

Foxtons Group Board Changes - remuneration disclosure

In relation to the Board changes announced in the RNS of 30 May 2022, the Board of Foxtons has been independently advised by PwC on remuneration for the outgoing, incoming and interim CEOs. The information required to be disclosed under section 430(2B) of the Companies Act 2006 in relation to Nic Budden, together with supplementary information on the remuneration arrangements for the incoming and interim CEO, is set out below.

Interim CEO

In his role as interim CEO, Peter Rollings' annual Non-Executive Director fee will be increased to an annual rate of £450,000 in line with the salary level for the new CEO. The fee will be paid monthly for the period Peter is in role as interim CEO and a short handover period after Guy Gittins joins on 5 September. Thereafter his fees will return to the annual rate of £63,000 for Non-Executive Directors. During his tenure as Interim CEO, Peter will not participate in any incentive arrangements.

Incoming CEO

Guy Gittins will receive remuneration in line with Foxtons' approved Remuneration Policy.

Remuneration element	Details
Base salary	<ul style="list-style-type: none"> Base salary will be set at £450,000. Similar to the arrangements for current executive directors, he will receive 90% of his base salary in cash, and 10% in salary substitute restricted shares.
Pension	<ul style="list-style-type: none"> 3% of base salary, in line with that of the wider workforce.
Bonus Banking Plan ("BBP")	<ul style="list-style-type: none"> Entitled to a maximum annual BBP opportunity of 150% of salary, with operation in line with that of current executive directors. 2022 opportunity will be pro-rated for the proportion of the financial year in role.
Restricted Share Plan ("RSP")	<ul style="list-style-type: none"> As Guy Gittins is joining part way through the year, in 2022, he will receive a pro-rated RSP grant to the value of £144,643, which will be subject to the standard operation and discretionary underpin that applies to all executive director RSP awards. Further details will be disclosed when the awards are granted. For 2023 grants, onwards, Guy Gittins will be granted an annual RSP award equal to 100% of base salary, and will be subject to the standard operation and discretionary underpin that applies to all executive director RSP awards.
Buyout award	<ul style="list-style-type: none"> Guy Gittins will also receive buyout awards to compensate for the forfeiture of incentive arrangements from his current employer, Chestertons. <p>Annual bonus buyout</p> <ul style="list-style-type: none"> The annual bonus buyout award will total £150,000, awarded as cash in two equal tranches in February 2023 and February 2024. This value of the buyout award is less than the value that is being forfeited from the current employer. <p>LTIP award buyout</p> <ul style="list-style-type: none"> The buyout award will be granted on appointment as nil cost options that vest three years after the grant in 2025. No holding period applies.

	<ul style="list-style-type: none"> The award is valued at £2,500,000, and full details will be provided in the FY2022 Remuneration Report, within the Annual Report and Accounts published next year. However in the interests of transparency the award is less valuable than the award being forfeited at his current employer and will be released later than had he remained at his previous employer. The vesting of the award is subject to a performance requirement for the Foxtons share price to be at least 70p for any 30 consecutive days during the vesting period. If this condition is not met, the award will lapse in full.
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Outgoing CEO

On cessation, Nic Budden's pay will be treated in line with Foxtons' Remuneration Policy and his employment contract as set out in the table below.

Remuneration element	Details
Payment in Lieu of Notice ("PILON")	<ul style="list-style-type: none"> On cessation, Nic Budden will be eligible for a payment in lieu of notice in respect of 12 months of salary (£579,600). The payments will be delivered monthly and subject to mitigation if he becomes employed elsewhere.
In-flight salary substitute restricted shares	<ul style="list-style-type: none"> Salary substitute shares currently held (277,985 shares) in relation to the 12 months from 1 April 2022 will be forfeited, and the 20% of salary sacrificed between 1 April 2022 and 30 May 2022 will be paid in cash.
FY 2022 annual bonus	<ul style="list-style-type: none"> Nic Budden is eligible for an annual bonus in respect to the 2022 Financial Year. Performance conditions will be measured at the normal measurement date, and any outcome pro-rated for the period worked during the financial year. Any amount earned will be paid into the BBP at the normal time in early 2023 (with any cash distribution at that time - see below).
Value in the BBP account	<ul style="list-style-type: none"> On the basis that the plan account balance reflects prior years achievement, the Committee have determined that the plan account will continue to be payable according to the original payout profile, subject to malus or clawback for up to 2 years post payment. The value in the account prior to any contributions in respect of the 2022 annual bonus outcome is £217,500*
In-flight RSP awards	<ul style="list-style-type: none"> In line with the default treatment, unvested awards (totalling 3,319,348 shares) will be forfeited on cessation of employment. Given that the purpose of the RSP is to incentivise value creation, the Committee do not consider it appropriate to determine that these awards would continue to vest as normal.
2017 Share Option Plan	<ul style="list-style-type: none"> Awards lapsed on the vesting date of 16 May 2022 due to the performance conditions not being met.

*Value of deferred notional shares carried forward over 2022, as disclosed in the 2021 Directors' Remuneration Report.

All incentive arrangements are subject to the other applicable terms and conditions of the governing rules and Remuneration Committee discretion contained therein, including, without limitation, as regards malus and clawback.

Full details of Nic Budden's remuneration will be included in the FY2022 Remuneration Report, within the Annual Report and Accounts published next year.