INTRODUCTION TO THE REMUNERATION REPORT

Following extensive consultation with shareholders we are proposing to implement a VCP to incentivise management to accelerate value creation for shareholders.

John Pattullo
Remuneration Committee Chairman

Committee membership

Committee membership	Number of meetings
John Pattullo	5/5
Mark Butcher	5/5
Avril Palmer-Baunack	5/5
Bindi Karia	5/5
Nicola Rabson	4/5

* Nicola Rabson could not attend one meeting in the year due to a prior external commitment. She informed the Committee in advance and had an opportunity to provide comments to the Committee Chairman ahead of the meeting.

Dear stakeholder,

I am delighted to present the Directors' Remuneration Report for the year ended 30 April 2025. During the year the Remuneration Committee (the Committee) reviewed the Remuneration Policy to ensure that it continues to be aligned to the Group's strategy.

Review of Directors Remuneration Policy and implementation of a Value Creation Plan (VCP)

Over the last year the Remuneration Committee has undertaken a comprehensive review of our long term incentive arrangements in the context of business performance, share price performance, and the forward-looking strategy. In recent years the Board believe that there has been a disconnect between share price progression and the underlying performance of the ZIGUP group – despite strong profit performance against market expectations, our multiple has declined during this period.

Faced with this disconnect, we concluded that a VCP could be the most suitable framework to generate value for shareholders by incentivising management to accelerate value creation for shareholders and deliver a material increase in the share price. We have designed a simple, clear, transparent, and leveraged incentive plan where management will only benefit when there are strong returns for shareholders.

In developing the VCP we engaged extensively with our largest shareholders. There were mixed views as we expected given that this structure is not commonly operated in the UK market, but, on the whole, shareholders understood our challenge and were supportive of the concept of a VCP in the context of the disconnect between ZIGUP's share price and business performance.

The key features of the proposed plan are outlined below.

- Hurdle – there will be no pay-out under the plan unless the Company meets the stretching hurdle of share price plus dividends paid during the period of £5.21, equivalent to approximately 18% annual growth in total shareholder return.
- Pool – above this hurdle, management will participate in 10% of the value created for shareholders, ensuring a fair split of returns between management and shareholders.
- Cap – the pool will be subject to a maximum share price and dividend cap of £8. The overall monetary value of the pool therefore cannot exceed c.£63m (with a corresponding maximum of c.£19m for the CEO), which would only be delivered where there has been over £1bn of shareholder value created.
- Time horizons – performance under the plan will be measured over the three-year performance period starting on 1 May 2025 and ending on 30 April 2028. The plan includes a two-year holding period following the vesting of any awards, ensuring that no shares are released for a five-year period, incentivising sustainable decision making and creating value for shareholders.
- Participants – limited to the executive directors and members of the executive committee, being those business leaders having the greatest influence over business performance, strategy and the delivery of value creation.
- Allocation – the CEO will be allocated 30% of the VCP pool, and the CFO 15%; the remainder is distributed among other eligible senior managers with the business unit heads receiving a higher share than the functional roles.

We will be putting a revised Directors Remuneration Policy, including the new VCP to shareholder vote at the AGM in September 2025.

Performance of the Group

Over the past 12 months, the business has taken advantage of improving vehicle supply to grow its Spanish fleet and refresh a significant portion of the UK&I rental fleet, in what continues to be a strong demand environment. We have also invested in our people, technology and facilities to deliver improvements in customer experience and cost efficiencies, leading to industry leading feedback scores, improved customer retention and contract renewals.

At the same time a number of key industry metrics normalised in the first half of the year, including LCV residual values and replacement vehicle hire days moving closer to historic norms. These impacted aspects of our financial performance as previously guided, principally disposal profits in Spain and UK&I, and Claims & Services EBIT margin.

Against this backdrop management have continued to focus on what they can control, delivering an excellent operational performance and a financial performance ahead of market expectations. The Group reported revenues of £1,812.6m and underlying PBT of £166.9m.

We are delighted to have been awarded the King's Award in 2025, recognising the efforts made in reducing the technical skills gap and supporting the next generation of technicians. This is combined with high levels of colleague satisfaction at 75% overall and reflects our focus on a long term, sustainable people strategy. The new brand and strategic pillars have been embedded within the business, providing stronger group-wide consistency and focus. Our efforts on reducing emissions both within our own business and supporting the energy transition for commercial fleets has also seen the business achieve its near-term emissions targets.

This is a very strong overall performance in shifting market conditions requiring dedication and focus from across the executive and management team to deliver.

Remuneration outcomes for the year ended 30 April 2025

Annual bonus

The maximum annual bonus opportunity for the year was 125% of salary for the CEO. 75% of the award was based on underlying PBT, with actual performance for the year being £166.9m, which was between target and maximum. The remaining 25% was based on strategic and ESG targets, against which the Group performed strongly. The CEO received an overall annual bonus of 75.85% of maximum. The Committee considered this outcome in the context of performance in the year, further detail of which is provided elsewhere in the Annual Report and Accounts, and determined that the outcome was appropriate and that no discretion was required. 50% of the annual bonus is awarded in shares and subject to deferral for three years.

2022 LTIP vesting

The 2022 LTIP awards were granted in July 2022 subject to challenging underlying PBT and EPS targets. Following solid delivery over the three-year performance period, the target for EPS has been fully achieved, and the PBT outcome was delivered between threshold and target. Awards will therefore vest at 69.6% of maximum on 13 July 2025. The Committee is satisfied that these outcomes are consistent with the overall business performance over the relevant performance period and that no discretion is required. Awards for Executive Directors are subject to a two-year post vesting holding period.

CFO transition

In October 2024, the Company announced that Philip Vincent had taken the decision to step down from the Board, following six years of service, Philip was paid his salary, benefits and pension up to the date he left the Company in March 2025. There was no further compensation payable in respect of his loss of office and all unvested options under the LTIP lapsed under the terms of the scheme. Additionally, he was not entitled to a bonus for the year ended 30 April 2025. Philip remains subject to the post-employment shareholding guideline.

The Company announced on 3 February 2025 that, following a robust search process, Rachel Coulson would join the Group as CFO in August 2025. Rachel will be appointed on a salary of £400,000, below that of her predecessor reflecting that this is her first group CFO role. The Committee may make salary adjustments greater than the wider workforce in the future as she develops and performs in the role. The pension contribution and annual bonus opportunity are in line with our policy. Rachel will also participate in the VCP alongside other members of management. There will also be awards made to compensate Rachel for awards that will be forfeited upon leaving her previous employer. These mirror the form, value, and time horizons of forfeited awards. The anticipated maximum value of Rachel's buyout is £550,000. Full details will be provided in the Directors' Remuneration Report next year.

Operation of policy for FY2026

Base salary

The CEO's salary has been increased by 2% to £659,386. This salary increase is aligned with the rate applied to mid and senior management levels and below the average 4% pay increase across the wider UK business.

Pension

Executive Director pension levels remain aligned to the majority of the UK workforce (currently 4% of salary).

Annual bonus

There are no changes to the maximum opportunity for FY2026 (125% of salary for the CEO and 100% of salary for the CFO) or to the performance measures, with the annual bonus continuing to be based 75% on PBT performance and 25% on strategic and operational measures including ESG. Half of any bonus earned net of taxes will be used by the Executive Directors to purchase shares, which will be subject to a three-year holding period and cannot be sold during that time.

Long term incentive plans

Executive Directors and other eligible senior managers will participate in the VCP as outlined above.

Wider workforce pay and benefits

In FY2025, the Group made pay increases to colleagues at lower salary levels of between 2% and 7%, and a capped 2% rise at mid to senior levels. FY2025 also saw a 24% increase in the number of colleagues participating in the SAYE scheme compared to previous years. Since 2022 the Company has made an annual grant of Free Shares to eligible colleagues up to the value of £500. The first set of awards were made to 4,904 colleagues and are due to vest in December 2025. The Group continues to recognise the financial challenges which face many colleagues, and following the launch of Wagestream's savings product, 1,031 colleagues have opened a savings account. There has been a total investment of £625,000 by colleagues saving directly from their salary. In the Group's Spanish business, greater focus was given to financial wellbeing through the introduction of the Northgate Savings Club which broadened and enhanced the benefits available to our Spanish colleagues.

There has been a focus during FY2025 to improve awareness of colleague benefits, resulting in a 4% increase in the number of colleagues accessing Benefits HUB. Initiatives like the benefits road shows piloted across the Auxillis and Principia businesses in the UK, have helped colleagues better understand the value of the benefits that are available to them. Awareness has also increased due to a new benefits booklet called 'work perks', and a new app making access to Benefits HUB easier for our remote-working colleagues. Following the recent colleague engagement survey there has been a 10%ppts increase in the number of colleagues from Auxillis and Principia "agreeing" or "strongly agreeing" with the statement, "I value the benefits that are available from my company". Across the UK the number of colleagues opting into additional benefits increased by almost 95% across a 12-month period.

In response to colleagues' feedback, the UK business communicated to colleagues that 'Holiday Flex' would be introduced in 2025. The business recognises that colleagues want more flexibility to decide how to use their annual leave (in line with working time regulations), and this new scheme will give colleagues the opportunity to buy or sell up to one week of annual leave per year. Additionally, holiday entitlement was increased for colleagues within FMG RS to align with the wider UK business.

Strategic report
Corporate governance
Financial statements
Other information

Board engagement with wider workforce

The Group continues to engage regularly with the wider workforce. During FY2025 in the UK and Ireland the Employee Engagement Forum was relaunched as The Voice Network (the Forum) with a refreshed terms of reference and purpose. The Forum is chaired by a senior member of the Group Management Board and includes representatives from across the business and group functions. To improve communication and feedback channels further, the Forum now comes together more frequently, in person, six times a year. During the last 12 months the Forum has been instrumental in supporting initiatives such as the introduction of Holiday Flex, the launch of the colleague benefits booklet, the identification of Charity Ambassadors across the Group, and in raising awareness of the importance of mental health. In Spain, greater focus was given to wellbeing support, with the introduction of Savia, a 24/7 wellness platform. Additionally, following a successful consultation process with the workers' councils a single framework for collective bargaining has been agreed and implemented across 14 branches in Spain during FY2025. In FY2026 the Group remains committed to maintaining an effective dialogue between senior management and the wider workforce through the introduction of local forums across the Group.

Colleague engagement

The Group reviewed and discussed the results of its fifth annual Have Your Say colleague survey. Key themes emerging included: continued recognition from colleagues that they are proud of the service they provide to customers, acknowledgement from colleagues that collaboration and teamwork across the Group has improved (which was previously identified as an opportunity for improvement) and importantly colleagues feel valued by their manager and the Group for their contribution to the Group's success. Some areas for improvement were also noted through the survey which included: whilst colleagues' perception of senior leaders is largely positive there is an opportunity for senior leaders to increase their presence and continue to demonstrate progress against the strategic pillars and share more insight into long term growth opportunities. Overall, attrition has reduced across the Group by 6ppts which demonstrates our focus on people is having a positive impact on colleagues.

Conclusion

The Committee feels it has successfully balanced its responsibilities to retain and motivate senior leaders, support the broader workforce and align with the interests of all stakeholders. Following the conclusion of an extensive consultation process we are proposing the introduction of a VCP, and we have taken significant steps to enhance colleague engagement.

I would like to thank our shareholders for their valuable input to the development of the VCP and thank my fellow Committee members for all their hard work through the year. We look forward to your support for the revised Directors Remuneration Policy and Annual Remuneration Report at the upcoming AGM in September.

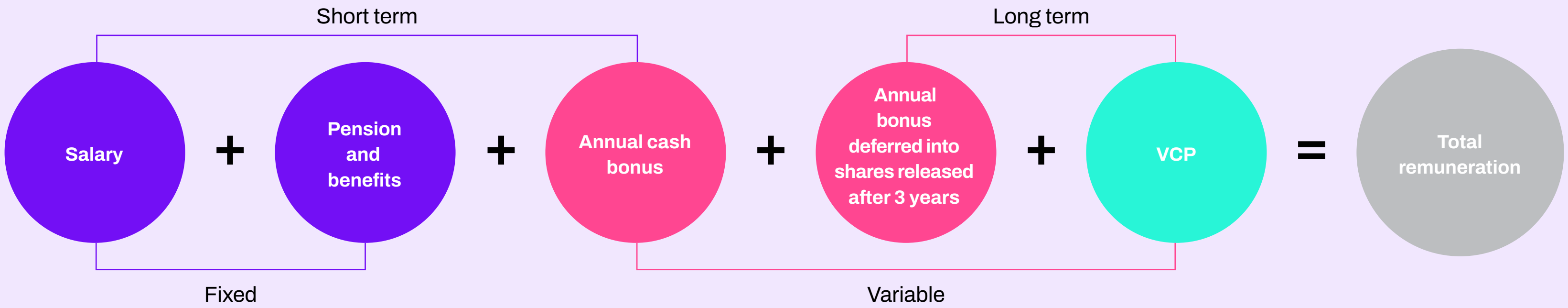
John Pattullo
Remuneration Committee Chairman

9 July 2025

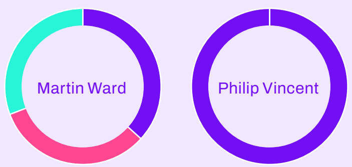
Aligning remuneration with our strategy.

We aim to align the total remuneration for our Executive Directors to our strategy through a combination of fixed pay, bonus and long term incentives, underpinned by stretching performance targets.

Elements of Executive Director remuneration



Executive Directors pay, in FY2025



(£'000)	Martin Ward	Philip Vincent*
Salary, pension and benefits	690	417
Annual bonus	613	Nil
LTIP vesting	575	Nil
Total Remuneration	**1,878**	**417**

* Philip Vincent stepped down from the Board on 28 March 2025 and remuneration is shown to this date. He was not entitled to receive an annual bonus and all unvested share awards were forfeited on that date.

How performance was reflected in executive pay in FY2025

Underlying PBT

£166.9m

Underlying EPS

58.4p

Enable	5% out of 5%
Deliver	3.75% out of 7.5%
Grow	12.5% out of 12.5%

FY2025 annual bonus targets

	Stretch target	Actual outcome	Outcome (% of max. award)	Outcome
75% PBT	£171.3m	**£166.9m**	**73%**	**54.60%**
25% strategic/non-financial objectives including sustainability and environmental goals			**85%**	**21.25%**
Total for the overall award outcome				**75.85%**

Vesting of 2022 LTIP^

	Stretch target	Actual	Outcome (% of max. award)
PBT 50% of total LTIP	£175.0m	**£166.9m**	**39.2%**
EPS 50% of total LTIP	55.8p	**58.4p**	**100%**
Total award			**69.6%**

^ Assessed over a three-year performance period to 30 April 2025

Remuneration across the Group.

Remuneration policy and implementation for FY2026

Fixed pay	
CEO – £659,386 (2% increase) CFO – £400,000 on appointment	Pay increase of 2% aligned to senior management and below average for the wider UK workforce of 4%. Pension rate of 4% aligned to wider workforce
Annual bonus	**Measures**
CEO – Maximum opportunity 125% CFO – Maximum opportunity 100% 50% paid in cash, 50% deferred to shares subject to a three-year holding period	75% based on financial (PBT) performance 25% based on strategic and operational measures (including ESG)
VCP	**Measures**
Participants will have the opportunity to share in 10% of the value created (share price plus dividends) over and above a hurdle of £5.21 over the period 1 May 2025 to 30 April 2028 The CEO's share is 30% of the pool and the CFO's share in 15%	Value creation (share price plus dividends)
Shareholding requirements	
200% of salary Shares equivalent in value to 200% of salary at the time of cessation, for a period of two years from the date they cease to be an Executive Director.	

Further detail can be found in the pages of the Remuneration report
pages 107 to 114

Wider workforce pay and benefits.

33%
of UK colleagues enrolled in Wagestream following the launch in FY2024

75%
of our UK and Ireland colleagues enrolled in our Benefits Hub, up 4% on FY2024

57%
of our Spain colleagues enrolled in Northgate Savings club

over 80%
colleague participation in annual Have Your Say Survey

The Voice Network
launched in the year across the UK and Ireland

2% and 7%
range of pay awards in the year

Ensuring shareholder value.

- 50% of the annual bonus is awarded in shares subject to a three-year holding period
- Share ownership guidelines set at 200% of salary with a two-year post-employment holding period
- As at 30 April 2025 both Martin Ward and Philip Vincent met the target of holding shares equivalent in value of at least 200% of basic salary
- TSR targets included for the LTIP award made in the year, in order to create clear alignment between Executive Directors' interests and value created for shareholders
- A new VCP is being implemented to incentivise management to accelerate shareholder value creation

Executive Directors' shareholding

Martin Ward	Above 100% of guideline
Philip Vincent*	Above 100% of guideline

* On the date of stepping down from the Board, with this shareholding subject to two year holding period.