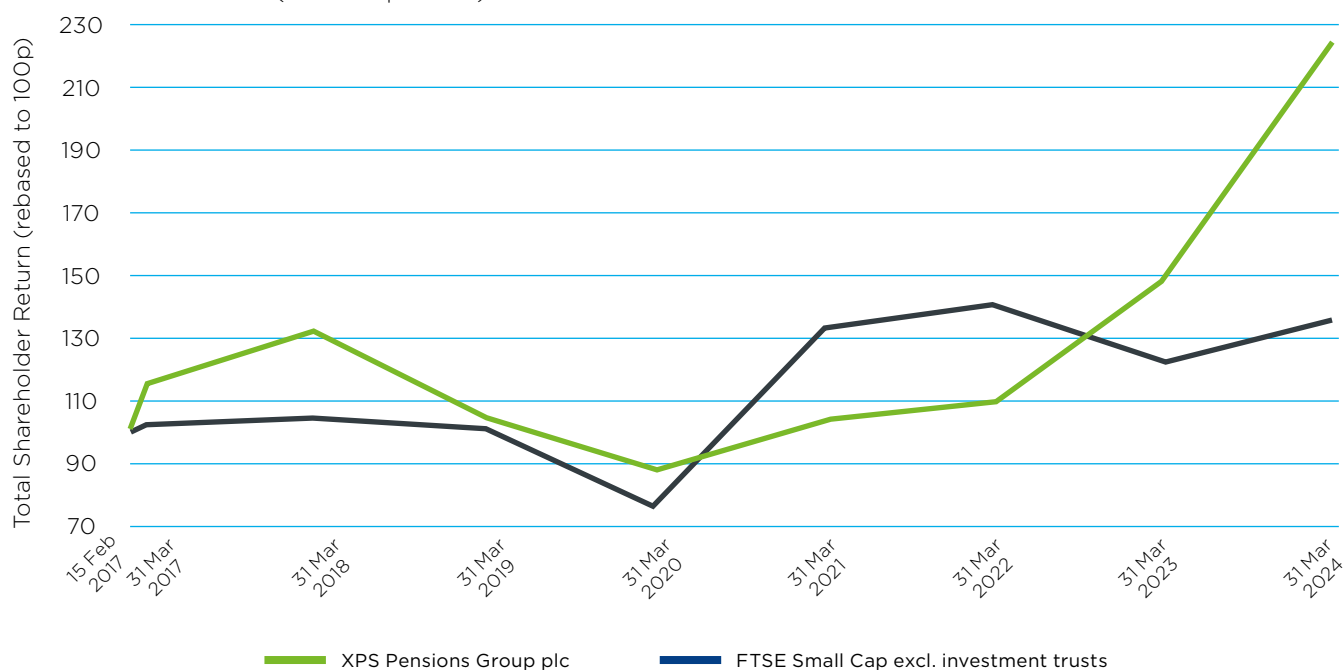
No payments were made to any Director in respect of loss of office in the financial year FY 2024 (FY 2023: £nil).

### Review of past performance and CEO remuneration table (unaudited)

The graph below shows the TSR of the Company and the FTSE Small Cap Index (excluding investment trusts) over the period from admission to 31 March 2024. This is considered an appropriate comparator for XPS Group, which was a constituent of the FTSE Small Cap Index during the year.

### Total shareholder return

Source: Refinitiv Eikon (an LSEG product)



## Annual report on remuneration continued

### Total shareholder return continued

The table below shows the Co-CEOs' single total figure of remuneration since admission and the level (as a percentage of maximum award) of payouts under the incentive plans:

		Single total figure of remuneration	Annual bonus payout as % of maximum	Long-term incentive vesting rates as % of maximum
<b>2024</b>	<b>Ben Bramhall</b>	<b>£1,671,828</b>	<b>100%</b>	<b>100%<sup>1</sup></b>
	<b>Paul Cuff</b>	<b>£1,671,628</b>	<b>100%</b>	<b>100%<sup>1</sup></b>
2023	Ben Bramhall	£1,461,611	100%	66%
	Paul Cuff	£1,461,411	100%	66%
2022	Ben Bramhall	£893,195	79% <sup>2</sup>	38%
	Paul Cuff	£892,995	79% <sup>2</sup>	38%
2021	Ben Bramhall	£692,741	68%	21%
	Paul Cuff	£692,541	68%	21%
2020	Ben Bramhall	£569,272	30% <sup>3</sup>	40%
	Paul Cuff	£569,272	30% <sup>3</sup>	40%
2019	Ben Bramhall	£362,803	12% <sup>4</sup>	n/a
	Paul Cuff	£362,803	12% <sup>4</sup>	n/a
2018	Ben Bramhall	£546,138	79%	n/a
	Paul Cuff	£545,724	79%	n/a
2017	Ben Bramhall	£286,882	31%	n/a
	Paul Cuff	£4,179,695	31%	n/a

1 The vesting rate relates to the July 2021 award that is due to vest in July 2024 and is, in part, based on estimated vesting levels at 31 March 2024.

2 The bonus was reduced with the agreement of the Co-CEOs from the formulaic outcome of 86%.

3 The bonus was reduced with the agreement of the Co-CEOs from the formulaic outcome of 50%.

4 The bonus was reduced with the agreement of the Co-CEOs from the formulaic outcome of 54%.

### Percentage change in remuneration of Directors and employees (unaudited)

The table on page 93 presents the year on year percentage change in remuneration received by each Director, compared with the change in remuneration received by all XPS Group staff.

The percentage changes are impacted where a Director has been in role for part of a year and for Non-Executive Directors are reflective of changes to individual committee and other responsibilities, as well as adjustments to fee levels.

	Percentage change in remuneration from 31/03/2020 to 31/03/2021			Percentage change in remuneration from 31/03/2021 to 31/03/2022			Percentage change in remuneration from 31/03/2022 to 31/03/2023			Percentage change in remuneration from 31/03/2023 to 31/03/2024		
	Base salary %	Benefits %	Bonus %	Base salary %	Benefits %	Bonus %	Base salary %	Benefits %	Bonus %	Base salary %	Benefits %	Bonus %
Ben Bramhall	0%	—	127%	9%	2%	27%	6%	18%	29%	<b>7%</b>	<b>3%</b>	<b>7%</b>
Paul Cuff	0%	(2)%	127%	9%	2%	27%	6%	18%	29%	<b>7%</b>	<b>3%</b>	<b>7%</b>
Snehal Shah	20% <sup>1</sup>	23% <sup>1</sup>	177%	9%	2%	27%	6%	17%	29%	<b>7%</b>	<b>3%</b>	<b>19%</b>
Tom Cross Brown	0%	—	—	0%	—	—	(56%) <sup>2</sup>	—	—	—	—	—
Alan Bannatyne	0%	—	—	0%	—	—	34% <sup>3</sup>	—	—	<b>20%<sup>3</sup></b>	—	—
Margaret Snowdon OBE	4%	—	—	0%	—	—	4%	—	—	<b>3%</b>	—	—
Sarah Ing	14% <sup>4</sup>	—	—	0%	—	—	9%	—	—	<b>6%</b>	—	—
Aisling Kennedy	—	—	—	—	—	—	—	—	—	<b>860%<sup>5</sup></b>	—	—
Imogen Joss <sup>6</sup>	—	—	—	—	—	—	—	—	—	—	—	—
Martin Sutherland <sup>6</sup>	—	—	—	—	—	—	—	—	—	—	—	—
All UK employees	3.2%	(8)%	68%	5.9%	(12)%	14%	10%	6%	46%	<b>8.4%</b>	<b>15%</b>	<b>11%</b>

1 Snehal Shah was appointed as a Director on 28 May 2019; accordingly, the percentage difference shown represents a comparison between a full year (FY 2021) and a part year (FY 2020).

2 Tom Cross Brown stepped down as a Director on 8 September 2022; accordingly, the percentage difference shown represents a comparison between a full year (FY 2022) and a part year (FY 2023).

3 Alan Bannatyne was appointed as Chairman on 30 November 2022, previously Non-Executive Director; accordingly, the percentage difference shown represents a partial year of the increased fee (FY 2023) and a full year (FY 2024).

4 Sarah Ing was appointed as Non-Executive Director on 17 May 2019; accordingly, the percentage difference shown represents a comparison between a full year (FY 2021) and a part year (FY 2020).

5 Aisling Kennedy was appointed as Non-Executive Director on 22 February 2023; accordingly, the percentage difference shown represents a comparison between full year (FY 2024) and a part year (FY 2023).

6 Imogen Joss and Martin Sutherland were appointed to the Board on 7 December 2023.

### CEO pay (unaudited)

The table below sets out the pay ratios for the Group Co-Chief Executive Officers in relation to the equivalent pay for the lower quartile, median and upper quartile employees (calculated on a full-time basis).

Year	Method		25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
<b>2024</b>	<b>Option A</b>	<b>Total pay ratio</b>	<b>53:1</b>	<b>39:1</b>	<b>25:1</b>
2023	Option A	Total pay ratio	40:1	29:1	21:1
2022	Option A	Total pay ratio	31:1	22:1	15:1
2021	Option A	Total pay ratio	27:1	19:1	13:1
2020	Option A	Total pay ratio	24:1	13:1	11:1

### Notes

The Company determined the remuneration figures at each quartile with reference to a date of 31 March 2024.

The Group used calculation option A as this is widely regarded as the method resulting in the most robust analysis.

The calculation is based on full-time equivalent salary calculated on the same basis as the single figure table.

This year the ratios have increased compared to the previous year. This increase reflects the increase in the Co-CEOs' single figure of remuneration for 2024, which can be found on page 90.

The Committee has reviewed the employee data and believes the median pay ratio to be consistent with the pay, reward and progression policies for the Company's UK employees over the period.

The total pay and benefits and the salary component of total pay and benefits for the employee at each of the 25th percentile, median and 75th percentile are shown below:

	25th percentile	Median	75th percentile
Salary	£28,740	£48,617	£57,000
Total pay and benefits	£31,845	£60,109	£65,757



## Annual report on remuneration continued

### Relative importance of spend on pay (unaudited)

The table below details the change in total staff pay between FY 2023 and FY 2024 as detailed in note 10 of the financial statements, compared with distributions to shareholders by way of dividends, share buy-backs or any other significant distributions or payments. These figures have been calculated in line with those in the audited financial statements.

£'000	FY 2024	FY 2023	% change
Total gross staff pay	97,467	83,009	17
Distributions to shareholders	18,025	15,331	18

### Statement of shareholder voting (unaudited)

The table below shows the outcome of the binding vote on the Directors' Remuneration Policy at the General Meeting held on 7 March 2024 and the advisory vote on the FY 2023 Directors' Remuneration Report held on 7 September 2023.

AGM resolution	Votes for	%	Votes against	Votes withheld
Directors' Remuneration Policy	131,060,632	76.44	40,386,688	4,362,067
Directors' Remuneration Report	162,820,119	84.71	29,399,220	35,033

### Implementation of Policy for FY 2025 (unaudited information)

This section provides an overview of how the Committee is proposing to implement the Remuneration Policy in the year ending 31 March 2025.

#### Base salary

Base salaries are as follows with effect from 1 April 2024:

- Ben Bramhall - £372,070;
- Paul Cuff - £372,070; and
- Snehal Shah - £321,796.

#### Benefits in kind

Benefits will be paid in line with the Directors' Remuneration Policy. Details of the benefits received by Executive Directors are set out in the single figure table on page 90. There is no intention to introduce additional benefits in 2024/25.

#### Pension

Contribution rates are currently 6% of base salary. Contributions may be made as cash supplements in full or in part. These contributions are in line with those for the majority of employees in the Group.

#### Annual bonus

Bonus maxima of 150% of salary will be applied for the Co-Chief Executive Officers and 125% for the Chief Financial Officer. Bonus payments up to 100% of salary will be paid as cash with amounts in excess of this deferred into shares for two years.

The performance weightings are as follows: 75% of the bonus will be payable by reference to performance based on adjusted PBT, with performance against personal/strategic targets determining the extent to which the remaining 25% of the overall bonus opportunity is payable.

In addition:

- no bonus will be payable unless the Committee is satisfied that the Company's underlying performance warrants it; and
- as set out in the Policy table, bonus payments will also be subject to the Committee considering that the proposed bonus amounts, calculated by reference to performance against the targets, appropriately reflect the Company's overall performance and shareholders' experience. If the Committee does not believe this to be the case, it may adjust the bonus outturn accordingly.

Owing to the Board's concerns about commercial sensitivity, we do not believe it is in shareholders' interests to disclose any further details of these targets on a prospective basis. However, the Company is committed to adhering to principles of transparency and will, provided disclosure of targets is not deemed to be commercially sensitive, make appropriate and relevant levels of disclosure of bonus targets and performance against these targets for the FY 2025 bonus in next year's report. The targets will be set to ensure both consistency and fairness to all stakeholders.

## PSP awards

It is intended that the PSP awards will be made in FY 2025. The award levels will be no more than 150% of salary for the Co-CEOs and 125% for the CFO.

Vesting of the awards will be based on three performance criteria, with the vesting of 70% of the shares subject to EPS performance, 20% subject to relative total shareholder return and the remaining 10% based on a reduction of the Company's CO<sub>2</sub> emissions.

The details of the target ranges are shown in the table below.

Diluted adjusted EPS <sup>1</sup> for the three-year period to the end of FY 2027	Portion of award vesting
Compound annual growth in EPS (CAG) of less than 5%	0%
CAG of 5%	25%
CAG of between 5% and 10%	Between 25% and 100% on a straight-line basis
CAG of 10% or more	100%

1 Measured on a constant tax rate basis, to ensure the outturn is an accurate reflection of operational performance.

The EPS target range was set considering both the internal and external expectations for EPS performance over the next three years.

XPS Group's TSR ranking vs a comparator group <sup>2</sup> of companies	Portion of award vesting
Below median	0%
Median	25%
Between median and upper quartile	Between 25% and 100% on a straight-line basis
Upper quartile	100%

2 The TSR comparator group consists of the constituents of the FTSE Small Cap Index (excluding investment trusts) at the start of the performance period.

XPS Group's CO <sub>2</sub> emissions <sup>3</sup> for the three-year period to the end of FY 2027	Portion of award vesting
Below 20% reduction	0%
20% reduction	25%
Between 20% and 30% reduction	Between 25% and 100% on a straight-line basis
30% or more reduction	100%

3 The CO<sub>2</sub> emissions are based on Scope 1 and 2 emissions and will be calculated on an emissions per number of employees basis.

## Minimum shareholding requirement

To align the interests of Executive Directors with those of shareholders, they are required to build and maintain significant holdings of shares in the Group over time. The minimum shareholding requirement for Executive Directors is 200% of base salary for the Co-CEOs and for the CFO.

In addition, Executive Directors will be required to maintain their full minimum shareholding requirement for one year post-cessation of employment, and hold 50% of the requirement for a second year.

## The Chairman's and the Non-Executive Directors' fees

The following fee levels become effective from 1 April 2024.

Alan Bannatyne receives an annual fee of £150,000 for his role as Board Chairman.

The Non-Executive Directors are entitled to a fee of £60,000 p.a., with an additional fee of £15,000 p.a. for the Chair of the Audit & Risk Committee and £10,000 p.a. for each of the Senior Independent Director, Chair of the Remuneration Committee and Chair of the Sustainability Committee. The Designated Employee Engagement Non-Executive Director receives an additional £5,000 p.a.

This report was reviewed and approved by the Board of Directors on 19 June 2024 and was signed on its behalf by:



**Margaret Snowdon OBE**

Chair of the Remuneration Committee  
19 June 2024

## Directors' report

The Directors present their Annual Report on the activities of XPS Pensions Group plc (the "Group"), together with the audited financial statements for the year ended 31 March 2024.

The Governance section on pages 54 to 100 forms part of this Directors' Report. Other requisite components of this report are set out elsewhere in this Annual Report. The Strategic Report provides information relating to the Group's activities, its business and strategy, engagement with stakeholders, the principal risks and uncertainties faced by the business and environmental and employee matters. These sections, together with the Statement of Corporate Governance and Directors' Remuneration Report, provide an overview of the Group and give an indication of future developments in the Group's business, so providing a balanced assessment of the Group's position and prospects. These reports and this Directors' Report have been drawn up and presented in accordance with, and in reliance upon, applicable English company law and any liability of the Directors in connection with such reports shall be subject to the limitations and restrictions provided by such law. XPS Pensions Group plc is a member of the FTSE All-Share Index, trading under the ticker symbol XPS.

The table on page 99 details where certain other information, which forms part of the Directors' Report, can be found within this Annual Report.

### Going concern

Please refer to the Going Concern Statement in the Strategic Report on page 44 and the Viability Statement on page 53 for details on the assessment carried out by the Directors with regard to going concern.

### Results and dividend

The Group's audited financial statements for the year ended 31 March 2024 are set out on pages 109 to 145 and the Company's audited financial statements are set out on pages 146 to 153. The Group's profit after taxation for the year ended 31 March 2024 was £54.2 million (FY 2023: £15.8 million). An interim dividend of 3.0p per ordinary share (FY 2023: 2.7p) was paid on 5 February 2024. The Directors recommend a final dividend for the year of 7.0p per ordinary share (FY 2023: 5.7p) to be paid on 23 September 2024 to shareholders on the register on 23 August 2024.

Further information regarding dividend policy and payments can be found in the Financial Review on page 43 and in note 36 to the financial statements on page 145.

### Post balance sheet events

There have been no significant post balance sheet events to report since 31 March 2024.

### Directors

The current Directors of the Company, with summaries of their key strengths and experience, are set out in the Governance section on pages 56 and 57. Directors on the Board during the year and up to the date of this report are as follows:

Alan Bannatyne  
Ben Bramhall  
Paul Cuff  
Snehal Shah  
Margaret Snowdon OBE  
Sarah Ing  
Aisling Kennedy  
Imogen Joss (appointed 7 December 2023)  
Martin Sutherland (appointed 7 December 2023)

Details of the Directors' service contracts are shown in the report of the Remuneration Committee on page 82.

Details of share options granted to Directors and the interests of the Directors in the ordinary shares of the Company are set out in the Remuneration Report on pages 87 to 91.

In accordance with its Articles of Association, the Company made qualifying third-party indemnity provisions for the benefit of its Directors against any liability that attaches to them in defending proceedings brought against them, to the extent permitted by company law, which were in place throughout the year and remain in force at the date of this report. In addition, Directors' and Officers' liability insurance cover was maintained throughout the year at the Company's expense and remains in force at the date of this report.

Information	Location within Annual Report
Likely future developments in the business of the Company	Strategic Report (pages 8 to 17)
Inclusion and diversity	Sustainability (pages 24 and 25), Nomination Committee (page 65)
Employee involvement	Sustainability (pages 22 to 26), Co-Chief Executive Officers' Review (page 17) and S172 Statement (pages 18 and 19)
Directors' share interests	Directors' Remuneration Report (pages 87 and 88)
Emissions and energy consumption	Strategic Report (page 30)
Financial risk management objectives and policies	Note 2 to the financial statements (page 122)
Directors' regard to foster business relationships	Strategic Report (page 18)

### Capital structure

The Company's issued ordinary share capital and total voting rights at 31 March 2024 and the date of this report were 207,544,975 ordinary shares (each with a par value of 0.05p and all fully paid). There were no ordinary shares held in treasury. As at 31 March 2024 1,512,760 ordinary shares were held in the Employee Benefit Trust, and as at the date of this report, 1,388,956 shares were held in the Employee Benefit Trust. Further details of the Company's issued share capital are given in note 29 of the financial statements on page 140.

The Company's ordinary shares rank *pari passu* in all respects with each other, including for voting purposes and for all dividends. Each share carries the right to one vote at general meetings of the Company. Further information on the voting and other rights of shareholders, including deadlines for exercising voting rights, are set out in the Company's Articles of Association and in the explanatory notes that accompany the Notice of the Annual General Meeting, which are available on the Company's website at [www.xpsgroup.com](http://www.xpsgroup.com).

### Restrictions on shares

The Company's ordinary shares are freely transferable and there are no restrictions on the size of a holding. Transfers of shares are governed by the provisions of the Articles of Association and prevailing legislation. The ordinary shares are not redeemable; however, the Company may purchase any of the ordinary shares, subject to prevailing legislation and the requirements of the Listing Rules.

The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. Awards of shares under the Company's Performance Share Plan incentive arrangement are subject to restrictions on the transfer of shares prior to vesting.

As at the date of this report, the Trustee of the Group's Employee Benefit Trust holds 1,388,956 ordinary shares in the Company but has waived its entitlement to dividends and does not seek to exercise the voting rights on those shares.

### Major interests in shares

The table on page 98 shows the interests in shares (whether directly or indirectly held) notified to the Company in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules as at 31 March 2024 and 31 May 2024 (being the latest practicable date prior to publication of this Annual Report).

### Appointment and retirement of Directors

The Board may from time to time appoint one or more additional Directors so long as the total number of Directors does not exceed the limit of 12 prescribed in the Articles of Association. Any person so appointed will retire at the next Annual General Meeting and then be eligible for re-election. The UK Corporate Governance Code recommends that all Directors be subject to annual re-election by shareholders. All Directors will offer themselves for re-election at the 2024 Annual General Meeting.

### Powers of Directors

The business of the Company shall be managed by the Directors, who may exercise all powers of the Company, subject to legislation, the provisions of the Articles of Association and any directions given by special resolution. The Articles of Association contain specific provisions governing the Company's power to borrow money and also provide the powers to issue shares and to make purchases of its own shares. In accordance with the authorities granted at the 2023 Annual General Meeting, the Directors are authorised, within certain limits, to allot shares or grant rights to subscribe for shares in the Company and to make market purchases of the Company's own shares representing up to 10% of its share capital at that time. Details of the proposed renewal of authorities of the Directors are set out in the Notice of the 2024 Annual General Meeting.

### Political donations

No political contributions were made, or political expenditure incurred, by the Company and its subsidiaries during the year (FY 2023: £nil).

### Provisions on change of control

The Company is subject to a change of control provision in the following significant agreement:

The Company's £100 million agreement with HSBC Bank plc, National Westminster Bank plc, Bank of Ireland and Citibank in multicurrency revolving facilities, with a further uncommitted facility of up to £50 million, includes a customary provision for a lending counterparty to amend, alter or cancel the relevant commitment to the Group following a change of control of the Company.

The Company does not have agreements with any Director or employee that would provide specific compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's Performance Share Plan incentive arrangement may cause awards to vest on a takeover.

### Articles of Association

A copy of the full Articles of Association is available on the Company's website. The Company's Articles of Association may only be amended by a special resolution of shareholders in a general meeting.

### Auditor and disclosure of information to the auditor

In accordance with Section 418 of the Companies Act 2006, each of the Directors who were members of the Board at the date of the approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Company's auditor, BDO LLP, has expressed its willingness to continue in office and the Board has agreed, based on the recommendation of the Audit & Risk Committee, that a resolution for its reappointment will be proposed at the forthcoming Annual General Meeting.

### Annual General Meeting

Details of the forthcoming Annual General Meeting are given in the Statement of Corporate Governance on page 62.

Shareholder	At 31 March 2024		At 31 May 2024	
	Number of ordinary shares	Percentage of total voting rights	Number of ordinary shares	Percentage of total voting rights
Gresham House Asset Management	<b>33,471,239</b>	<b>16.13</b>	33,471,239	16.13
Abrdn	<b>19,325,366</b>	<b>9.31</b>	21,458,916	10.34
Schroder Investment Management	<b>15,534,549</b>	<b>7.48</b>	15,560,013	7.50
J.P. Morgan Asset Management	<b>13,913,853</b>	<b>6.70</b>	15,595,917	7.51
BlackRock	<b>12,292,158</b>	<b>5.92</b>	12,332,856	5.94
Premier Miton Investors	<b>11,816,361</b>	<b>5.69</b>	10,263,839	4.95

### Listing Rule (LR) disclosures

For the purposes of LR 9.8.4CR, the information required to be disclosed by LR 9.8.4R can be found in the following locations:

Item	Location
Interest capitalised	None
Publication of unaudited financial information	Not applicable
Details of long-term incentive schemes	Details of the Company's long-term incentive scheme can be found in the Remuneration Committee Report on page 76
Waiver of emoluments by a Director	None
Waiver of future emoluments by a Director	None
Non-pre-emptive issues of equity for cash	Not applicable
Non-pre-emptive issues of equity for cash in relation to major subsidiary undertakings	Not applicable
Contracts of significance in which a Director is or was interested	None
Provision of services by a controlling shareholder	Not applicable
Shareholder waiver of dividend for the year and future dividends	Dividend waiver by the Trustee of the Group's Employee Benefit Trust – see page 97 of this report
Agreements with controlling shareholder	Not applicable

The Directors' Report was approved by the Board of Directors of XPS Pensions Group plc.

By order of the Board:



**Snehal Shah**  
Chief Financial Officer  
19 June 2024

## Directors' responsibility statement

The Directors are responsible for preparing the Annual Report and accounts in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements and have elected to prepare the Company financial statements in accordance with UK-adopted International Financial Reporting Standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group and Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted International Financial Reporting Standards subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Directors' Report, a Strategic Report and a Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement of the Directors in respect of the Annual Report and accounts

As required by the UK Corporate Governance Code, the Directors confirm that they consider that the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. When arriving at this position the Board was assisted by a number of processes, including the following:

- the Annual Report is drafted by appropriate senior management with overall co-ordination by Internal Communications and Company Secretarial teams to ensure consistency across sections;
- an extensive verification process is undertaken to ensure factual accuracy;
- comprehensive reviews of drafts of the Annual Report are undertaken by members of the Executive Board and senior management team; and
- the final draft is reviewed by the Audit & Risk Committee prior to consideration by the Board.

### Responsibility statement

The Directors confirm that to the best of their knowledge:

- the Group financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company as a whole, together with a description of the principal risks and uncertainties that they face.



**Snehal Shah**  
Chief Financial Officer  
19 June 2024