

## **2021 AGM: 6-month update statement on the Directors' Remuneration Report resolution.**

At the Annual General Meeting (AGM) of the Company held on 11 November 2021 shareholders were asked to approve the Directors' Remuneration Report which passed with 64.56% support. As stated in the announcement published on the date of the AGM, the Chair of the Remuneration Committee had engaged with shareholders between the publication of the Annual Report and the AGM in respect of concerns raised on aspects of the Directors' Remuneration Report and would engage again to understand fully their reasons for voting against the Resolution.

The primary concerns raised related to the exit arrangements for the Company's former Chief Executive Officer ("CEO"). A secondary concern was the increase in the award levels under the Long Term Incentive Plan without a consequential increase in the stretch to the performance targets.

Following the AGM the Chair of the Remuneration Committee engaged once more with all the investors who voted against the 2021 Directors' Remuneration Report to further understand their views.

The Remuneration Committee appreciates the time that shareholders give to Ricardo on executive remuneration matters and will continue to engage with them and take their views into account at all times.

## **6-month update statement on Authority to Allot Relevant Securities and Approve the Disapplication of Pre-emption Rights.**

At the Annual General Meeting (AGM) of the Company held on 11 November 2021 shareholders were asked to give authority to allot relevant securities and approve the disapplication of pre-emption rights. Both resolutions were passed with 77.77% and 77.83% support respectively. As stated in the announcement published on the date of the AGM, the Chief Financial Officer had engaged with shareholders between the publication of the Annual Report and the AGM in respect of the concerns raised and would engage again to understand fully their reasons for voting against the Resolution. The Chief Financial Officer followed up with shareholders after the AGM to make sure that their views were fully understood.

The use of the cash box structure for the share issue in November 2020 was not used so as to circumvent the disapplication authorities previously approved by shareholders but was used in accordance with the principles and guidelines issued by the Pre-Emption Group in April 2020 and endorsed by the FCA which clearly enabled share issues of up to 20 per cent. of a company's issued share capital on a non pre-emptive basis.

In accordance with the recommendations of the Pre-Emption Group the Company consulted with its major shareholders before launching the share issue and obtained their support for it. The placing was made as far as possible on a soft pre-emption basis, respecting the demand expressed by all investors against their shareholdings in the Company. In addition, the Company launched an offer to its retail shareholders via PrimaryBid in order to enable them to participate; and the Company's management team was fully involved in the allocation process.

The Company appreciates and understands the views of those shareholders who were not able to support the resolutions and will continue to engage and to account of all shareholders' views in the event of any future share issues.

As required by the UK Corporate Governance Code, a final summary of the Board's decisions in the light of the feedback received will be included in the 2022 Annual Report and Accounts.

Ricardo plc

11 May 2022