



## Remuneration in context

### The committee sets the Remuneration Policy for Executive Directors and other senior executives, taking into account the company's strategic objectives over both the short and the long term and the external market.

The committee addresses the need to balance risk and reward. The Committee monitors the variable pay arrangements to take account of risk levels, ensuring an emphasis on long-term and sustainable performance. The Committee believes that the incentive plans are appropriately managed and that the choice of performance measures and targets does not encourage undue risk-taking by the Executives so that the long-term performance of the business is not compromised by the pursuit of short-term value. The plans incorporate a range of internal and external performance metrics, measuring both operational and financial performance over differing and overlapping performance periods, providing a rounded assessment of overall company performance.

#### Linkage to all-employee pay

The committee reviews changes in remuneration arrangements in the workforce generally as we recognise that all our people play an important role in the success of the company. Keller is committed to creating an inclusive working environment and to rewarding our employees throughout the organisation in a fair manner. In making decisions on executive pay, the Committee considers wider workforce remuneration and conditions to ensure that they are aligned on an ongoing basis.

As part of our commitment to fairness, we have a section in this report (see ESG and sustainability) which sets out more information on our wider workforce and our diversity initiatives. We recognise there is always an opportunity to improve in relation to these issues.

#### Shareholder views

The committee engages proactively with the company's major shareholders and is committed to maintaining an open dialogue. The committee reviews any feedback received from shareholders as a result of the AGM process. Committee members are available to answer questions at the AGM and throughout the rest of the year. The committee takes into consideration the latest views of investor bodies and their representatives, including the Investment Association, the Pension and Lifetime Savings Association and proxy advice agencies such as Institutional Shareholder Services.

#### Remuneration principles

We strongly believe in fair and transparent reward throughout the organisation and when making decisions on executive remuneration the committee considers the context of wider workforce remuneration. This section shows how the 2018 Code is embedded in our remuneration principles and how they are cascaded throughout the organisation. The diagram on the following page shows how the policy is aligned with the factors set out in Provision 40, and how our principles and policy are aligned with the 2018 Code.

## Our purpose: Building the foundations for a sustainable future

### Embedding our purpose and vision in our remuneration guiding principles

- Support our purpose, values and our wider business goals.
- Drive long-term sustainable performance for the benefit of all our customers, shareholders and wider stakeholders.
- Be simple, transparent and easily understood by internal and external stakeholders.
- Attract, motivate and retain all our employees with diverse backgrounds, skills and capabilities.

### How we address the requirements under Provision 40

#### Cultural alignment and proportionality

- The committee ensures that the overall reward framework embeds our purpose and values.
- The committee reviews the executive reward framework regularly to ensure it supports the company's strategy.

#### Proportionality and risk

- A significant proportion of remuneration is delivered in variable pay linked to corporate performance.
- Performance measures/targets for incentives are objectively determined.
- Outcomes under incentive plans are based on holistic assessment of performance.

#### Simplicity, clarity and predictability

- The committee ensures the highest standards of disclosure to our internal and external stakeholders.
- The committee makes decisions on executive pay in the context of all employees and the external environment.

#### Cultural alignment and risk

- The committee ensures that a significant portion of reward is equity-based and thereby linked to shareholder return.
- Executive Directors are required to build significant personal shareholdings in the company and this is regularly monitored by the committee.

#### Clarity

The Committee ensures that Executives are provided with a remuneration opportunity which is competitive against companies of a similar size and complexity, with a strong emphasis on the variable elements.

## Alignment of the policy to the provisions of the 2018 Code

### Clarity:

The company's performance remuneration is based on supporting the implementation of the company's strategy measured through KPIs which are used for the annual bonus and LTIP. This provides clarity to all stakeholders on the relationship between the successful implementation of the company's strategy, including its sustainability framework, and the remuneration paid.

### Simplicity:

The policy includes the following:

- setting defined limits on the maximum awards which can be earned;
- requiring the deferral of a substantial proportion of the incentives in shares for a material period of time, helping to ensure that the performance earning the award was sustainable, and thereby discouraging short-term behaviours;
- aligning the performance conditions with the agreed strategy of the company as well as our sustainability and net zero carbon ambitions;
- ensuring a focus on long-term sustainable performance through the LTIP; and
- ensuring there is sufficient flexibility to adjust payments through malus and clawback and an overriding discretion to depart from formulaic outcomes, especially if it appears that the behaviours giving rise to the awards are inappropriate or that the criteria on which the award was based do not reflect the underlying performance of the company.

### Predictability:

Shareholders are given full information on the potential values which can be earned under the annual bonus and LTIP plans on their approval. In addition, all the checks and balances set out above under 'Risk' are disclosed at the time of shareholder approval.

### Proportionality:

The company's incentive plans clearly reward the successful implementation of the strategy and our environmental ambitions, and through deferral and measurement of performance over a number of years ensure that the Executives have a strong drive to ensure that the performance is sustainable over the long term. Poor performance cannot be rewarded due to the Committee's overriding discretion to depart from the formulaic outcomes under the incentive plans if they do not reflect underlying business performance.

### Alignment to culture:

A key principle of the company's culture is a focus on our stakeholders and their experience; this is reflected directly in the type of performance conditions used for the bonus. The focus on long-term sustainable performance is also a key part of the company's culture. In addition, the measures used for the incentive plans are measures used to determine the success of the implementation of the strategy.

