

REMUNERATION POLICY TABLE

Type of remuneration	Its purpose and how it links to the strategy	How it operates	What is its maximum potential value?	Are there performance metrics?	Were there any changes to this policy in 2023?
Executive Directors' Remuneration					
Base salary	To recruit and retain individuals with skills and experience relevant to the role and appropriate to contribute to the success of the Company.	<p>Base salaries take account of:</p> <ul style="list-style-type: none"> • skills and experience • salaries across the Group • salaries paid by companies we compete with in the employment market. <p>Salaries are usually reviewed annually, with changes implemented at 1 May each year.</p>	No specific cap on salaries. In determining any increases, the rate of increase for other employees is considered.	Personal and Company performance, and levels of increase throughout the Company, are considered when deciding whether a salary increase should be awarded.	No changes to policy. Details of how the Company's policy on base salaries has been implemented in 2023 are on page 147 of the Annual Report and Accounts 2023.
Benefits	To recruit and retain individuals with skills and experience relevant to the role and appropriate to contribute to the success of the Company.	<p>Benefits vary dependent on the requirements of the role and the individual.</p> <p>Typical benefits for Executives include Private Medical Insurance (Family Cover) and company cars or car allowances.</p>	No pre-determined maximum. Each benefit is reviewed relative to market practice.	No performance metrics.	No changes to policy. Details of benefits provided to Executives in 2023 are on page 147 of the Annual Report and Accounts 2023.
Annual Bonus (Group Bonus Scheme and Short-Term Incentive Plan)	Variable pay at NFU Mutual is designed to enable managers and staff to share in the success of the Company and is payable upon achievement of a set of defined business performance targets.	<p>The bonus is based on business performance using our balanced scorecard of business measures. Targets are set by the Remuneration Committee at the start of each year and achievements reviewed after the year end. Awards are also subject to satisfactory personal performance.</p> <p>The Remuneration Committee can use its discretion to award or to adjust bonuses.</p> <p>Awards are subject to claw back, scale back or malus if performance is mis-stated, in the event of misconduct or if there has been a major failure of management resulting in substantial damage to the business or reputation of NFU Mutual. One third of the annual bonus award (Group Bonus Scheme and Short-Term Incentive Plan) is deferred for 3 years post award for CEO and Executive Directors.</p> <p>Levels are reviewed and determined by the Remuneration Committee annually based on market benchmarks.</p>	The Maximum potential value is reviewed and determined by the Committee annually, based on market bonus levels. The maximum total bonus opportunity for the CEO is 123% of base salary and 88% of base salary for other Executive Directors.	Yes. Performance measured against key Company performance indicators. Awards also subject to satisfactory personal performance.	No changes to policy. Details of annual bonus levels of Executive Directors are provided on page 148 of the Annual Report and Accounts 2023.



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Long Term Incentive Plan (LTIP)	To recognise the contribution of senior leaders to business growth, ensure a long-term view of business success and encourage the retention of senior business leaders.	An LTIP grant is made each year with performance conditions covering a three-year period. At the end of the three-year period the grant vests dependent on the degree to which performance conditions have been met. Awards are subject to clawback, scale back or malus if performance is mis-stated, in the event of misconduct or if there has been a major failure of management resulting in substantial damage to the business or reputation of NFU Mutual. Levels are reviewed and determined by the Remuneration Committee annually based on market benchmarks.	The maximum grant for the CEO is 166% of base pay and 108% for Executive Directors.	Yes. Awards are subject to performance metrics determined by the Remuneration Committee. See page 150 of the Annual Report and Accounts 2023 for the performance metrics in 2023 - 2025.	No changes to policy. Details of LTIP opportunities for Executive Directors are provided on page 149 of the Annual Report and Accounts 2023.
Pension	To help recruit and retain individuals with skills and experience relevant to the role and appropriate to contribute to the success of the Company.	The Defined Benefit section of the Company's scheme was closed to new entrants in 2002 and closed to future accrual at the end of 2016. Executives who joined since 2002 can take: (i) defined contribution pension scheme (ii) pension cash allowance (iii) a mix of (i) and (ii). Pension entitlements are not included as salary for the purpose of bonus or LTIP grant calculations.	Company contribution levels take account of market practice for Executives. Executive Directors receive 12% of base salary (to align with other employees) with effect from 1st January 2023. Executives who were members of the Defined Benefit section of the pension scheme will have accrued service and pension in the scheme on 1/60ths basis up to the Pension Scheme specific cap.	No.	The pension base salary supplement for all Executive Directors was aligned to other NFUM employees with effect from 1st January 2023. Details of the pension arrangements in place for 2023 are on page 152 of the Annual Report and Accounts 2023.
Non-Executive Directors' Remuneration					
Fees	To recruit and retain individuals with skills and experience relevant to the role and appropriate to the success of the Company, without compromising their independence.	All-inclusive fee for the Board Chair. Annual fee for Non-Executive Directors. Additional fees paid to the Chairs of the Board Committees, and for Committee members. Fees are reviewed annually, with the Board Chair fee reviewed by the Remuneration Committee, and the Non-Executive Directors' fees reviewed by the Executive Directors, to avoid any conflict of interests.	The Company does not have a cap or operate a standard percentage increase. However, fee levels are benchmarked relative to market levels.	No.	No changes to policy. For details of the total fees paid in 2023, see page 150 of the Annual Report and Accounts 2023.



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