

Your Guide

Directors' remuneration in FTSE 250 companies

September 2025

Introduction



01 Introduction and foreword

Welcome to Your Guide – Directors' remuneration in FTSE 250 companies.

With an interactive format, this report provides detailed analysis of executive and non-executive remuneration in FTSE 250 companies, including base salary, annual bonus and long-term incentives, pensions, shareholding requirements, pay ratios, non-executive director fees and other aspects of remuneration policy. This analysis is based on 162 companies with financial years ending up to and including 31 December 2024.



*If you have any questions or queries about our **Your Guide** reports, please get in touch at UKExecutiveCompensationConsulting@deloitte.co.uk*

Foreword



We have seen a trend in the 2025 AGM season towards more innovative pay structures and significant incentive increases in the FTSE 250, but at less pace and scale than in the FTSE 100. Consistent with the FTSE 100, we have also seen the relaxation of some governance features.

2025 AGM season

There was an increase in the number of companies seeking approval for a new policy ahead of their usual three-year cycle. Of those seeking approval for a new policy, we saw an increased incidence in more significant proposals (be that increases to incentive opportunities of 100% of salary or more and/or the use of more innovative pay structures).

The rationale for change in these cases has generally focussed on being competitive but also internal pay compression challenges and growth and performance of the company. It is notable that incentive increases have typically been accompanied by detailed disclosure of supporting benchmarking.

The 2025 AGM season also saw a number of companies seeking approval for a hybrid incentive model (i.e. a combination of performance and restricted shares) with 11 FTSE 250 companies now operating this in some form.

Another theme was the relaxation of some UK governance features, with a number of policies relaxing bonus deferral requirements where shareholding guidelines have been met. 15% of FTSE 250 companies now adopt this approach

Shareholders and proxies

In the debate over the competitiveness of UK capital markets, the executive pay environment was identified as one of several key factors impacting UK competitiveness. In this context, the major investor and proxy bodies issued updated guidance ahead of the 2025 AGM season, with the Investment Association's Principles of Remuneration published in October 2024 following a fundamental review.

Overall, shareholders have been supportive of pay proposals, with evidence of there being a greater openness to consider proposals on a case-by-case basis and to support companies where there is a robust commercial rationale. However, the number of 'Against' voting recommendations from ISS and Glass Lewis increased year-on-year, demonstrating that there is not a 'blank cheque'. While not all proposals had the support of proxy agencies, a number of companies engaged extensively with investors, with some boards showing a willingness to weather a lower AGM vote on pay proposals that close the gap against relevant peers.

Looking at overall levels of voting, the median level of support for directors' remuneration reports remained high at 97% (2024 median: 96%) and 94% for the remuneration policy (2024 median: 95%). At the time of writing, 10 FTSE 250 companies have received low votes on their new policy (less than 80% in favour) during the 2025 AGM season.

Foreword



Pay out-turns

The median FTSE 250 CEO 'total single figure' was £1.67m for 2024 (2023: £1.86m).

Annual bonus out-turns were slightly lower than last year, with a median CEO payout of 70% of maximum for 2024 (2023: 74%). Around 12% of companies used discretion and judgement to reduce bonuses to reflect broader performance factors in the year including health and safety. There were also some examples of upwards discretion.

Median long-term performance share plan vesting – the extent to which performance conditions are achieved – was 60% of maximum, consistent with the last two years.

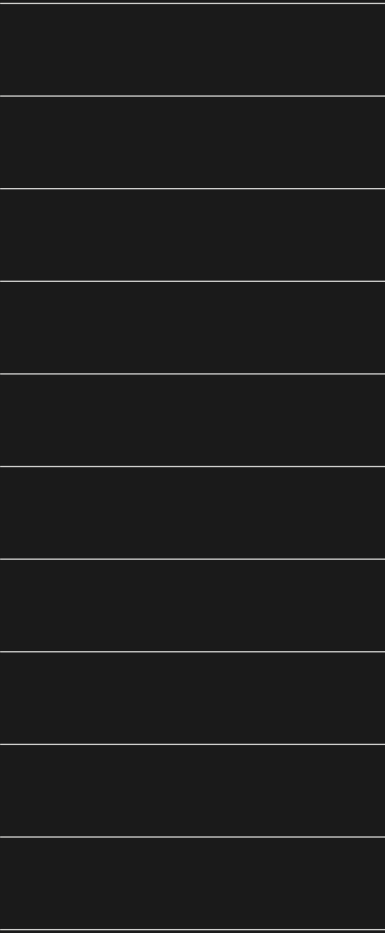
Over recent years, executive salary increases have generally trended behind the wider workforce. This year we have seen a continuation of last year's return to closer alignment of executives' increases with those of the wider workforce (median CEO and wider workforce salary increase for 2025 so far of 3.0% and 3.5%). However, there have also been more examples of companies implementing significant one-off salary adjustments for their Executive Directors, with evidence of shareholders being more open to reviewing such proposals on a case-by-case basis.

The year ahead

With a number of companies coming to the end of their normal three-year cycle, we expect to see similar themes continuing for policy renewals in the next AGM season. Whilst we have seen greater openness from shareholders and proxy agencies to reviewing pay proposals on a case-by-case basis, we expect that proposals will continue to be carefully scrutinised in terms of the rationale for change. It will continue to be important for companies to make the case for any new proposals based on their strategy and specific circumstances, supported by relevant data where appropriate.

Outside of policy renewals, committees face the challenge of how to deal with ongoing uncertainty in the economic and geopolitical landscape. In this context, we would expect to see a focus on performance measures and target-setting, thinking about: which measures are right for the business; what targets represent good or truly exceptional performance; what is the right balance for the potential rewards; and if the incentive program has not operated as intended, how far could discretion (negative or positive) be exercised to remedy unfair **outcomes**.

Deloitte
September 2025



Executive summary



'Total single figure' remuneration

£1.67m

median CEO 'total single figure' remuneration
(2023: £1.86m, 2022: £1.78m)

£1.09m

median CFO 'total single figure' remuneration
(2023: £1.07m, 2022: £1.11m)



Fixed pay

3%

median CEO salary increase so far in 2025
(2024: 4%, 2023: 4%)

18%

CEOs not awarded salary increase so far in 2025
(2024: 16%, 2023: 21%)

3.5% median workforce increase so far in 2025 (2024: 4.5%, 2023: 6%)



Incentive out-turns

70%

of maximum median CEO annual bonus out-turn for 2024
(2023: 74%, 2022: 75%)

18%

of companies applied judgement/discretion on bonus out-turn for 2024
(2023: 17%, 2022: 20%)

60%

of maximum median PSP vesting for 2024 (same as for 2023 and 2022)



Executive shareholding requirements

200% of salary

most common CEO shareholding requirement

320% of salary

median actual CEO shareholding

c.70%

of companies have a post-employment shareholding requirement



ESG and incentive plans

77%

annual bonus plans incorporate ESG metrics

53%

performance share plans incorporate ESG metrics



Alternative incentives

31%

of companies operate alternative incentive arrangements
(2024: 26%, 2023: 22%)



2025 AGM season

97%

median vote in favour of directors' remuneration report
(2024: 96%)

12

companies receiving a 'low vote' (<80% support)
(2024: 6)

35%

of companies put a new remuneration policy to vote

10

policies receiving a 'low vote'
(2024: 6)

Key issues

Lower policy votes generally associated with companies seeking significant increases to incentive levels or policy features which deviate from current mainstream UK market practice.

Consistent with prior years, shareholders provided pushback where companies were deemed to have not responded to lower voting outcomes in prior years, salary increases were considered excessive or incentive outcomes were not deemed to be commensurate with performance.