



RS Group plc: Directors' Remuneration Report vote at the 2023 AGM

RS Group plc (the "Company") today provides an update in respect of the results of its Annual General Meeting ("AGM") held on 13 July 2023. At the Company's AGM, all resolutions were duly passed by poll with the requisite majority. The Board notes that the resolution in respect of the Directors' Remuneration Report ("DRR") for 2023 received a vote of more than 20% against (as a percentage of total number of votes cast). 61.59% of votes were cast in favour of this resolution.

For many years, the Company has been committed to an open and ongoing dialogue with shareholders on the issue of executive remuneration. We undertook an extensive multi-phased consultation process in respect of the development of the current Remuneration Policy in 2022, and engaged with a number of shareholders in advance of the 2023 AGM. Since the 2023 AGM, we have conducted a further round of engagement, writing to our largest 30 shareholders, representing over 81% of the register. We received a small number of responses, in each case welcoming the offer to engage, but noting that there was no requirement at this stage given the extensive prior consultation and communication referred to above.

Based on this previous engagement, the Remuneration Committee ("the Committee") understands that investor opposition to the 2023 DRR primarily related to concerns around the operation of the Journey To Greatness ("J2G") Award during the year. Prior to the 2022 AGM at which the Remuneration Policy to implement the J2G was approved, we conducted an extensive engagement with major shareholders, which helped to shape the final proposals. We acknowledged at that time that some had concerns around the potential maximum quantum available, but concluded that implementation was supported by the majority of major shareholders in the best interests of the Company and its stakeholders. During 2023, in order to align our incoming CEO, Simon Pryce, with the J2G awards in place for the rest of the management team (and also the wider employee population), and in accordance with the approved Remuneration Policy, Simon was granted a J2G award, suitably reduced pro-rated and based on the same exceptionally stretching performance targets which underpin the key principle of the J2G. While most of our largest shareholders were supportive, we recognise and acknowledge that some shareholders, and an influential voting advisory body, were not supportive of this approach. The Committee remains committed to ensuring that any payments under the J2G reflect the delivery of exceptional and very stretching stakeholder outcomes and retains the discretion to adjust awards if they are not deemed appropriate in the circumstances. It should also be noted that our new CFO, Kate Ringrose, will not participate in the J2G, and that J2G awards to the previous CEO and CFO lapsed in full on cessation of their employment.

The Committee also acknowledges that certain votes against the resolution were based on concerns around the exit arrangements for former CFO David Egan. The Committee had determined these arrangements in accordance with the terms of the Remuneration Policy, which ensured that no incentive award was retained other than that which had already been earned through performance.

The Committee would like to thank our shareholders who have engaged with us during 2022 and 2023. The perspectives of our shareholders form an important part of the Committee's deliberations and we reiterate our commitment to this open dialogue, particularly as we develop our 2025 Remuneration Policy where our intention is to continue to seek to drive strategic performance and long-term shareholder value through our incentive programmes.

Enquiries:

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