



Key observations on 2022 remuneration reports
published by July 14th 2023

Key observations on 2022 remuneration reports up to the period July 14th 2023

Analysis based on 33 Irish companies listed on Euronext Dublin that have published their remuneration report over 2022

Target Setting:

Where companies included data on target setting in their annual incentive plans, 40% disclosed their full target setting metrics, 5% did not disclose and 55% partly disclosed their target setting metrics.

Where companies included data on target setting in their long-term incentive plans, 76.5% disclosed their full target setting metrics and 23.5% did not disclose any metrics



Discretionary adjustments:

5 companies have made a discretionary adjustment to the STI pay-out. Three of these companies reduced their pay-out due to the context of the current uncertain economic climate

3 companies have made a discretionary adjustment to the long-term incentive. One of those companies made a downward adjustment due to windfall gains. Dalata Hotel Group and Glanbia made discretionary adjustments in both their STI and LTI plans.



CEO and Executive Director Base Salary

CEO Base salary had a median increase of 2% in 2022. CEO Base salary had a median increase of 3% in 2023.

The CEO base salary increase for 2023 ranges from 0% to 16%. The median CEO base salary for 2023 is €600,000

Executive Director Base salary had a median increase of 3% in 2023 and in 2022

The Executive Director base salary increase for 2023 ranges from 0% to 14%.



Workforce Trends

On average, the CEO base salary increase is generally below the (average) wider workforce increase.

This is evidenced by Willis Towers Watson in their 2023 Salary Budget Trends Report where they forecasted that in 2023 the average increase for the wider workforce in Ireland would be 4.6%



ESG Trends

15 of the listed companies operate ESG-related metrics in their annual incentive plan and 7 of the companies in their long-term incentive plan. Social metrics such as health and safety and diversity targets are overall more common in annual incentive plans, environmental metrics are more prevalent in long-term incentive plans such as sustainability-related metrics (such as biodiversity carbon emission targets).



NED and Chair fees

Chair fees increased 3% on average in 2022 with the median salary being €176,000

NED base fees increased 2% on average in 2022 with the median pay-out being €65,000

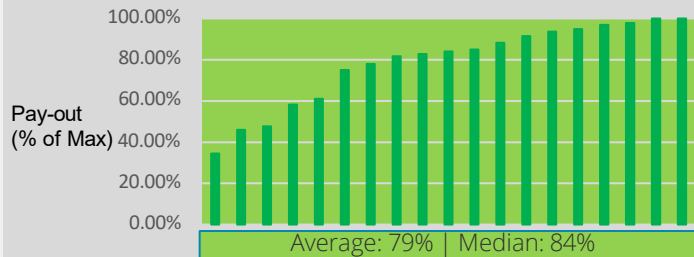


STI pay-out and LTI vesting levels

In 2022:

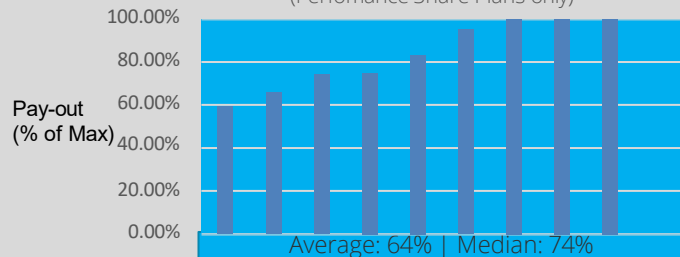
- The average CEO STI pay-out was 79% as a % of max. The median CEO STI pay-out was 84% as a % of max
- The average CEO LTI vesting level was 64% as a % of max. The median CEO LTI vesting level was 74% as a % of max

CEO STI pay-out (as % of max)



CEO LTI vesting level (as % of max)

(Performance Share Plans only)



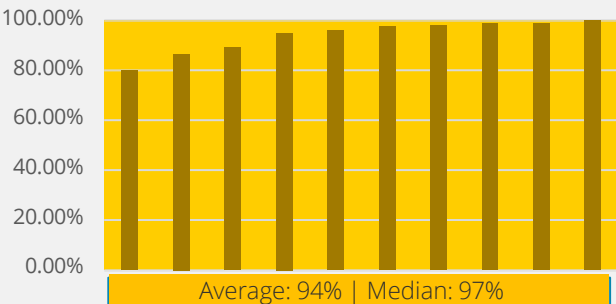
Key takeaways from the 2023 AGM season up to July 2023

Slightly improved shareholder support for most remuneration items despite investor pushback

Remuneration report

Despite the challenging external environment with economic pressures, high inflation levels and media (increasingly) scrutinizing large companies, we observe significant shareholder support levels on the remuneration reports brought to vote thus far.

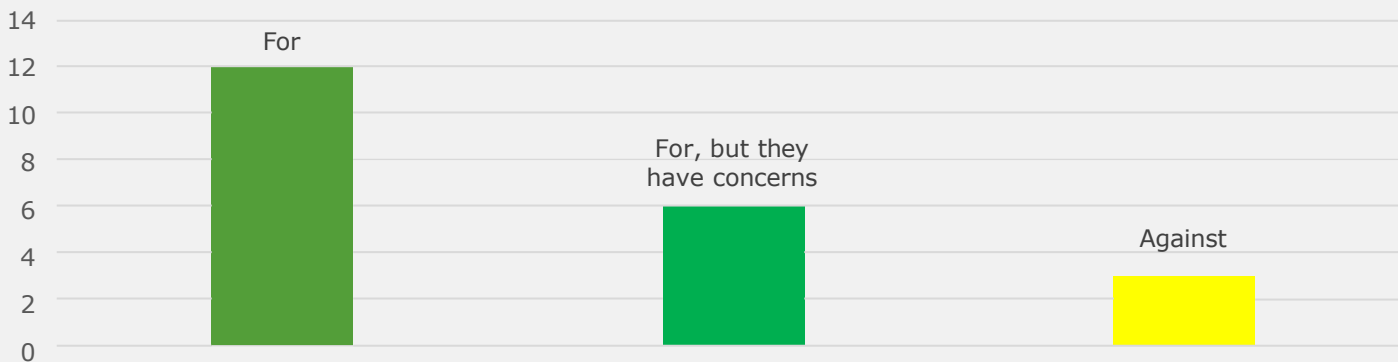
AGM Vote % (DRR)



➤ Shareholder support levels for the 2022 remuneration reports are slightly above last years' support levels (on average 94% "for" votes vs 93% last year).

ISS Voting Recommendations

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Details on when ISS voted for a DRR but with concerns

The remuneration outcomes are not incongruent with the performance of the Company during FY2022 and the overall shareholder experience

The performance targets for LTIP awards, have not been clearly disclosed, offering shareholders little transparency

Given recent Company performance, questions may be raised on the appropriateness of bonus outcomes for the year

Reasons ISS voted against a DRR

The Remuneration Committee has exercised discretion to adjust in-flight LTIP awards, resulting in a fully negative performance target range.

There are concerns with the nature of the CEO's bonus, and the non-disclosure of the EPS targets which govern it.

The overall remuneration for FY2022 represents a significant increase over the prior year, particularly given the larger bonus and LTIP award opportunities available to Executives.



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