

Remuneration Report

continued

All-employee remuneration

In setting the remuneration policy for Directors, the pay and conditions of other employees are considered along with any increases in salary. The Committee is provided with data on the remuneration structure for those management level tiers below the Executive Directors; it uses this information to ensure a consistent approach to remuneration throughout the Group.

There is no formal consultation with employees regarding the remuneration of Executive Directors.

All Morses Club employees have the opportunity to participate in our key benefits such as life assurance, private health and the Company pension scheme.

The Group issues shares to Morses Club employees under the framework of its approved employee share option scheme. In December 2021, all eligible employees received a share award of 3.25% of salary under the Group's Share Incentive Plan.

Changes in Directors' pay in relation to all employees

The table below shows the percentage change in remuneration of the Directors and employees of the Group between the 2021 and 2022 financial years.

	Salary or fee %	Benefits %	Bonus ³ %
Employees^{1,2}	4	18	100
Executive Directors:			
Paul Smith	3	24	100
Gary Marshall ⁴	19	28	100
Graeme Campbell ⁵	156	82	100
Non-Executive Directors			
Stephen Karle	0	N/A	N/A
Joanne Lake ⁶	12	N/A	N/A
Sir Nigel Knowles	0	N/A	N/A
Peter Ward	0	N/A	N/A
Michael Yeates ⁷	N/A	N/A	N/A
Sheryl Lawrence ⁷	N/A	N/A	N/A

1 The strict legal requirement is to only provide details of employees of Morses Club PLC, so we have decided to voluntarily disclose in respect of all Group employees.

2 For the purposes of this calculation, we have compared the salary, benefits and bonus of all employees who worked for the Group for the full years of FY21 and FY22.

3 No bonus was paid in FY21, but a bonus was paid to eligible Directors and employees in FY22.

4 G Marshall was appointed an Executive Director on 1 May 2021 and was appointed CEO on 21 February 2022.

5 G Campbell joined the Company on 20 October 2020. Most of the increase in his salary and benefits was the result of him working a full year in FY22.

6 The increase in J Lake's fee was solely due to the Additional Responsibility Payments arising from her role as Interim Chair of the Audit and the Risk & Compliance Committees for a few months during the year.

7 M Yeates and S Lawrence were appointed on 1 May 2021 and therefore there are no comparative figures for FY21.

CEO pay ratio

We have detailed the CEO pay ratio below.

The updated CEO pay ratios which now include the value of shares vested in the period are:

FY22

Percentile	Value	CEO Pay Ratio
25th	£24,520.65	28:1
Medium	£33,710.73	21:1
75th	£42,840.00	16:1

FY21

Percentile	Value	CEO Pay Ratio
25th	£28,915.15	17:1
Medium	£32,521.68	15:1
75th	£42,067.51	11:1

The variation from the ratio in FY21 is due to the absence of any bonus payments during this year.

Relative importance of spend on pay

The total pay (including performance bonuses) for all Morses Club PLC employees for FY22 is £17,172,453 compared to £22,599,004 for FY21. The total pay for Shelby Finance Limited for FY22 is £6,107,582 (FY21: £5,293,110).

Corporate Social Responsibility (CSR)

Due to Covid-19 restrictions, the Group has again run a very limited CSR programme during FY22. The Group donated a total of £7,150 to good causes, including £5,000 to the Cornwall Hospice after it provided end-of-life care for a senior member of the management team during the year (FY21: £7,500).

Sir Nigel Knowles

Chair – Remuneration & Corporate Social Responsibility Committee
25 August 2022