SUMMARY OF THE 2025 DIRECTORS' REMUNERATION POLICY

2025 Directors' Remuneration Policy

The 2025 Directors' Remuneration Policy (Policy) set out below is proposed for shareholder approval at the AGM to be held on 17 July 2025. Subject to shareholder approval, the Policy will take effect from that date. The key differences between the Policy and the Directors' Remuneration Policy approved at the Company's AGM held on 14 July 2022 are:

– Removal of the J2G LTIP Award and consequent significant reduction in overall package opportunity
– Modification of our LTIP into a 'hybrid' structure which will combine Performance Shares and Restricted Shares
– Introduction of a higher LTIP quantum level for the CEO role (relative to the CFO) in line with typical market practice and our historic approach
– Reduction of CFO shareholding guideline from 400% to 250%

Further background to these changes can be found in the Committee Chair's Letter on pages 106 to 111.

Executive Director 2025 Remuneration Policy table

Component: Base salary

Element	Details
Objective	To provide a market-competitive level of fixed pay reflecting the scale and complexity of our business enabling us to attract and retain global talent.
Operation	Generally reviewed each year, with increases normally effective from 1 June. Salaries are set by the Committee to reflect factors which include the scale and complexity of the Group, the scope and responsibilities of the role, the skills, experience and performance level of the individual, the overall total compensation opportunity, and the Committee's assessment of the competitive environment including consideration of appropriate market data for companies of broadly similar size, sector and international scope to RS Group plc.
Opportunity	There is no prescribed maximum salary. Base salary increases are applied in line with the outcome of the annual review. Factors that are considered include: increases for other employees, changes in role and responsibilities, market levels, and individual and Company performance. Salary increases will normally be based on the same framework which applies across the UK employee population.
Performance measures	Not applicable.

Component: Pension

Element	Details
Objective	To provide a level of retirement benefit that is competitive in the relevant market and aligned to the approach for the employee population.
Operation	Executive Directors may participate in the defined contribution section of the group pension scheme (Scheme) or receive a cash supplement in lieu.
Opportunity	A maximum contribution or cash supplement from the Company for any Executive Directors will be in line with the maximum rate taken by the majority of the wider UK workforce (currently 10.5% of salary).
Performance measures	Not applicable.

Component: Benefits

Element	Details
Objective	To provide benefits in line with the relevant market.
Operation	Executive Directors are provided with a company car (or a cash allowance in lieu thereof) and medical insurance. Other benefits may be provided or introduced from time to time to ensure the benefits package is appropriately competitive and reflects the circumstances of the individual Executive Director.
Opportunity	While there is no prescribed maximum, Executive Directors do not normally receive total taxable benefits exceeding 10% of base salary and it is not currently anticipated that the cost of benefits provided will exceed this level in the years over which this Policy will apply. The Committee retains the discretion to approve a higher cost where appropriate (for example, relocation expenses or expatriation allowance) or in circumstances where factors outside the Company's control have changed materially (for example, market increases in insurance costs).
Performance measures	Not applicable.

Component: Annual Incentive

Element	Details
Objective	To focus Executive Directors on achieving demanding annual targets relating to Group performance. The deferral element ensures focus on our longer-term business goals.
Operation	Performance targets are normally set at the start of the financial year taking into account the annual targets and objectives agreed by the Board. After the end of the financial year, the Committee determines the extent to which these targets have been achieved. A proportion of the total annual incentive payment (currently one-third) is delivered in the form of deferred shares in the Company under the Deferred Share Bonus Plan (DSBP). These shares normally vest after a period of two years, subject to continued employment. Dividend equivalents may be payable on shares which vest and may be delivered in the form of shares. The remainder is paid in cash after the year end. Malus and clawback provisions apply to all elements of the Annual Incentive (see notes to this table). The Committee will operate the DSBP in accordance with the rules of the plan.
Opportunity	The maximum opportunity in respect of a financial year is 150% of base salary.
Performance measures	Payment is determined by reference to performance, assessed over one financial year based on financial and strategic performance measures which the Committee considers to be aligned to the strategy and the creation of shareholder value. The performance measures and weighting for Awards to be granted in 2025/26 are summarised below. Further detail is provided on page 119. – Like-for-like revenue growth – 25% – ESG carbon-reduction metric – 10% – Adjusted free cash flow – 25% – Net promoter score (NPS) – 5% – Adjusted profit before tax (PBT) – 25% – Individual strategic targets – 10% The performance measures and weightings are normally agreed by the Committee at the start of each year, according to annual business priorities. The overall framework will normally be weighted towards financial measures of performance. The Committee retains discretion to use different or additional measures and weightings to ensure that the annual incentive framework appropriately supports the business strategy and objectives for the relevant year. The Committee has discretion to adjust the formulaic annual incentive outcomes to ensure alignment of pay with performance and fairness to shareholders and participants. The Committee also has the discretion to adjust targets for any exceptional events that may occur during the year. Any such discretion will be within the limits of the plan and will be fully disclosed in the relevant Annual Report on Remuneration. Before any incentive may pay out, a threshold level of adjusted PBT must be achieved. For threshold performance, the annual incentive payout will not normally exceed 10% of the maximum opportunity. For target performance, the annual incentive payout will be no higher than 50% of the maximum opportunity.

Directors' Remuneration report continued

Component: Long-term incentive

Element	Details
Objective	To link the largest part of the Executive Director's annual package with long-term business performance, while ensuring the Group can reward on a through-cycle basis, and attract and retain Executives globally. Performance metrics are aligned with shareholders' interests and the holding period ensures a focus on sustainable long-term performance.
Operation	Awards of shares may be made annually under the Company's LTIP, in the form of conditional shares or nil-cost options. Dividend equivalents may be payable on any shares vesting and may be delivered in the form of shares. Under the hybrid structure, awards of both Performance Shares and Restricted Shares will be made. These awards will vest over a period of three years subject to continued employment and the satisfaction of the performance measures (for the Performance Shares) and the discretionary underpin (for the Restricted Shares), as described below. There will be a further holding period of two years following vesting. Malus and clawback provisions apply (see notes to this table). The Committee will operate the LTIP in accordance with the rules of the plans.
Opportunity	The maximum LTIP award in respect of a financial year will comprise of: – A maximum Performance Share award of 250% of salary; and – A maximum Restricted Share award of 100% of salary Awards will normally be granted below these maximum levels. Award sizes to be granted during 2025 are set out on page 110.
Performance measures	Vesting of the Performance Shares will be determined by reference to performance assessed over a period of at least three years, based on performance measures which the Committee considers to be aligned with the delivery of strategy and long-term shareholder value. The performance measures are determined annually and will normally include metrics linked to profitability, shareholder value and capital efficiency. The performance measures for Performance Shares Awards to be granted in 2025/26 are as follows: – Adjusted earnings per share (EPS) – 50% – Comparative total shareholder return (TSR) – 50% – A return on capital employed (ROCE) underpin The level of vesting for threshold performance of the Performance Shares will be no higher than 25% of maximum. Additionally, for the Award to vest, the Committee must be satisfied that there has been a sustained improvement in the Company's underlying financial performance. The Committee has discretion to adjust the formulaic outcomes if it does not reflect appropriately underlying performance over the period or is not appropriate in the context of circumstances that were unexpected or unforeseen when awards were made. The Committee also has discretion to adjust targets if it considers that an amended target is reasonable, appropriate and would not be materially more or less difficult to satisfy than when it was originally set. Whilst the Restricted Share awards provide greater certainty of reward by their very nature, the Remuneration Committee will ensure any value delivered to Executive Directors is fair and appropriate in the context of the business performance and experience of our shareholders. As a result, they are subject to a discretionary underpin that guides the Remuneration Committee when determining whether any discretion needs to be applied to reduce, including to zero, the final vesting of awards. The underpin is based on a holistic review of overall business performance delivered over the vesting period, as determined by the Committee. In assessing the underpin, the Committee will consider the Group's overall performance by reference to a range of factors including, but not limited to, underlying financial health in the context of the Board's expectations and the market environment, strategic execution, and progress towards our sustainability commitments.

Component: All employee share plans

Element	Details
Objective	To encourage the ownership of RS Group plc shares.
Operation	Executive Directors will be eligible to participate in all employee share plans on the same basis as other employees.
Opportunity	Maximum opportunity will be in line with other employees and HMRC approved limits, where appropriate.
Performance measures	Not applicable.

Component: Share ownership requirement

Element	Details
Objective	To align Executive Director and shareholder interests and reinforce long-term decision making.
Operation	Executive Directors are expected to build up and retain a personal holding in RS Group plc shares: CEO – holding of 400% of base salary CFO – holding of 250% of base salary To support this objective, Executive Directors are expected to retain at least 50% of any share awards that vest (net of tax) until this guideline is met. Unvested DSBP awards and vested LTIP awards in a holding period will count towards this guideline (on a net-of-tax basis).
Opportunity	Not applicable.
Performance measures	Not applicable.

Component: Post-employment share ownership requirement

Element	Details
Objective	To create long-term alignment between Executive Director and shareholder interests by ensuring a shareholding is retained in the period after an Executive Director has left the Group.
Operation	Executive Directors are required to retain a personal holding in RS Group plc shares for a period of two years after leaving the Board. The level of required shareholding is equal to that of the in-employment guideline (for the CEO this is 400% of salary and for the CFO this is 250% of salary) or, if lower, the actual shareholding at the date of leaving the Board. The actual shareholding at cessation includes only shares which have vested (or are in a deferral or holding period, on a net-of-tax basis).
Opportunity	Not applicable.
Performance measures	Not applicable.

Notes to the Policy table

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments), notwithstanding that they are not in line with the Policy, where the terms of the payment were agreed:

i. before the Policy came into effect, provided that the terms of the payment were consistent with the Directors' Remuneration Policy (approved by shareholders in accordance with the Companies Act) in force at the time they were agreed; or
ii. at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

For these purposes, payments include the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are agreed at the time the award is granted.

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

Malus and clawback provisions

All elements of the incentive framework (annual incentive, including the DSBP element and LTIP awards) are subject to malus and clawback provisions, which the Committee may invoke in circumstances which include:

- misconduct or material error of the participant or their team
- material misstatement of the Company's financial statements (being the Group accounts and the Company accounts)
- an error in assessing a performance condition or in the data on which the award was granted, vested or released
- serious reputational damage
- material corporate failure

In such circumstances, the Committee has discretion to:

- Require a participant to return a cash incentive at any time up to the second anniversary of payment
- Reduce (including down to zero) a DSBP award prior to vesting
- Reduce (including down to zero) a LTIP Award prior to vesting and/or require, at any time prior to the end of the holding period (five years from grant), a participant to return part or all of the value of the award received

Directors' Remuneration report continued

Performance measure selection and approach to target setting

The annual incentive performance measures are selected each year to reflect the financial and strategic performance measures which the Committee considers to be aligned with the delivery of the strategic priorities and which directly reinforce the medium-term performance framework. The performance measures for the Performance Shares were selected to provide a balance between external and internal measures of performance, reflect the Group's long-term strategic key performance indicators, as well as measure absolute and relative performance. TSR aligns performance with shareholders' interests. Adjusted EPS is a measure of the growth and profitability of the Company that also reflects management performance, and is a measure used by investors in deciding whether to invest in the Company. The ROCE underpin reflects the efficiency of profit generation and balance sheet management.

Targets applying to the annual incentive and Performance Shares are set annually, based on a number of internal and external reference points. Annual incentive targets are set by reference to the annual targets agreed by the Board. Performance Shares targets reflect prevailing industry context, expectations of what will constitute appropriately challenging performance levels and factors specific to the Company. The upper end of the Performance Shares target range requires a challenging level of performance to be delivered.

Differences from remuneration policy for the wider workforce

The reward philosophy for our wider workforce is based on broadly consistent principles as described on page 111.

Annual salary reviews across the Group take into account individual and business performance, local pay and market conditions and salary levels for similar roles in comparable companies.

All Executive Directors and our wider workforce have the opportunity to participate in an incentive. In line with typical market practice, opportunities and performance measures vary by organisational level, geographical region and an individual's role. Other members of the senior management team are eligible to participate in the DSBP and the LTIP on similar terms. Differences apply where appropriate (e.g. in the grant levels awarded). Below the senior management team level, managers may be invited to participate in the hybrid LTIP or receive grants of restricted shares only. Many of our people are eligible to participate in the Company's all employee share plans and we continue to explore opportunities to extend the opportunity to more of the workforce.

Performance scenario charts

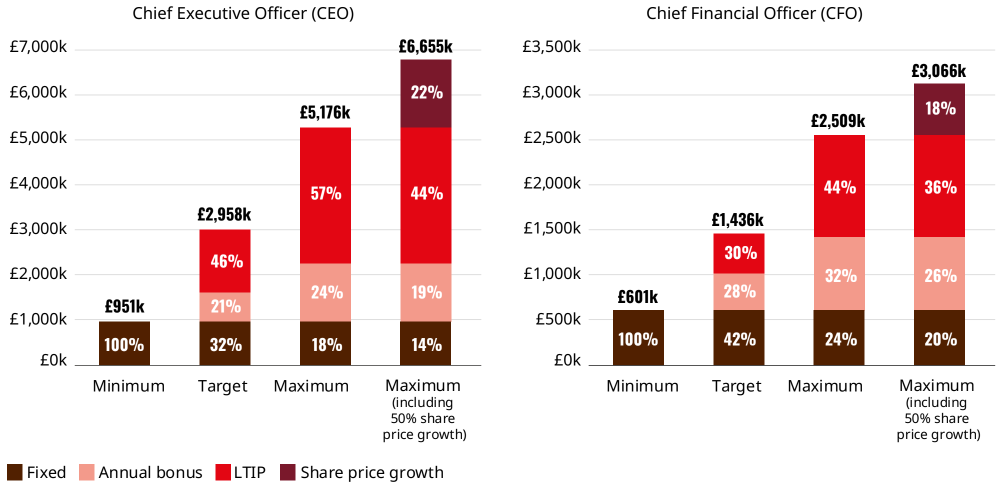
The charts on the right provide estimates of the potential future reward opportunity for the Executive Directors, based on remuneration package for the first year of the Policy period in 2025/26 (as set out on page 110) and the potential mix between the different elements of remuneration under four different illustrative performance scenarios: minimum, target, maximum and maximum (including 50% share price growth).

The minimum scenario reflects fixed remuneration of base salary, pension, and taxable benefits (taxable benefits based on the amount received in 2024/25).

The target scenario reflects fixed remuneration as above, plus target annual incentive payout (50% of maximum), threshold vesting of the Performance Shares 25% of the maximum and full vesting of the Restricted Shares.

The maximum scenario reflects fixed remuneration, plus full payout under all incentives.

The maximum (including 50% share price growth) scenario reflects fixed remuneration, plus full payout under all incentives (as described above), plus 50% share price growth on the LTIP awards as prescribed by the disclosure regulations.



Approach to Executive Director recruitment remuneration

External appointment

In cases of hiring or appointing a new Executive Director from outside the Group, the Committee may make use of all components of remuneration set out in the Policy table on pages 112 to 115, subject to the limits contained in that table. In determining the appropriate remuneration structure and level for the appointee, the Committee will take into consideration all relevant factors to ensure that arrangements are in the best interests of shareholders.

The Committee may also need to make an award of shares or a cash payment in respect of a new appointment to buy-out remuneration arrangements or income forfeited as a result of leaving a previous employer, over and above the approach and award limits outlined in the Policy table. In determining an appropriate structure for any buy-out awards, the Committee will consider all relevant factors including the form and time horizon of the forfeited remuneration, any performance conditions attached to the awards being bought out, and the likelihood of those conditions being met. Any such buyout will have a fair value which, in the view of the Committee, is no greater than the fair value of the awards forfeited.

Internal appointment to the Board

In cases of appointing a new Executive Director by way of internal promotion, the Policy will be applied consistently to that for external appointees detailed above. Where an individual has contractual commitments made prior to their promotion to Executive Director level, the Committee may choose to continue to honour these arrangements.

Service contracts and policy for payment for loss of office

Both Executive Directors have service agreements that operate on a rolling 12-month basis. The service agreements provide for 12 months' notice by the Company and by the Executive Directors.

The Committee's policy for Directors' termination payments is to provide only what would normally be due to Directors had they remained in employment in respect of the relevant notice period and not to go beyond their normal contractual entitlements.

Both Executive Directors' service agreements provide for base salary in lieu of notice. The Committee will monitor, and where appropriate, enforce the Directors' duty to mitigate loss. Termination payments will also take into account any statutory entitlement at the appropriate level, to be considered by the Committee on a case-by-case basis.

When the Committee believes that it is essential to protect the Company's interests, additional arrangements may be entered into (for example, post-termination protections above and beyond those in the contract of employment) on appropriate terms. The Committee may also agree to pay legal fees and outplacement costs or other such costs on behalf of the Directors.

Any incentive arrangements will be dealt with subject to the relevant rules, with any discretion exercised by the Committee on a case-by-case basis taking into account the circumstances of the termination. The table below summarises how awards under the various incentive arrangements are typically treated in specific circumstances.

	Good leaver[1]	Bad leaver[1]	Change of control
Annual incentive	Annual incentives are paid only to the extent that the performance targets are met. Any such annual incentive payout would normally be on a pro-rata basis, taking account of the period actually worked. Payment would normally be made after the end of the financial year. Any annual incentive payout will be paid without the DSBP element.	No annual incentive payout is usually made.	Annual incentive may be paid, taking into account performance and on a pro-rata basis.
DSBP	Awards normally vest in full at the normal vesting date, unless the Committee, in its discretion, decides that awards should be time pro-rated and/or should vest on the date of cessation of employment.	Unvested awards usually lapse.	Awards vest in full on the change of control, unless the Committee, in its discretion, decides that awards should be pro-rated for time[2].
LTIP	Unvested awards will normally continue and vest at the normal vesting date, based on the extent to which any performance conditions or underpins have been achieved. The award will be reduced pro-rata to take account of the proportion of the vesting period that had elapsed (unless the Committee determines otherwise). The Committee has discretion to determine that awards should vest earlier than the normal vesting date, in which case the Committee may determine the extent to which any performance conditions or underpins have been achieved in such manner as it considers reasonable. The award will remain subject to a pro-rata adjustment. If, following cessation as a good leaver, the individual agrees to start employment with another employer before the vesting date, the Committee may determine that the award will lapse. Vested awards remain subject to the holding period[3].	Unvested awards normally lapse. Vested awards remain subject to the holding period[3].	Awards would vest on the change of control to the extent determined by the Committee, taking into account the extent to which the performance conditions have been satisfied and the proportion of the vesting period that has elapsed (unless the Committee determines otherwise)[2].
All employee plans	In line with the same treatment for all employees under the plan rules and HMRC rules, where applicable.		

1. Good leaver provisions would apply in circumstances such as death, ill-health, injury or disability, the employing company ceasing to be a member of the Group or the transfer of an undertaking to a non-group member, or any other reason that the Committee determines in its discretion. Bad leaver provisions apply under all other circumstances.
2. Alternatively, on a change of control, unvested share awards may be exchanged for equivalent awards of shares in a different company. In the event of a variation in capital, demerger, distribution, delisting, special dividend or other event which, in the Committee's opinion, would materially affect the current or future value of the Company's shares, the Committee may allow awards to vest and be released early on the same basis as for a change of control. Alternatively, in these circumstances or in the event of a variation of the Company's share capital, the Committee may adjust the number of shares subject to an award.
3. In such circumstances, the vested awards will normally be released on the original release date, unless the Committee determines it should be released following cessation of employment. However, if a participant is summarily dismissed, awards will immediately lapse.

Directors' Remuneration report continued

Consideration of employment conditions elsewhere in the Group

The Group seeks to promote and maintain good relations with employee representative bodies – including trades unions and works councils – as part of its broader employee engagement strategy and consults on matters affecting employees and business performance as required in each case by law and regulation in the jurisdictions in which the Group operates. The Committee is mindful of the pay increases, incentive outcomes and share award participation in relevant markets across the rest of the Group when considering the remuneration of the Executive Directors. Employees have the opportunity to discuss various topics including the Policy and framework via various internal forums.

Consideration of shareholder views

The Committee consulted widely with key investors and shareholder bodies and took the feedback it received into account in developing the Policy. This consultation exercise covered our top 30 shareholders representing c. 86% of the share register (and is described in further detail on page 110). It remains the Committee's intention that key shareholders will normally be consulted before making any significant changes to the application of the Policy.

More broadly, the Committee considers shareholder views received during the year and at the AGM each year and is regularly kept abreast of evolving guidance from shareholders and investor bodies. The Chair of the Committee is always available to shareholders, should they wish to discuss remuneration arrangements.

Chairman and Non-Executive Director Remuneration Policy

Non-Executive Directors do not have service agreements, but instead have letters of appointment providing for an initial three-year term. The Chairman's letter of appointment and the Non-Executive Directors' letters have a three-month notice period. All Directors are subject to re-election annually at the AGM. Neither the Chairman nor the Non-Executive Directors are eligible to participate in any of the Company's annual incentive, long-term incentive or pension plans. Details of the policy on fees paid to the Company's Non-Executive Directors are set out in the table below.

Component: Chairman and Non-Executive Director Fees

Element	Details
Objective	To attract and retain Non-Executive Directors of the highest calibre with broad commercial experience relevant to the Group.
Operation	The fees paid to Non-Executive Directors are determined by the Board of Directors as a whole and the fee paid to the Chairman is determined by the Remuneration Committee. Non-Executive Directors and the Chairman receive a single base fee. Additional fees may be payable for additional Board duties, such as acting as Chair of the Audit, Nomination and Remuneration Committees, and to the Senior Independent Director. Fee levels are normally reviewed annually, with any adjustments typically made effective from 1 April. Fees are reviewed by taking into account best practice and appropriate market data including fee levels at other companies of broadly similar size, sector and international scope to RS Group plc. Time commitment and responsibility are also taken into account when reviewing fees. The Chairman and the Non-Executive Directors may be provided with accommodation and travel expenses in order to carry out their duties. This may include the settlement by the Company of any associated tax liabilities in relation to these expenses. Other benefits arising from the performance of duties may be provided.
Opportunity	The fees currently paid to Non-Executive Directors are disclosed in the Annual Report on Remuneration.
Performance measures	Not applicable.