

GOVERNANCE AT A GLANCE

The UK Corporate Governance Code: How we comply

The Governance Report, which includes the principal Committee Reports and Directors' Report, explains how the Board has applied the principles and complied with the provisions of the UK Corporate Governance Code 2018 (the '2018 Code'). The Code is available to view on the website of the Financial Reporting Council at www.frc.org.uk.

The 2018 Code has applied throughout the reporting period and the Board confirms that it has applied the principles and complied with the provisions of the 2018 Code.

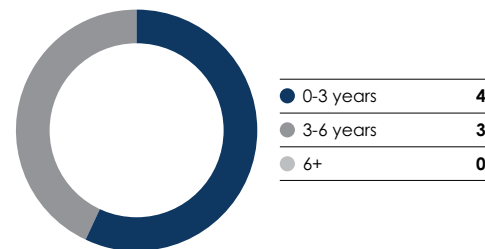
Board and Committee attendance (scheduled meetings)

	Board	Audit Committee	Nomination Committee	Remuneration Committee
Bridget Lea ¹	6/8	5/5	1/2	3/3
Hayleigh Lupino	8/8			
Ken Lever ²	2/2		1/1	
Octavia Morley	8/8	5/5	2/2	3/3
Rachel Osborne ³	6/6	2/2	1/1	
Justin Platt ⁴	6/6			
Nick Varney	8/8		2/2	3/3
Former Directors				
Andrew Andrea ⁵	1/1			
Matthew Roberts ⁶	2/2	3/3		2/2
William Rucker ⁷	6/6		1/1	

- Bridget Lea was unable to attend two scheduled Board meetings, one Nomination Committee and one Remuneration Committee meeting due to unavoidable prior commitments.
- Ken Lever was appointed to the Board with effect from 8 July 2024.
- Rachel Osborne was appointed to the Board with effect from 23 January 2024.
- Justin Platt was appointed to the Board with effect from 10 January 2024.
- Andrew Andrea stepped down from the Board on 17 November 2023.
- Matthew Roberts stepped down from the Board on 23 January 2024.
- William Rucker stepped down from the Board on 8 July 2024.

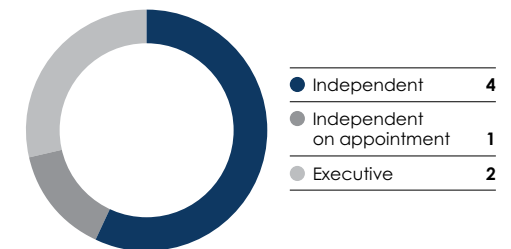
Tenure

As at 28 September 2024



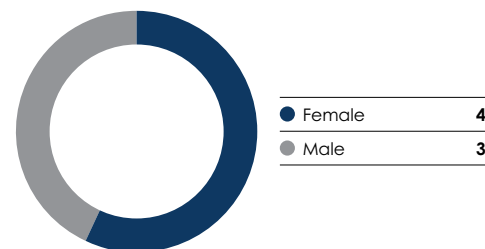
Independence

As at 28 September 2024



Gender diversity

As at 28 September 2024



Senior Board positions

As at 28 September 2024

Chair	Senior Independent Director
Chief Executive Officer	Chief Financial Officer

Board skills and expertise

Consumer/Retail	
Hospitality	
Commercial Property	
People	
Finance	
Marketing	
Digital	

CHAIR'S INTRODUCTION TO CORPORATE GOVERNANCE REPORT

A new chapter



“Our governance structure processes will increasingly be focused on value creation for our stakeholders.”

KEN LEVER
CHAIR

On behalf of the Board, I am pleased to introduce my first Corporate Governance report for the year ended 28 September 2024 (the ‘reporting year’).

In July we announced the disposal of the Group’s 40% holding in Carlsberg Marston’s Limited (‘CMBC’) for £206 million. The sale of our remaining stake in the beer business marked a significant step forward in the Company’s growth strategy, creating financial flexibility and the opportunity for Marston’s to be entirely focused on our pubs, whilst retaining the benefits of the long-term brand distribution agreement with CMBC. We were pleased to be able to share details of the Company’s evolved strategy, vision and purpose with many of you at our Capital Markets Day in October. Further information on our strategic priorities can be found on page 8 and how the Board considered our stakeholders in their decision-making process can be found on page 17.

Board composition and changes during the year

This year has seen a number of changes to the Board and its Committees too. In July 2024, William Rucker stepped down as Chair due to his increased business commitments. As set out on page 55 of the Nomination Committee Report, a thorough external process to replace William was led by Octavia Morley (Senior Independent Director) and I was delighted to be appointed upon conclusion of that process. Marston’s is a quality business with a strong Board and management team pursuing a clear strategy for growth, and I am looking forward to working with the Board and the wider team to deliver sustainable success that will drive value for our stakeholders. I would also like to take this opportunity to thank my predecessor, who leaves behind a capable and diverse Board of Directors with the right mix of skills and experience to support the Company in this exciting next chapter.

Following the announcements made in the prior reporting year, Justin Platt joined the Company as Chief Executive Officer on 10 January 2024, and Rachel Osborne was appointed as a Non-executive Director and Chair of the Audit Committee, with effect from 23 January 2024. Upon joining the Board, Justin, Rachel and I have each received a comprehensive and tailored induction programme, coordinated by the General Counsel & Company Secretary. Further detail can be found on page 56 and each of the Directors’ biographies can be found on pages 46 and 47.

Board performance review

Having undertaken an external Board evaluation last year, during this reporting period I have overseen an internal Board performance review, discussing a number of key items such as strategy, risks and role of the Board, further detail on which can be found on page 56.

Culture

A continuing focus for the next reporting year will be refining and ensuring the right leadership behaviours, values and culture as an important enabler to deliver the Company’s strategy and the transformation programme. People engagement remains an important tool to provide the Board with a valuable insight into the culture within Marston’s and areas where improvements can be made. Further information can be found on page 48.

Sustainability

Through our sustainability strategy, I am pleased to see the actions that Marston’s is taking and the progress that has been made towards our sustainability goals and targets, driven by the dedicated taskforce, and supported by the Executive Committee and the Board. More information can be found in our Impact Report available on our website www.marstonspubs.co.uk.

CHAIR'S INTRODUCTION TO CORPORATE GOVERNANCE REPORT continued

Governance and reporting

The following pages set out how we have complied with the 2018 Code and how our governance framework helps to support the Company's strategic priorities. Stakeholder engagement continues to be a key focus; our Section 172(1) statement on pages 14 to 17 describes how the Board has fulfilled its statutory duties under the Companies Act 2006 and how the Board has engaged with our stakeholders during the year.

The 2024 UK Corporate Governance Code (the '2024 Code') will apply to the Company with effect from our FY2026 with the changes to Provision 29 taking effect a year later. Any changes that will impact the Company have been reviewed and discussed by the Board and the relevant Committees and the required actions have been identified to ensure we have a clear pathway toward compliance with the 2024 Code.

Annual General Meeting

I look forward to engaging with shareholders at the Annual General Meeting (AGM) on 21 January 2025. Further details about the AGM can be found in our Information for shareholders section on page 145.

Looking forward

Our priority for the forthcoming reporting year is the execution of our new strategy and key value drivers. The Board and I shall continue to support Justin and his refreshed executive team on implementation and continued transformation to deliver value creation for stakeholders and ensure the long-term sustainable success of the Company.

The table below shows where key content can be found in relation to the 2018 code in this report.

Board leadership and Company purpose	<ul style="list-style-type: none"> Our purpose, values and culture Page 48 How we engage with our People and our shareholders Page 48 What has been on the Board's agenda this reporting year Page 48
Division of responsibilities	<ul style="list-style-type: none"> Our governance framework and management structure Page 50 Details of the responsibilities of all our directors can be found at www.marstonspubs.co.uk/managementteam
Composition, succession and evaluation	<ul style="list-style-type: none"> Our approach to succession planning, training and induction Page 53 Board performance review Page 56 Our approach to diversity and inclusion Page 53
Audit, risk and internal control	<ul style="list-style-type: none"> Financial Reporting Page 58 Internal processes and our Audit Committee Report. Page 60 Going concern and viability statements Page 59
Remuneration	<ul style="list-style-type: none"> Directors' Remuneration Policy and payments made to Directors during the period. Pages 66 to 76 Remuneration performance outcomes and performance targets

Documents available at:
www.marstonspubs.co.uk

- Matters reserved for the Board
- Terms of reference for each of the Principal Committees
- Marston's PLC Articles of Association
- Our current Directors' Remuneration Policy
- Whistleblowing Policy
- Diversity, Equality & Inclusion Policy
- Tax Strategy
- Modern Slavery Statement

BOARD OF DIRECTORS

An experienced Board

**KEN LEVER**

Non-executive Chair



Appointed: July 2024, independent on appointment

Ken is an experienced business leader with strong leadership skills and extensive listed company and corporate finance experience, having held a number of senior executive and non-executive positions at UK listed firms across multiple sectors. He is currently Non-executive Chair at Cirata PLC, Senior Independent Director at Rockwood Strategic plc and Deputy Chair of Rainier Developments Limited.

Past experience:

- Non-executive Chair Biffa plc
- Non-executive Chair RPS Group plc
- Senior Independent Director at Vertu Motors plc
- Non-executive Director at Blue Prism plc
- CFO and subsequently appointed as CEO of Xchanging plc

**JUSTIN PLATT**

Chief Executive Officer

Appointed: January 2024

Justin has over 30 years' experience in hospitality and consumer-facing businesses, having spent 12 years at Merlin Entertainments in a variety of operational and leadership roles, including most recently as Chief Strategy Officer. Justin has a proven track record of delivering sustainable business growth through his clarity of strategic focus, a passion for enhancing customer experiences and a relentless focus on business results delivery.

Past experience:

- Director at Carlsberg Marston's Ltd
- Chief Strategy Officer at Merlin Entertainments
- Managing Director, Resort Theme Parks, Merlin Entertainments
- AstraZeneca plc, Global Marketing Director

**HAYLEIGH LUPINO**

Chief Financial Officer

Appointed: October 2021

Hayleigh was appointed CFO in 2021, having previously been Director of Group Finance, and held a number of senior roles previously at Marston's. Hayleigh is a qualified Chartered Accountant and has strong operational and commercial credentials, as well as extensive knowledge of both Marston's and the wider pub and brewing sector. As well as the finance and treasury functions, Hayleigh also leads the IT and Procurement functions and chairs the D&I Taskforce helping to shape the Company's D&I strategy.

Past experience:

- Director at Carlsberg Marston's Ltd
- Senior roles held within Marston's PLC

Board committees:

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Denotes Committee Chair

**OCTAVIA MORLEY**

Senior Independent Director



Appointed: January 2020

Octavia is currently Senior Independent Director and Remuneration Committee Chair at Crest Nicholson Holdings plc and Currys PLC and Chair of Banner Group Limited. She has extensive experience in both executive and non-executive roles in retail and multisite companies, having held various senior operational and strategic roles across areas of retail.

Past experience:

- Non-executive Director at Ascensos Ltd
- Senior Independent Director at Card Factory PLC
- Executive and Non-executive Chair of Spicers-Office Team Group Ltd
- Non-executive Director of John Menzies PLC
- Chief Executive Officer, then Chair, at LighterLife UK Limited
- Managing Director at Crew Clothing Co Ltd
- Chief Executive at OKA Direct Limited

BOARD OF DIRECTORS continued



BRIDGET LEA



Independent Non-executive Director

Appointed: September 2019

Bridget is currently Vice President and UK General Manager at Snap Inc. She was previously Managing Director – Commercial at BT Group having previously held the role of Managing Director (North) at J Sainsbury plc and is also Pro-Chancellor and Chair of the Board of Governors at Manchester Metropolitan University. Bridget has had a distinguished career working across multiple leading retail brands in executive leadership positions across sales, operations, marketing and digital transformation. Bridget actively promotes diversity and inclusion in all its forms and is also our designated Non-executive Director responsible for workforce engagement.

Past experience:

- Managing Director – Commercial at BT Group
- Managing Director (North) at J Sainsbury plc



RACHEL OSBORNE



Independent Non-executive Director

Appointed: January 2024

Rachel is currently a Non-executive Director and Chair of the Audit Committee at Ocado Group PLC and brings a wealth of recent and relevant financial, consumer, retail and leadership experience to the Board, most recently as CEO of Ted Baker until June 2023. She has also recently been appointed as Non-executive Director at Cash Access UK Ltd, with effect from January 2025. Rachel is a qualified Chartered Accountant and has previously served as the CFO of multiple listed companies including Ted Baker, Debenhams and Domino's Pizza Group.

Past experience:

- Non-executive Director at Dunelm Group PLC
- Non-executive Director at Her Majesty's Court & Tribunals Service
- Chief Executive Officer and Chief Financial Officer of Ted Baker PLC
- Chief Financial Officer of Debenhams plc
- Chief Financial Officer at Domino's Pizza Group plc
- Finance Director at Vodafone PLC



SIR NICK VARNEY



Independent Non-executive Director

Appointed: July 2022

Sir Nick has over 30 years' experience in the Leisure sector, having started his career in FMCG marketing with Nestle Rowntree and then with Reckitt Benckiser plc. After 23 years as CEO of Merlin Entertainments, he retired in 2022. Nick is also a Non-executive Chair at Bath Rugby, a Non-executive Chair at the NEC Group, and a Senior Advisor to Blackstone.

Past experience:

- Chief Executive Officer of Merlin Entertainments
- Managing Director at Vardon Attractions,
- Main Board Director of Vardon plc
- Marketing Director at The Tussauds Group
- Chair and Board member of UK Hospitality



BETHAN RAYBOULD

General Counsel & Company Secretary

Appointed: February 2022

Bethan joined the Company in 2013 as Legal Counsel and was appointed General Counsel & Company Secretary in February 2022. She is responsible for managing legal risk and supporting the Chair and the Board in maintaining high standards of corporate governance. Bethan also leads the legal, safety, internal audit, corporate affairs and risk functions and chairs the sustainability taskforce which helps to shape the Company's ESG strategy. Bethan is a senior solicitor with over 15 years' experience in both private practice and in-house roles.

Board committees:

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Denotes Committee Chair

CORPORATE GOVERNANCE REPORT

BOARD LEADERSHIP AND COMPANY PURPOSE

The role of the Board

The Board is responsible to shareholders for the direction, management and promotion of the long-term sustainable success of the Group. It sets the Company's strategy and measures of success and oversees and monitors internal controls, risk management, governance and the viability of the Group. In doing so, the Directors comply with their duties under Section 172(1) of the Companies Act 2006 (see page 14). The Board has established certain Committees to assist in fulfilling its oversight responsibilities which is demonstrated by the Governance Framework on page 50.

Our purpose, values and culture

The Board is responsible for establishing the Company's purpose, values and strategy and confirming that these, and its culture are aligned. As part of this year's strategic review, the Company's strategy and purpose were revisited, as described in more detail in the Strategic Report on pages 8 and 9. The Board oversees the implementation of the strategy, within the context of our values and culture.

One of the key enablers of the value drivers is ensuring that our teams are performance driven. To support this, the Company is in the process of refining its behaviour framework and values to ensure they accurately reflect the development of our business and capture the very essence of Marston's.

Marston's has a unique culture and an environment that fosters collaboration and a real passion for what we do and providing great guest experiences. Our People have responded to the challenges the sector has faced over the last few years with tenacity and determination, which has contributed to the growth of the Group and strengthened Marston's culture. The Board is focused on ensuring that the strength of Marston's culture is maintained as part of the change management processes in place to deliver the strategic priorities.

Marston's culture is underpinned by our values and our People Promise. That is a framework of engagement, support and development that attracts, retains and supports the best people.

How the Board monitors culture

The Board plays a vital role in monitoring and assessing the culture at Marston's and its alignment with our purpose, values and strategy, including leading by example and acting in accordance with our values and ethics. This year, the Board has monitored culture in the following ways:

Reviewing KPIs and management reports – KPIs, including EHO scores and employee engagement, allow trends and changes in the culture of the Group to be monitored. KPIs are reported on a monthly basis and included within the Management Information Pack. The Director of Safety presented to the Board during the reporting year on EHO progress and how the key health and safety principles and ways of working will enable our business to continue to operate safely and sustainably.

Leadership behaviours – As part of the strategic review, the Board discussed the importance of values and behaviours and in particular, the expectations of senior leadership that will be critical to the delivery of strategic priorities. Supporting and monitoring these will be a focus of the Board in the coming months.

Risk management – The Audit Committee monitors risk management processes and controls on behalf of the Board, receiving reports at each meeting from the Risk and Internal Audit team (see page 36). A detailed report was considered from the Employee Relations (ER) Team whose key aims include upskilling line managers, reducing risk and driving engagement through fairness and justice. The Committee also considered how the ER Team's expertise could be broadened to support our Pub Partners.

Employee engagement – Measurement of our employee engagement is through monthly surveys which provide valuable insight into engagement and culture, helping to inform our Board-level workforce engagement programme. More details can be found on page 15. Senior leaders within our HR team presented an update on the outcomes and proposed actions from the most recent workforce engagement session, together with proposals for the next stage of our D&I strategy, including the launch of 'Care to Share' in the reporting year, as detailed on page 15.

Whistleblowing – our Speak Up whistleblowing system facilitates the reporting of matters of concern by our People.

The Audit Committee, with delegated authority from the Board, receives a report on whistleblowing matters from our Internal Audit team each year. This year the Committee reviewed the implementation of the online portal and its impact on the confidence of our People to speak up and considered proposals to further strengthen the whistleblowing governance framework, supported by senior leaders within the business.

Engaging with our Stakeholders

As a Board, we understand the importance of engaging with all of our stakeholders. It is intrinsic to our values, our decision making and ensuring the long-term success of the business. Our Section 172(1) statement on page 17 sets out where the Board has engaged with our key stakeholder groups throughout the year and also the impact on the decisions that have been made at Board level.

Board agenda and activities during the year

During the reporting year, the Board met eight times, in person, for scheduled meetings, all of which were held either at our Pub Support Centre (PSC) in Wolverhampton, or at one of our pubs. Additional ad hoc Board calls were convened as appropriate to discuss matters arising between meetings. This includes approval of matters of a transactional nature, for example, the disposal of our investment in CMBC. The annual Board strategy session is held over 2 days, comprising one 'day in trade' and the other as a meeting itself.

CORPORATE GOVERNANCE REPORT continued

BOARD LEADERSHIP AND COMPANY PURPOSE

The annual Board strategy session enables the Board time to meet and engage with our guests, People and Pub Partners and to bring to life the concepts discussed as part of the review of strategy. This year, the Board visited a cross-section of our pubs in Shropshire and Staffordshire and the meeting was held at the Hollybush in Penn, Wolverhampton.

Board agendas are set in advance of each meeting and follow a 12-month rolling forward agenda which helps to shape the discussions and focus of each meeting. Attendance at scheduled Board and Committee meetings is set out in the Governance Summary section, on page 43. The key items that the Board have discussed this year are shown in the adjacent table and more information on how the Board has had regard to our stakeholders when discussing these key items can be found on page 17.

The Board also receives a detailed management information pack at the end of each monthly period, which reports on KPIs, capital returns and financial performance. Time is also made available on the agenda for presentations by management and advisers and any additional items that require the Board's scrutiny or approval over the course of a year. Sufficient time is also allocated on the Board annual calendar, for the Chair to meet privately with the Senior Independent Director (SID) and Non-executive Directors (NED)s, without the Executive Directors, to discuss any matters arising together with the operation of the Board and Committees. The SID and NEDs also meet at least once a year without the Chair being present.

On the Board's agenda this year:

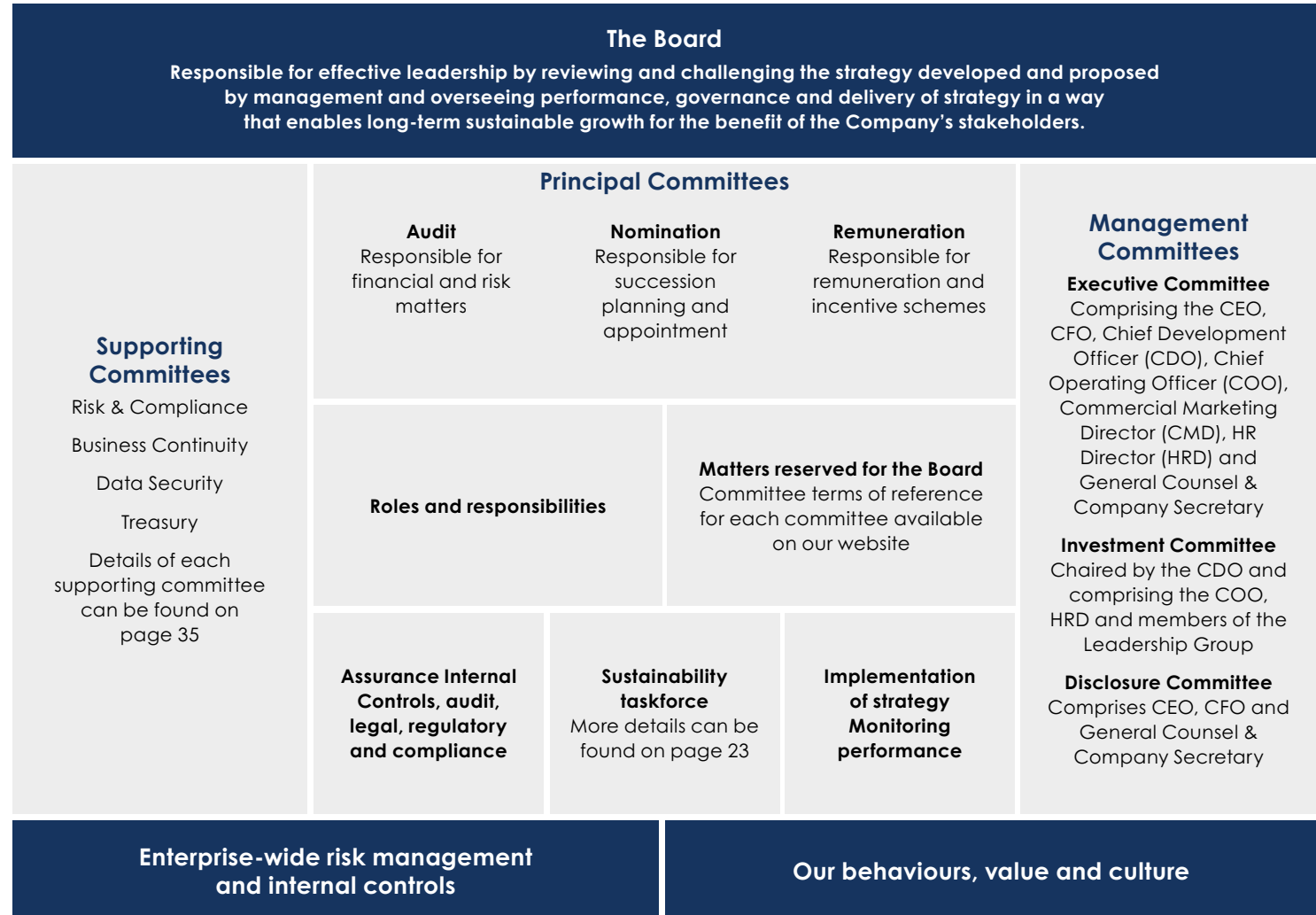
Strategy and operational	<ul style="list-style-type: none"> • Considered and approved the strategic review and business transformation process • Considered and approved the disposal of our remaining 40% investment in CMBC • Received performance reviews and reports on KPI attainment • Received updates on estate review and format classification • Considered materials for the Capital Markets Day • Received reports on market and sector analysis • Received regular reports from the CEO and CFO on business performance and people • Received an update on IT security and governance
Finance	<ul style="list-style-type: none"> • Review of financial systems and systems of internal control • Assessing debt structure, leverage and capital allocation framework • Discussion with advisers on refinancing considerations • Approval of budget for FY2025 and shape of the five-year plan • Considered viability statements and going concern • Reviewed and approved the half year and full year results announcements, the trading updates issued during the year and Annual Report and Accounts, following recommendations from the Audit Committee
People, culture and diversity and inclusion	<ul style="list-style-type: none"> • Reviewed and approved the annual Gender Pay Gap report • Received reports and actions plans following board-level workforce engagement • Received an implementation update on D&I strategy • Received employee engagement reports • Discussed the behavioural expectations of senior leadership to delivery strategy and related values
Governance and risk	<ul style="list-style-type: none"> • Reviewed principal risks and risk appetite • Received reports on health and safety and other key areas of compliance • Reviewed and approved a report and the annual statement on the Modern Slavery Act • Approved the Terms of reference for each of the principal Committees and Matters Reserved for the Board • Undertook an internal Board performance review • Reviewed and approved the renewal of delegated authorities
Sustainability	<ul style="list-style-type: none"> • Reviewed proposals for the transition to Net Zero and associated targets • Reviewed TCFD recommendations, Scope 3 emissions calculations and targets

CORPORATE GOVERNANCE REPORT continued

DIVISION OF RESPONSIBILITIES

Corporate governance framework

The Company has a mature corporate governance framework which was established to provide clear lines of accountability and responsibility. The governance framework shown here provides a structure of effective management and controls to measure and assess performance and risk. It also helps ensure decision making takes place at appropriate levels within the Group. The framework is regularly reviewed, and the Board believes the continued framework helps ensure we adopt corporate governance principles in a way that is relevant to our business, supports our strategy and is consistent with our values.



CORPORATE GOVERNANCE REPORT continued

DIVISION OF RESPONSIBILITIES

The three principal Committees of the Board are the Audit Committee, the Nomination Committee and the Remuneration Committee. Each has its own terms of reference which are reviewed annually before they are considered and approved by the Board. Further information of the role and remit of each Committee, together with key matters arising during the reporting year, can be found on pages 52, 58 and 61.

This year our Corporate governance framework was strengthened by the addition of an Investment Committee. This is an executive management committee chaired by the Chief Development Officer and comprising the Chief Operating Officer, Chief Marketing Director, HR Director and members of the Leadership Group. The Investment Committee provides executive-level accountability and support for investment decisions by reviewing and approving significant capital expenditure and potential acquisitions within specified authority limits delegated by the Board. The Investment Committee also reviews expenditure to ensure that returns are in line with expectations, and will report to the Executive Committee and the Board on these regularly to ensure accountability and visibility.

The Executive Committee is led by the Chief Executive Officer and is responsible for the day-to-day running of the business. It meets monthly to discuss financial and trading matters, strategic implementation plans, business risks, employee engagement, health and safety, and receives periodic presentations on other areas of the business.

The Executive Committee also meets informally on a weekly basis to discuss sales performance and any key matters arising for the week ahead.

To further strengthen the skills and experience of management and to provide greater accountability for delivery of key strategic deliverables, a number of important changes were made to the Executive Committee in the reporting year with the addition of a Chief Development Officer and Chief Operating Officer.

The Disclosure Committee meets as and when required to discuss matters arising in accordance with the UK Market Abuse Regulation, the Financial Conduct Authority (FCA) Listing Rules and the Disclosure Guidance and Transparency Rules to ensure the Company meets its continuous disclosure obligations. This year the Disclosure Committee met three times all in relation to the Group's disposal of CMBC, further details of which can be found on page 12, and once in relation to the change in CEO.

The supporting committees' primary role is to provide assurance to the Board on the operation of internal controls, auditing and compliance with legal and other regulatory obligations. A report on the activities of the supporting committees is provided to the Audit Committee each year.

There is a clear division of responsibilities between the Chair and the Chief Executive Officer, and a high-level summary of those roles is shown below. Each of the Board members and the General Counsel & Company Secretary have clearly defined roles and responsibilities, further details can be found on our website, www.marstonpubs.co.uk/investors.

Chair – Ken Lever is responsible for:

- Leading the Board and its overall effectiveness
- Setting the agenda for Board meetings, and ensuring the style and tone of meetings enable constructive debate
- Supporting the CEO in articulating and promoting the purpose, values and culture of the Company
- Ensuring the Company has an effective strategy and that there is a high-calibre CEO and management team able to support the CEO to implement the strategy
- Engages with stakeholders and ensures their views are understood and considered appropriately in Board decision making
- Ensuring that the Company operates to a high standard of governance in line with its governance framework

Chief Executive Officer – Justin Platt is responsible for:

- The day-to-day running of the business
- The development and implementation of the strategy and the Group's overall performance
- Setting and implementing the strategic objectives agreed by the Board
- Providing clear and visible leadership, demonstrating the values and ways of working that reflect the Company's culture
- Leading the Executive Committee
- Reporting to the Board on all material matters affecting the Company and its performance
- Ensuring the Board is aware of investor and other stakeholder views

CORPORATE GOVERNANCE REPORT *continued*

Nomination Committee report



DEAR SHAREHOLDER,

I am pleased to present my first Nomination Committee (the Committee) Report on behalf of the Board and update on the Committee's activities during the reporting year. Attendance at Committee meetings is shown on page 43, in the Governance summary.

Board appointments

As previously reported, there were a number of key changes to the composition of the Board during the reporting year, including my own appointment as Chair of the Board. Our Senior Independent Director, Octavia Morley, led a thorough and independent process ahead of my appointment and full details can be found on page 55. In January 2024, we welcomed to the Company both Justin Platt as CEO and Rachel Osborne as Non-Executive Director and Chair of the Audit Committee and further details can be found on page 65 of the 2023 Annual Report & Accounts (available at www.marstonspubs.co.uk).

Board performance review

Following an external Board performance review in 2023, this year, in accordance with the Committee's Terms of Reference, the Committee undertook an internal review of the Board and its Committees, led by myself. Further details and agreed actions are set out on page 56.

Diversity and inclusion

We continue to develop our diversity and inclusion policy and are committed to enhancing diversity within our talent pipeline and the business. From a Board perspective, whilst we do not currently set formal diversity targets, we recognise the importance of a balanced Board comprising individuals representing a wide cross-section of experience, cultural backgrounds and specialisms and our disclosures on Board and management diversity are set out on page 54.

Looking forward

We are committed to regularly reviewing and updating our succession plans. Following the review of strategy this year, a number of key appointments to our Board and senior management team have already been made having considered the strength, depth and diversity of the talent pipeline, aligned to our strategy. Our priority for the coming year will be to continue to promote effective Board and leadership succession, making sure it is fully aligned to the Group's strategy.

KEN LEVER CHAIR OF THE NOMINATION COMMITTEE

Members

Ken Lever (Chair) – from 8 July 2024

Octavia Morley

Rachel Osborne – from 23 January 2024

Bridget Lea

Nick Varney

Matthew Roberts – until 23 January 2024

William Rucker – until 8 July 2024

Our responsibilities

- To monitor the composition of the Board and its Committees, to ensure the right balance of skills, experience and knowledge and recommending any changes to the Board.
- To consider the succession plans for Directors and senior management, taking into account the leadership, skills, expertise and diversity needed to meet the challenges and opportunities facing the Company.
- Leading the process for Board appointments and making recommendations to the Board.
- Assessing whether Directors can commit sufficient time to fulfil their responsibilities.

Two scheduled Committee meetings were held during the year, together with an additional four meetings held in relation to Board appointments. Attendance at the scheduled meetings is shown on page 43.

The Committee, under the chairmanship of Ken Lever, currently comprises all of the Non-executive Directors who are all independent. The Company Secretary attends all Committee meetings, and the Executive Directors, senior management and external advisers may be invited to attend from time to time.

Key activities during the reporting year

- Recruitment and appointment of new Chair, Ken Lever (led by Octavia Morley (SID)).
- Approved the appointments of Justin Platt and Rachel Osborne.
- Reviewed the structure, diversity, size and composition of the Board and considered Board succession planning.
- Considered this year's internal Board evaluation process.
- Reviewed the terms of reference and effectiveness of the Nomination Committee and updates required by the UK Corporate Governance Code.
- Reviewed the independence, contribution and time commitment of each Director and any conflicts of interest.
- Considered and approved each Director standing for election and re-election at the 2025 AGM.

CORPORATE GOVERNANCE REPORT continued

NOMINATION COMMITTEE REPORT

Board appointments and succession planning

The Board has delegated responsibility to the Committee for monitoring the composition of the Board and its Committees, to ensure the right balance of skills, experience and knowledge and, where necessary, recommending any changes to the Board. This process includes reviewing the current composition of the Board, the skills, experience and tenure of the Directors and addressing any gaps. This is reviewed on an annual basis through Board performance reviews and by the Committee.

The Committee follows a transparent and thorough selection process for any new appointments to the Board supported by external specialist consultants. The skills and experience criteria for any incoming Directors are discussed and agreed by the Committee before the recruitment process is commenced. Further information on the recruitment and selection process for Ken Lever is on page 55.

To support the delivery of the strategic priorities, next year the Committee looks forward to taking an active interest in the quality and development of talent, ensuring that appropriate opportunities are in place to develop high-performing individuals. Capability, talent attraction and retention are key enablers of continued positive performance of the Group.

Diversity and inclusion

We are committed to building an inclusive culture where our People, Pub Partners and guests feel welcome and included for who they are and enjoy the benefits that diversity and inclusion brings. We have a responsibility to create safe environments where our teams and guests feel respected, valued and belong.

'Come As You Are' is our Diversity and Inclusion (D&I) strategy, which sets out our intentions of Marston's being a 'great place to work' and where everyone feels like they can be themselves. Our D&I strategic priorities include encouraging allyship and acting as role models, as well as staying informed through our dedicated training modules on Campus, our employee e-learning platform.

During the reporting year, the Board received an update on the D&I strategy and key initiatives, which this year included the launch of our 'Care to Share' campaign, with the aim of collecting diversity data for our People, in a secure and sensitive way, through our Your Voice engagement surveys. By understanding who works at Marston's we can identify opportunities that will in turn help to inform our D&I strategy and sustainability agenda and take positive action to promote equality.

Hayleigh Lupino, Chief Financial Officer, chairs the Inclusion taskforce which is responsible for delivering the D&I strategy. The taskforce is comprised of a broad cross section of senior leaders and employee network group members. The taskforce is focused on driving change to support our business, its people and the guests and communities that we serve.

This year our D&I strategy was reviewed by an organisation called 'inclusion in' to help us to understand, in an objective way, what progress and impact we have made in D&I compared to other companies in our sector. As we continue to adapt to shifting consumer and employee preferences and dynamics, the ability to grow diverse talent

and create an inclusive environment is of increasing importance and therefore so is measuring our impact. Following a comprehensive analysis of our D&I maturity, we were awarded a score of 70 against an industry average of 66. Marston's was also considered to be 'strategic' and was commended for: (1) inclusion being embedded throughout the employee and customer experience; and (2) leaders being given the skills to lead inclusively and have accountability frameworks in place for creating a diverse and inclusive workplace. Further information on this and Marston's D&I strategy and key areas of focus can be found in our Impact Report, available on our website www.marstonspubs.co.uk.

Annual statement on Board and Executive Committee diversity targets

In accordance with Listing Rule 6.6.6R(10), our Board and Executive Committee gender and ethnicity data, as at 28 September 2024, is provided below. We currently meet or exceed the targets set out in the Listing Rules.

Target	Marston's progress
1. At least 40% of the individuals on the Board of Directors are women.	✓ 57% of Board Directors are women.
2. At least one of the following senior positions on the Board of Directors is held by a woman: (a) the Chair, (b) the Chief Executive, (c) the Senior Independent Director (SID) or, (d) the Chief Financial Officer (CFO).	✓ Both the SID and CFO positions are held by women.
3. At least one individual on the Board of Directors is from a minority ethnic background.	✓ Two of our Board Directors identify as being from an ethnic minority background.

CORPORATE GOVERNANCE REPORT continued

NOMINATION COMMITTEE REPORT

The Board and Executive Committee changes outlined on pages 3 and 4, are reflected in the data below.

New Directors are asked to consider participating in the 'Care to Share' campaign as part of their onboarding process in the same way, and for the same reasons, we ask our wider workforce to share their data.

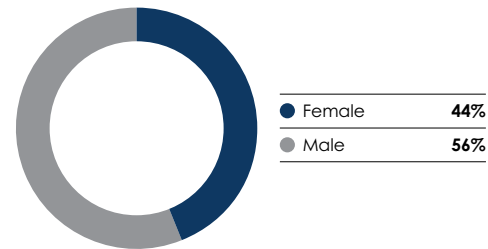
	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Committee
Men	3	43%	2	4	57%
Women	4	57%	2	3	43%
Other categories					
Not specified/prefer not to say					

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Committee	Percentage of Executive Committee
White British or other White (including minority-white groups)	5	71%	3	6	86%
Mixed/Multiple Ethnic Groups	2	29%	1	1	14%
Asian/Asian British					
Black/African/Caribbean/Black British					
Other ethnic group, including Arab					
Not specified/prefer not to say					

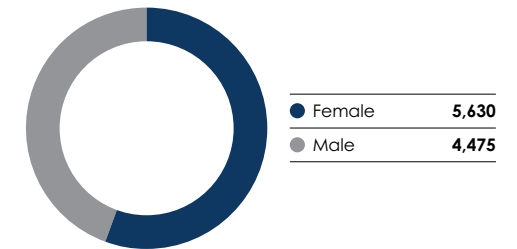
1 Both the CEO and CFO are members of the Executive Committee and are also included in the columns related to the Board.

Senior Managers

(Executive Committee and Leadership Group)



Gender balance of wider workforce



CORPORATE GOVERNANCE REPORT continued

NOMINATION COMMITTEE REPORT

Appointment of Ken Lever as Chair

As Senior Independent Director, I led the Committee in the search and appointment of Ken Lever as Chair following the announcement, in March 2024, that William Rucker would be stepping down due to his increased business commitments.

The Committee met in March to discuss and agree the skills and experience criteria for the role, taking into account the skills matrix of the current Board and the future needs of the Company in light of the strategic review during the reporting year.

Following a short tender of executive search agencies, to ensure the right expertise and ability to meet the Committee's criteria and timeline, the Company appointed Korn Ferry as independent executive search consultants to assist with the search and recruitment process. Korn Ferry act as advisers to the Remuneration Committee but the Executive Reward team is separate from the Executive Search team, so the Committee were able to satisfy themselves on independence and confidentiality.

A scoring matrix based on the search criteria was applied to a longlist of potential candidates produced by Korn Ferry which produced a shorter list for the Committee's review. The Committee collectively agreed a final shortlist of candidates, all of whom were interviewed by me and supported by the General Counsel & Company Secretary. From that shortlist several candidates were invited to attend a second interview, which involved meeting at least two other Non-executive Directors and the CEO. Following those interviews, the Committee convened a further meeting to discuss feedback and references received on each of the candidates. The Committee was supported by Korn Ferry in these meetings.

Following the Committee's recommendation to the Board, Ken was offered the position, and I was delighted that he accepted, with effect from 8 July 2024. Ken brings more than 30 years' PLC and corporate finance experience, is an experienced business leader and has already brought tremendous insight to our boardroom.

The General Counsel & Company Secretary arranged a comprehensive, tailored induction programme for Ken, which included:

- Dedicated time with the Non-executive Directors, the Executive Team and key stakeholders including the Director of Corporate Risk and Director of IT
- Meeting with all key advisors and many of our shareholders
- A handover from the incumbent chair
- Scheduled trips to our pubs and 'days in trade' with some of the management team
- Refresher Training on Director duties, including Section 172(1), the Market Abuse Regulation and the 2018 Code, and Data Protection
- Deep dive sessions with senior management on key issues including strategy, five-year plan and capital structure, principal and emerging risks and related controls, people strategy, cyber risk and controls and ESG

OCTAVIA MORLEY
SENIOR INDEPENDENT DIRECTOR

Conflicts of interest

Prior to the appointment of any Non-executive Director, the Committee considers any existing appointments or commitments to ensure that there are no, nor likely to be any, conflicts of interest and that Directors have sufficient time available to properly discharge their duties to Marston's. Any additional external appointments taken up by Directors during the year are considered by the Chair of the Committee and, where applicable, approved by the Board prior to the Directors accepting such appointments.

The Committee considers any conflicts that may arise as a result of any external appointments taken up by the Directors and the Board monitors the extent of those interests and the time commitment required to fulfil them to ensure that effectiveness is not compromised. The Board remains confident that each Director has devoted suitable time to undertake their responsibilities effectively and no conflicts of interest were recorded during the year that would impact the independence of any of our Directors.

CORPORATE GOVERNANCE REPORT continued

NOMINATION COMMITTEE REPORT

Board support, inductions and ongoing development

Upon appointment to the Board, each new Director receives a comprehensive induction programme co-ordinated by the General Counsel & Company Secretary, which is tailored to their past experience and specific role on the Board. Induction programmes are tailored based on experience and background and the requirements of the role, and further information on the induction of Ken Lever completed during the reporting year can be found on page 55. Pub visits are an important part of the induction process, as well as for continuing education and employee engagement. Further information on Board engagement with stakeholders is set out on pages 14 to 17.

It is also important that the Directors regularly refresh and update their skills and knowledge and receive relevant training when necessary. Ongoing training and development needs are reviewed annually and arranged by the Company Secretary, where requested. Directors are also entitled to seek independent advice about the performance of their duties, if required, at the Company's expense. Through the Company Secretary, the Directors also have access to various advisory services enabling them to attend seminars and training events to keep up to date on relevant developments.

Board independence, election and re-election of Directors

All of our Non-executive Directors are considered by the Board as being independent, including our Non-executive Chair who was independent upon appointment.

Ken Lever is subject to election for the first time at the Company's AGM in January 2025 and all other Directors will offer themselves for re-election. Details of each Director are set out on pages 46 and 47, and in the 2025 Notice of Meeting. The Board is of the opinion, as recommended by the Nomination Committee, that each Director standing for election or re-election makes an effective and valuable contribution to the Company's long-term sustainable success.

Board performance review

The annual performance review process provides the opportunity for the Board and its Committees to consider and reflect on the effectiveness of its activities, the quality of its decision-making and the contribution made by each Director.

In compliance with the 2018 Code, and the typical three-year evaluation cycle, this year's evaluation was conducted internally, following the independent externally led process in the previous year.

During the reporting year, supported by the General Counsel & Company Secretary, Ken Lever held confidential one-to-one meetings with every Board member and the HR Director, to discuss their views on a number of themes previously discussed and agreed by the Committee, including strategy, risks, the role of the Board and the flow of information to and from the Board.

In addition, Ken also met with the consultant instructed by the Company in the 2023 external evaluation to obtain a stand-back view to support these conversations, as well as Ken's own induction to the Board. Following those meetings, clear actions were agreed at a Board meeting and further details are set out below:

Board performance reviews in action:

2023 focus areas	2024 progress and actions	Focus areas for 2025
Strategy and role of the Board: focus on strategic choices and clearer measures	Development of new strategy and measures sponsored by the Board	Develop KPI dashboard to monitor progress of key strategic measures Investment Committee established to oversee major capital investments and provide post-investment appraisals.
Engagement and stakeholder sentiment: consider information flow	Time on the Board agenda for presentations by brokers and reviewed key advisors to bring fresh perspectives to the boardroom	Time on the agenda to debate market dynamics and guest sentiment.
Leadership and succession plans: board to review its own governance	Refreshed Executive team and consideration of talent and behaviours as part of the strategic review	Consider expanding role of Nomination Committee to include employee engagement and improved talent reviews.
Risk and governance	Reviewed principal and emerging risks	Improved alignment to strategy.

CORPORATE GOVERNANCE REPORT *continued*

Audit Committee report

**DEAR SHAREHOLDER,**

I am pleased to present my first Audit Committee (the Committee) Report for the financial year ended 28 September 2024 for Marston's, which provides an overview of the areas of focus for the Committee during the year, as well as its key activities and the framework within which it operates. I would like to thank Matthew Roberts, who left the business in January 2024. Other than the change of Audit Committee Chair, the composition of the Committee has not changed and is set out on page 58.

I confirm I have recent and relevant financial experience, and the Board remains satisfied that the Committee members as a whole have the appropriate skills, knowledge and experience to fulfil the duties delegated to it, together with competence in the hospitality sector.

This report describes the work of the Committee during the reporting year, with a focus on issues relevant to the Group's financial reporting. This includes how the Committee ensures the ongoing quality of the related disclosures, the Group's risk management framework and internal control systems together with deep dives on assurance, in key compliance and operational areas, such as food safety and cyber controls.

The Committee and I are mindful of the implementation date for the 2024 Code, particularly the revisions to provision 29, together with emerging legislation, such as the Economic Crime & Corporate Transparency Act 2023. We have dedicated time to understanding the impact of the changes to the regulatory and governance landscape, together with the Group's reporting obligations, and work is underway to ensure we have a clear pathway towards compliance.

Following their appointment as external Auditor for the Group, RSM UK Audit LLP ("RSM") have completed their first full year audit and their report is set out on page 81. During the reporting year, we have also engaged with the Financial Reporting Council (FRC) following their evaluation of our Annual Report and Accounts for FY2023. We welcome any engagement with the FRC and, as a result of our communications, we have an enhanced disclosure in this year's Annual Report and Accounts, further detail of which is set out on page 60.

The Committee remains keen to engage with shareholders on any audit related matters. Should you have any comments on the contents of this report, please contact me via email sent c/o of Audit Chair at investorrelations@marstons.co.uk.

RACHEL OSBORNE CHAIR OF THE AUDIT COMMITTEE

CORPORATE GOVERNANCE REPORT continued

AUDIT COMMITTEE REPORT

Members

Rachel Osborne (Chair) –
from 23 January 2024

Octavia Morley

Bridget Lea

Matthew Roberts – until 23 January 2024

Our responsibilities

- To assist the Board in discharging its responsibilities by reviewing and monitoring the integrity of the financial reporting, paying particular attention to significant judgements.
- Monitoring the effectiveness of the Company's audit processes, internal and external controls and risk management systems.
- Reviewing the external Auditor's independence, objectivity and effectiveness.

The Audit Committee reports to the Board on its activities and makes recommendations, all of which have been accepted by the Board during the reporting year.

The Audit Committee met four times during the reporting year and attendance can be found on page 43. The Director of Corporate Risk and RSM (the external Auditor) attend each meeting. Non-members including the Board Chair, the CEO, the CFO and other senior managers are invited to attend all or part of the Committee meetings.

In advance of each meeting the Committee Chair meets with the key stakeholders and contributors including the CFO, the Company Secretary, the Director of Risk, Head of Internal Audit and the external Auditor to discuss any key matters arising.

In the Committee meetings, the Chair encourages robust conversations to ensure management are appropriately challenged, in order to that the Committee can satisfy itself that the judgements taken, and the disclosures made are appropriate for the Group.

Key activities during the reporting year

- Reviewed the interim results and full year accounts, including the significant judgements and estimates, going concern and viability statements and recommended approval to the Board.
- Reviewed and challenged the external Auditor's audit strategy and year-end and half-year reports.
- Oversaw the external Auditor's independence, objectivity and effectiveness.
- Reviewed the Company's principal and emerging risks, together with the framework for managing, mitigating and testing of those risks, and any emerging legislation.
- Considered the forthcoming requirements and impact of the 2024 Code and the Economic Crime & Corporate Transparency Act 2023 and preparedness of the Company to comply.

- Received updates and presentations from management on internal audits, including allergens, stock and network security.
- Reviewed and approved the annual internal audit plan for financial year FY2025.
- Considered the recommendations by the FRC following the review of the 2023 Annual Report and Accounts, and approved improved disclosures in respect of the reporting period.
- Assessed the effectiveness of the Company's Whistleblowing Policy – 'Speak Up'.
- Reviewed the results of the annual evaluation of the effectiveness of the Committee.
- Received updates on and approved the Statutory Pubs Code compliance report.
- Reviewed the outputs from the annual Property valuation report, including a meeting between the Chair of the Committee and the independent property valuers (Christie & Co).
- Reviewed the Non-Audit Services Policy and the external Auditor's non-audit fees (of which there were none in the reporting year).
- Reviewed and approved the Committee's updated Terms of Reference and carried out our responsibilities as set out in the Terms of Reference.

Matters considered in relation to the Financial Statements

In order to discharge its responsibility to consider accounting integrity, the Committee carefully assesses key judgements applied in the preparation of the consolidated financial statements, which appear on pages 88 to 140.

Key accounting judgements

All key accounting judgements were subject to review and challenge by the Committee and were discussed and addressed with external Auditor throughout the year end audit process. This included reviewing papers prepared by management detailing the rationale for the accounting treatments adopted.

Under IFRS, the Group is required to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The Group's key assumptions and significant judgements which were reviewed by the Committee are:

- Non-underlying items – determination of items to be classified as non-underlying.
- CMBC – classification of results from CMBC as discontinued operations.
- CMBC – estimated recoverable amount of the investment in associate immediately prior to disposal.

CORPORATE GOVERNANCE REPORT continued

AUDIT COMMITTEE REPORT

- Property, plant, and equipment – valuation of effective freehold land and buildings.
- Retirement benefits – actuarial assumptions in respect of the defined benefit pension plan, which include discount rates, rates of increase in pensions, inflation rates and life expectancies.
- Financial instruments – valuation of derivative financial instruments.

The Committee has reviewed management's assessment and classification of the above judgement and, in line with guidance received from RSM, is satisfied that the correct accounting treatment has been applied.

Estate valuation

The Group is in the third and final year of its three-year valuation cycle, with Christie & Co completing physical inspections of the final third of the Group's estate with the focus remaining on the inspection of pubs where there have been changes to the shape of the estate, including capital expenditure. The Committee reviewed and considered the outputs from the valuation and, as part of the year-end process, RSM's third party specialist valuer and the Committee Chair, met with Christie & Co to consider and challenge their methodology and approach. The Committee noted that the carrying value of the Group's estate and other fixed assets is £2.1 billion and, as a result of the valuation and leasehold impairment review, there is an effective freehold impairment reversal of £45.3 million and a leasehold impairment reversal of £1.7 million. Further details are set out on page 111.

Market capitalisation

The Group has performed an assessment to bridge the gap between the Group's market capitalisation and asset values to determine whether further impairment considerations are required in relation to the Group's material assets, property, plant and equipment. The recoverable amount adopted in this assessment was the higher of the enterprise value and the value in use of the Group. This assessment was reviewed by the Committee and the Committee noted that, as indicated by the review, there was sufficient headroom between the asset values and the recoverable amount of the Group and that no reasonably possible change in the assumptions used in this assessment would have resulted in a change to the Group's asset values.

Going concern

During the year, the Committee and the Board reviewed the Group's going concern and viability statement as set out on page 42. As part of the reporting process, the Group is formally required to assess and disclose the extent to which its forecasts, financing requirements and financial covenants may or may not affect the Group's going concern assumption in preparing the financial statements.

The conclusion of this assessment, having considered the Group's forecast financial position and exposure to principal risks and uncertainties, including cost and inflationary pressures, and incorporating additional increases to employee related costs following the Autumn Budget 2024, was that the Board through the Audit Committee, have a reasonable expectation

that the Group has adequate resources to continue to operate within its borrowing facilities and covenants for a period of at least 12 months from the date of signing the financial statements. Accordingly, the Committee notes that the financial statements have been prepared on the going concern basis and more details can be found in Note 1 of the Financial Statements on page 96.

Audit reforms and the 2024 Code

The Committee continues to stay abreast of corporate governance reforms and reviews the Company's preparedness at each meeting, with a particular focus on enhanced internal controls and the associated reporting of their effectiveness. The 2024 Code will apply to the Company with effect from its FY2026 year, with the changes to Provision 29 taking effect a year later, in FY2027, and the required actions have been identified to ensure we have a clear pathway to compliance.

External Auditor

RSM were appointed as the external Auditor of the Company at the 2024 AGM, following a tender process in 2023, which was described on page 69 of the 2023 Annual Report & Accounts. The Group's lead audit partner is Ian Wall, who was also appointed in 2024. The Company's relationship with the external Auditor is managed through their attendance at each meeting of the Committee, together with regular meetings during the year with the Chair of the Committee, both with and without management present. This provides sufficient opportunity to interrogate and

challenge key areas and assess their independence. RSM present their audit strategy and reports, which include key audit risks and audit findings, to the Committee and these reports are discussed and challenged throughout the audit cycle.

Non-audit services and safeguarding objectivity

An external Auditor should not provide non-audit services where it might impair their independence or objectivity and the Committee has established a policy to safeguard such independence and objectivity, which is available at our website www.marstonpubs.co.uk. All non-audit services are considered on a case-by-case basis in light of the requirements of the ethical standards and in compliance with our policy. The Committee confirms that RSM did not carry out any non-audit work during the reporting year. In addition, the external Auditor follows its own ethical guidelines and continually reviews its audit team to ensure that its independence is not compromised.

RSM has reported to the Committee that, in its professional judgement, it is independent within the meaning of regulatory and professional requirements and the Committee is satisfied that RSM meets the required standard of independence to safeguard the objectivity and integrity of the audit.

Following a review during the reporting year, RSM have also confirmed they are satisfied with the objectivity and independence of the component auditor of CMBC, PwC Denmark.

CORPORATE GOVERNANCE REPORT continued

AUDIT COMMITTEE REPORT

Effectiveness of external Audit

The effectiveness of the external audit is considered throughout the reporting year in a number of ways, including assessment of the degree of the audit firm's challenge of key estimates and judgements made by the business, feedback from any external or internal quality reviews on the audit and the quality of communication with the Committee. Upon conclusion of all audit matters, as a matter of good practice, the internal audit team has been instructed to undertake a review of the external audit process and report its conclusions to the Audit Committee.

Review by the FRC

During the reporting year, we have engaged with the FRC following their evaluation of the 2023 Annual Report & Accounts as part of the FRC's ongoing assessment of the quality of corporate reporting in the UK. We welcome the FRC's engagement and, as a result of our communications, we have enhanced our disclosures by providing further detail on the level 3 valuation inputs to the fair value measurement of effective freehold land and buildings.

Risk management and internal control

Our risk management and internal control framework is described on page 35. During the year as part of the strategic review, the Committee supported the Board in reviewing the Principal Risks and emerging risk, with a particular focus on the effectiveness of risk controls and their assurance. A focus for the Committee next year will be to continue to focus on risk mitigation, controls and ensure these align with risk appetite as we seek to embed these more firmly as part of our routine processes and decision making, to support and improve strategic planning and execution.

Internal audit

The Committee continues to oversee the assurance activity conducted by the internal audit function, which is managed by the Director of Corporate Risk who attends each meeting. During the reporting period, the Committee allocated additional time on the agenda to review and challenge the findings of several key audits and subsequent management actions, including in relation to safety risks, stock controls and network controls. In addition, the Committee monitored delivery of the FY2024 internal audit plan, considered the findings from all internal audit reports and ensured that management actions identified were implemented or on track and challenging management where necessary. The Committee also approved the internal audit plan for FY2025.

Whistleblowing

As a Company, we remain committed to conducting our business with honesty and integrity and our Whistleblowing Policy supports this. A well-established procedure is in place for employees to report any concerns anonymously and confidentially through our online 'Speak up' portal. Posters publicising whistleblowing channels are distributed to our pubs and our pub support centre and a prominent link is available on the Company's intranet and website. The Committee receives a report on whistleblowing each year, to understand and review the whistleblowing governance framework, processes and controls, and how any emerging trends are identified, mitigated and managed.

Business ethics

The Company remains committed to high standards of business integrity and ethical conduct. Our Directors, Executive Committee and Leadership Group members undertake training in business ethics, which includes the Bribery Act, the Company's Corporate Hospitality and Gifts Policy, directors' duties and share dealing. Our standards are supported by appropriate policies which are accessible in the digital employee handbook.

The Company also has a detailed Anti-Bribery and Corruption Policy and maintains a Gifts and Hospitality Register. Anti-bribery expectations are set out in standard purchasing terms and conditions.

Statutory Pubs Code

The Audit Committee approved the compliance report submitted to the Pubs Code Adjudicator (PCA) for the reporting period 1 April 2023 – 31 March 2024 (PCA Period). During the PCA period, Marston's received four valid market rent-only requests from tied tenants, of which one was referred to the Pubs Code Adjudicator for arbitration. It is not subject to any investigations, enforcements or representations of unfair business practices by the PCA. The PCA compliance report and supporting information is available on our website: www.marstonspubs.co.uk.

CORPORATE GOVERNANCE REPORT *continued*

Directors' Remuneration report



DEAR SHAREHOLDER,

I am pleased to present our report for the period ended 28 September 2024 which sets out how the Directors' Remuneration Policy has been applied during the period and how we intend to operate the Remuneration Policy in FY2025.

Overview of performance in FY2024 and business context

FY2024 has been a significant year for Marston's. Under the leadership of Justin Platt, the business disposed of its remaining interest in CMBC enabling the start of a new chapter as a pure-play pub operator and achieving our target of reducing debt to below £1 billion ahead of schedule.

We hosted a Capital Markets Day (CMD) in October 2024, outlining our refreshed strategy to deliver sustainable, long-term growth, together with a revised capital allocation framework focused on organic growth, further debt reduction and deleveraging, the future reinstatement of dividends and targeted M&A.

Marston's financial performance in FY2024 was strong, delivering like-for-like sales growth of 4.8%, driven by higher guest satisfaction and improved consistency across our pubs. This was reflected in our guest Reputation score which increased to 800 at the end of the year (2023: 766). Total revenue for the reporting year increased by 3% to £898.6 million (2023: £872.3 million), with underlying EBITDA from continuing operations increasing by 13% to £192.5 million (2023: £170.3 million). Underlying operating margin grew by over 200 basis points compared to FY2023, to 16.4% (2023: 14.3%). In addition, team engagement and pub standards metrics continue to improve.

As we set out at our CMD, our capital allocation framework is focused on delivering sustainable long-term value for shareholders. Going forward, the Board intends to balance debt reduction and strategic growth investments with the goal of creating a more financially robust business that can ultimately support shareholder returns. Further details are set out in the Strategic report, on page 8. Dividends form a core part of our capital allocation framework and, whilst no dividend will be paid in respect of FY2024, the Board is cognisant of the importance of dividends to our shareholders.

Performance outcomes for the year

Annual bonus FY2024

The performance measures for the FY2024 annual bonus were based on a balanced mix of financial (Group sales, EBITDA and recurring FCF) and strategic measures (Reputation score and employee engagement), and stretching targets were set at the start of the year.

As summarised above, the business achieved growth in all measures, with a balance of above threshold and maximum performance outturn. The excellent Reputation score of 800 and employee engagement score of 8.4, both achieving maximum performance, reflect the continuing efforts of our People to consistently deliver great guest experiences. Group sales increased, demonstrating the appeal of our predominantly community-based estate. Our expertise in managing local pubs, together with our strategic commitment to delivering exceptional guest experiences and enhancing our Reputation score, has supported this growth. This resulted in performance achieving above threshold against the target set early on in the year. Underlying EBITDA also achieved above threshold performance, reflecting positive revenue growth and continued efforts to optimise costs and enhance operational efficiency. Recurring FCF of £43.6 million (2023: outflow of £38.5 million) achieved maximum performance.

When reviewing the formulaic outcome of the bonus against the targets, the Committee took into account other stakeholder outcomes:

- Wider workforce experience – bonus schemes for salaried employees are aligned, therefore all eligible employees will receive a consistent outturn of c.70% of their achievable bonus for FY2024. Our pub team members have the opportunity to earn monthly incentives, based on drinks sales, and rewards through a quarterly bonus scheme, tailored to each individual pub. More than 75% of our pub team members, as at the end of the reporting year, had received one or more payments via these schemes.
- Investors – share price increased by more than 40% during the reporting year.
- Wider business performance – each of the key metrics has achieved growth on the previous year's outturn.

Having considered the formulaic bonus outturn in the context of stakeholder outcomes during the reporting year, the Committee is comfortable that the bonus payout of 70.19% of maximum for the Executive Directors is appropriate and so no discretion has been applied on the formulaic outcome.

A full breakdown of the measures, targets and our performance against them is set out on page 68.

CORPORATE GOVERNANCE REPORT continued

DIRECTORS' REMUNERATION REPORT

In line with the Directors' Remuneration Policy, one-third of bonus earned (after tax) by the Executive Directors will be deferred into shares for a period of three years.

LTIP FY2022 vesting

The three-year performance period for the LTIP award granted in December 2021 ended on 28 September 2024. Performance was based 40% on underlying Profit before Tax (PBT), 40% on Net Cash Flow (NCF) and 20% on Total Shareholder Return (TSR) versus the companies in the FTSE 250 Index (excluding Investment Trusts). The PBT and TSR elements did not reach the threshold performance requirement. However, the NCF outturn achieved between target and maximum performance, resulting in a vesting of 73.3% of the NCF element and an overall vesting of 29.32% of the total award. The Committee discussed the formulaic outturn of the LTIP, in particular the contribution of non-core pub disposals to the NCF result. Given that disposals formed part of the agreed strategy in operation during the three-year performance period, and that the CMBC disposal proceeds were excluded from the outturn figure, the Committee concluded that there was a strong and clear link between reward and performance and that discretion was not required to adjust the incentive outcome. In addition, shares received by the Executives on vesting will be held for a further two years before they can be sold, subject to achieving the 200% of salary shareholding guidance level.

The Committee is comfortable that actions taken on pay during the year across the Company were appropriate and balanced the interests of all stakeholders and that the Remuneration Policy operated as intended.

Board changes during the year

William Rucker stepped down as Chair of the Board with effect from 8 July 2024 and was succeeded by Ken Lever. The Chair's fee was at £220,000. There will be no further increase in the Chair fee for FY2025.

As disclosed last year, Andrew Andrea stepped down from the Board on 17 November 2023. He was available to the business in order to facilitate a smooth handover and transition until 31 December 2023. Justin Platt was appointed as Chief Executive Officer on 10 January 2024. Further details of the remuneration arrangements for Justin and Andrew are set out on pages 72 and 81 of the 2023 Annual Report and Accounts and further details in relation to Andrew are also set out on page 71 of this report.

Implementation of the Remuneration Policy FY2025

The Remuneration Policy is next due to be approved by shareholders at our AGM in 2026. During FY2025, the Committee will review the current policy to ensure that the policy is fit for purpose for our refreshed strategy as a pure-play pub operator. The review will focus on appropriate structures and performance measures for our variable pay schemes to support our long-term growth strategy and to be aligned to the

wider workforce and aligned to the interests of shareholders and other stakeholders in our business.

The Committee has considered how the policy should be implemented for FY2025, its final year of operation. We have considered market practice, investor guidelines, pay across the business and the views of management. The key decisions taken for FY2025 included:

Base salary and Non-executive Director fees effective 1 October 2024

During the year, the Committee reviewed salary increases for the wider salaried workforce taking into consideration external benchmarking and the continued focus on controlling our cost base. Following the review, the vast majority of the wider salaried workforce received an increase of 3% of salary, with around 14% of that population receiving exceptional pay awards based on performance and external benchmarking. For the majority of our pub teams, their remuneration is set by statute rather than the market. Total pay awards for our pub team members ranged between 3% and 12.9%, with a total aggregated increase of 6.9%. In the context of these increases, the Committee was satisfied with a 3% increase also being applied to the Executive Directors' base salaries.

Non-executive Directors' fees have been increased by 3% for FY2025. The Chair's fees were set upon appointment in July 2024 and therefore the Committee agreed that no increase should be made for FY2025.

Annual bonus for FY2025

The bonus opportunity for the Executive Directors will remain unchanged for FY2025, with the CEO eligible for an annual bonus of up to 125% of salary and the CFO up to 100% of salary. Performance measures have been reviewed to align with our refreshed growth strategy and, as part of the process, the Committee reviewed the balance of financial and non-financial measures and the weighting of each individual performance measure. As a result of the review, the financial elements have increased from 70% to 80% of the total opportunity and the non-financials have reduced from 30% to 20%. The Committee determined that the weighting on EBITDA should be increased from 30% to 40%. As the weighting on non-financial measures has been reduced, the Committee also determined that there should be a single non-financial measure. Therefore, the weighting on the Reputation score was increased from 15% to 20%. Whilst the employee engagement measure has been removed from the bonus, the Committee will consider employee engagement when reviewing the outcome under the bonus against broader business performance in FY2025. Employee engagement also forms part of a balanced scorecard that is monitored by the Executive Committee and the Board. Therefore, the FY2025 bonus will be based on Group revenue (20%), Group EBITDA (40%), recurring free cash flow (20%) and Reputation score (20%).

The targets are stretching and incentivising with one third of any bonus paid deferred into shares for three years.

CORPORATE GOVERNANCE REPORT continued

DIRECTORS' REMUNERATION REPORT

LTIP for FY2025

Both the CEO and CFO will receive an LTIP award in line with the grant received in respect of FY2024 (150% and 125% of base salary, respectively), and in line with the current policy. During the year, the Committee reviewed the performance measures for the LTIP to ensure that they continue to align with our long-term strategy. With the sale of our stake in CMBC significantly bolstering our balance sheet, reducing net debt well below our £1 billion target, ahead of schedule, the net cash flow measure has been removed from the LTIP. Mindful of the Company's commitment to the delivery of £50 million recurring free cash flow in the near term, the Committee are satisfied that this remains a key focus given its inclusion as a measure in the annual bonus scheme. Consequently, the other measures have been rebalanced.

For FY2025, the LTIP will be subject to underlying PBT (40%), operating margin (30%) and relative total shareholder return (30%) performance measures.

Stretching targets have been agreed and the threshold and maximum ranges are set out on page 76.

Other considerations during the year

Executive Director pay and the wider workforce

We continue to operate with fairness, integrity and transparency across the business. Salary, benefits and performance-related rewards provided to employees are taken into account when setting the policy for Executive Directors' remuneration.

Salary increases across the workforce were reviewed during the year, taking into account the continuing cost-of-living challenges.

The Committee also retains oversight of how bonus schemes are aligned throughout the organisation, and of the performance measures, targets and outturn of each scheme. Bonus measures, and more targeted monthly and quarterly incentives for our pub team members, are aligned to our vision and strategy for the entire workforce.

Bridget Lea, our designated Non-executive Director for Workforce Engagement, and a member of this Committee, conducted an employee engagement session during the year. Executive remuneration was not raised as a concern during the year. Therefore, no amendments were required to be made to the proposed implementation of the policy in FY2025 as a result of this engagement. Further details of engagement with our People throughout the year can be found on page 15.

Shareholder engagement

The Committee welcomes ongoing shareholder engagement and takes an active interest in voting outcomes. We are pleased that the 2023 Annual Report on Remuneration received very strong levels of support with over 95% of votes cast in favour of the resolution at our 2024 AGM, following over 93% support of the policy at our 2023 AGM.

We continue to welcome and encourage all feedback from our shareholders, as it helps inform our thinking on remuneration matters, and hope we can rely on your continued support. During our policy review in the coming year, we will engage with our major shareholders and the leading shareholder advisory bodies, sharing details of our policy proposals ahead of submitting these for approval at our AGM in 2026.

If you would like to contact me directly to discuss any aspect of our policy or this report, then please email me at remunerationchair@marstons.co.uk. I will be available at our AGM (on 21 January 2025) to answer your questions. Alternatively, if you are not able to attend the AGM, please do send your questions to the email address above.

OCTAVIA MORLEY
CHAIR OF THE REMUNERATION
COMMITTEE

CORPORATE GOVERNANCE REPORT continued

DIRECTORS' REMUNERATION REPORT

Members

Octavia Morley (Chair)

Bridget Lea

Rachel Osborne – from 23 January 2024

Nick Varney

Matthew Roberts – until 23 January 2024

Three scheduled Committee meetings were held during the year, together with an additional three meetings held in relation to Board appointments and to finalise incentive scheme targets for the reporting year. Attendance by Committee members (named above) is set out on page 43. The Committee receives advice from a number of different sources. This helps to inform decision-making and ensures the Committee is aware of pay and conditions in the business as a whole, and conditions in the wider market.

The CEO attended all meetings during the year (following his appointment in January 2024) to provide advice in respect of the remuneration of senior management. The HR Director and Deputy Company Secretary also attend each meeting and provide advice to the Committee. No person is in attendance for any discussions regarding their own remuneration.

Korn Ferry continue to advise the Committee, following their appointment in 2022 and attend meetings when required. Korn Ferry provided advice on the implementation of the Remuneration

Policy and supported management with technical matters relating to the execution of the Committee's decisions. Korn Ferry received fees amounting to £17,338 during the year in respect of advice given to the Committee. Korn Ferry also provided Search services during the year which were carried out by a team separate to the remuneration advisory team. The Committee is satisfied that the advice it received during the year was objective and independent. Korn Ferry is a member of the Remuneration Consultants Group and, as such, voluntarily operates under its Code of Conduct in relation to executive remuneration consulting in the UK.

Our responsibilities

- Determining the framework and policy for Executive Directors' remuneration.
- Setting the remuneration for the Executive Directors and other members of the Executive Committee (including the General Counsel & Company Secretary).
- Setting the Chair's remuneration.
- Establishing remuneration schemes that promote long-term shareholdings by Executive Directors, and that support alignment with long-term shareholder interests.
- Designing remuneration policies and practices to support the successful delivery of our strategy and promote long-term sustainable success, with remuneration aligned to the Company's purpose and values.

- Choosing appropriate performance measures and targets for annual and long-term incentive awards, exercising independent judgement and discretion when considering awards and pay-outs, taking account of Company and individual performance, and wider circumstances.
- When determining remuneration policy and practices, considering the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.
- To consider remuneration policy in the context of the wider workforce benefit structures, pension provision and remuneration trends across the business and challenge, when necessary, to ensure alignment.

Key activities of the Committee in respect of the year

- Determining the remuneration package for the incoming CEO and the contractual and remuneration arrangements for the former CEO.

- Consideration of pay review proposals for the Chair, senior management and the wider workforce, and the fee for the incoming Chair of the Board.
- FY2024 bonus and FY2022 LTIP award outturns, as outlined on pages 61 to 63.
- Consideration of targets for Operational, Group, senior management and Executive Director bonus schemes.
- Consideration of LTIP performance metrics and grant.

Review of Executive Directors' and senior management shareholdings in the Company, in the context of shareholding guidelines.

AGM voting outcomes

The following table summarises the details of votes cast for the Directors' Remuneration Policy (at the 2023 AGM) and the Directors' remuneration report at the 2024 AGM, along with the number of votes withheld. The Committee will continue to consider the views of, and feedback from, shareholders when determining and reporting on remuneration arrangements.

	Votes for	%	Votes against	%	Votes total	Votes withheld
Directors' Remuneration Policy 2023 AGM	64,571,195	93.20	4,709,941	6.80	69,281,136	86,649
Directors' Remuneration Report 2024 AGM	61,485,390	95.16	3,127,124	4.84	64,612,514	103,541

CORPORATE GOVERNANCE REPORT continued

REMUNERATION SUMMARY

Performance snapshot for FY2024

Measure	Annual bonus performance for FY2024		
	Weighting of measure	Outturn (as a % of max)	Outcome (% total award)
Group sales	20%	37.20%	7.44%
Group EBITDA	30%	42.5%	12.75%
Group recurring free cash flow	20%	100%	20%
Reputation score	15%	100%	15%
Employee engagement	15%	100%	15%
Bonus outturn			70.19%

Measure	Long-term incentive performance December 2021 award		
	Weighting of measure	Outturn (as a % of max)	Outcome (% total award)
Underlying PBT	40%	0%	0%
Net cash flow (cumulative)	40%	73.3%	29.32%
Relative TSR vs FTSE 250 (excl. investment trusts)	20%	0%	0%
LTIP outturn			29.32%

Applying the policy in FY2025

Base salary	<ul style="list-style-type: none"> Justin Platt – £618,000 (3% increase) Hayleigh Lupino – £422,065 (3% increase)
Benefits	No change
Pension	3% of salary
Bonus	<ul style="list-style-type: none"> Maximum opportunity: <ul style="list-style-type: none"> Justin Platt – 125% of salary Hayleigh Lupino – 100% of salary Performance measures: Group revenue (20%), Group EBITDA (40%), recurring free cash flow (20%) and Group Reputation score (20%) One third of any bonus paid will be deferred into shares to be held for three years
LTIP	<ul style="list-style-type: none"> Maximum opportunity: <ul style="list-style-type: none"> Justin Platt 150% of salary Hayleigh Lupino 125% of salary Performance measures: Underlying PBT (40%), Operating margin (30%) and relative Total Shareholder Return (30%) 2-year post-vesting holding period applies
Shareholding guidelines	<ul style="list-style-type: none"> In employment: 200% of salary Post-employment: 200% of salary for 2 years

Incentive timelines

	Year 1	Year 2	Year 3	Year 4	Year 5
Annual bonus					
Long-term incentive plan					

Key: ■ Performance period ■ Deferral/holding period

CORPORATE GOVERNANCE REPORT *continued*

Directors' Remuneration Policy

A summary of the Directors' Remuneration Policy, approved by shareholders at the 2024 AGM on 23 January 2024, and effective from that date, is set out below. The policy is intended to apply for three years. The full policy can be found on pages 78 to 86 of the 2022 Annual Report and Accounts and is also available online in the Governance section of our website: www.marstonpubs.co.uk/investors.

When determining the remuneration policy, the Remuneration Committee considered the six factors listed under Provision 40 of the UK Corporate Governance Code. Full details are set out on page 79 of the 2022 Annual Report and Accounts.

Summary policy table

Element	Purpose and link to strategy	Key features
Base salary	Core element of fixed remuneration, reflecting the individual's role and experience.	<ul style="list-style-type: none"> Usually reviewed annually and fixed for 12 months commencing 1 October.
Benefits	Ensures the overall package is competitive.	<ul style="list-style-type: none"> Executive Directors receive benefits in line with market practice which include a car allowance, private medical insurance and life assurance. Other benefits may be provided based on the role and individual circumstances.
Retirement benefits	Contributing to savings to deliver appropriate income in retirement.	<ul style="list-style-type: none"> Pension contributions (or cash allowance) will not exceed the pension contributions available to the majority of the workforce (which is currently 3% of salary).

Element	Purpose and link to strategy	Key features
Annual bonus	Rewards performance against targets which support the strategic direction of the Group. Compulsory deferral into shares aligns Executive Directors with shareholder interests and provides a retention element.	<ul style="list-style-type: none"> The maximum annual bonus opportunity is 125% of base salary. At least 50% of the award will be based on financial performance measures aligned to the Group's financial key performance indicators. No more than 20% of the relevant portion of the annual bonus is payable for delivering a threshold level of performance, and no more than 50% is payable for delivering a target level of performance (where the nature of the performance metric allows such an approach). One third of any bonus paid (after tax) will be used to purchase shares which the Executive Director must normally hold for three years. Committee discretion and malus and clawback apply.
Long Term Incentive Plan (LTIP)	Incentivises Executive Directors to deliver against the Group's strategy over the longer term. Long-term performance targets and share-based remuneration support the creation of sustainable shareholder value.	<ul style="list-style-type: none"> The normal maximum award size will be up to 150% of base salary. In exceptional circumstances the Committee reserves the right to award up to 200% of salary. Performance measures will be determined by the Committee for each LTIP award in line with the long-term business strategy and KPIs. Threshold performance under each metric will result in no more than 25% of that portion of the award vesting. Vested LTIP awards are normally subject to an additional holding period of two years before being released.
All employee share plan	To provide alignment with Group employees and to promote share ownership.	<ul style="list-style-type: none"> The Executive Directors may participate in any all-employee share plan operated by the Company.

CORPORATE GOVERNANCE REPORT continued

DIRECTORS' REMUNERATION POLICY

Element	Purpose and link to strategy	Key features
Shareholding guidelines	To provide alignment with shareholders' interests.	<ul style="list-style-type: none"> During employment: Executives are required to build up and retain a shareholding equivalent to 200% of their base salary. Until the shareholding requirement is met, Executive Directors will be required to retain 50% of the net of tax shares they receive under any incentive plan. Post-employment: Any Executive Director leaving the Company will be expected to retain the lower of the shares held at cessation of employment and shares to the value of 200% of salary, for a period of two years. The Committee will have discretion to amend the requirement in exceptional circumstances.
Non-executive Director fees	Non-executive Director fees are set at a level that reflects market conditions and is sufficient to attract individuals with appropriate knowledge and experience.	<ul style="list-style-type: none"> Non-executive Directors receive a basic fee and an additional fee for further duties.

Service contracts

The Executive Directors have a service contract requiring either nine or 12 months' notice of termination from either party as shown below.

The current Non-executive Directors, including the Chair, do not have a service contract and their appointments, whilst for a term of three years, may be terminated without compensation at any time. All Non-executive Directors have letters of appointment, and their appointment and subsequent reappointment is subject to annual approval by shareholders.

Name	Commencement date	Unexpired term remaining as at 28 September 2024
Justin Platt	10 January 2024	Terminable on 12 months' notice.
Hayleigh Lupino	3 October 2021	Terminable on nine months' notice.
Bridget Lea	1 September 2019	Fixed term expiring on 31 August 2025 (subject to renewal) and terminable on one month's notice.
Ken Lever	8 July 2024	Fixed term expiring on 7 July 2027 (subject to renewal) and terminable on six months' notice.
Octavia Morley	1 January 2020	Fixed term expiring on 31 December 2025 (subject to renewal) and terminable on one month's notice.
Rachel Osborne	23 January 2024	Fixed term expiring on 22 January 2027 (subject to renewal) and terminable on one month's notice.
Nick Varney	1 July 2022	Fixed term expiring on 30 June 2025 (subject to renewal) and terminable on one month's notice.

CORPORATE GOVERNANCE REPORT *continued*

Annual Report on Remuneration

This part of the Directors' Remuneration report sets out how we have implemented our current Remuneration Policy during the period ended 28 September 2024. Sections in the report not specifically stated as audited are not subject to audit.

Executive Directors

Total remuneration payable (audited)

Period ended 28 September 2024	Salary £	Benefits ¹ £	Pensions ² £	Other £	Total fixed £	Bonus £	Long-term incentives ³ £	Total variable £	Total £
Hayleigh Lupino	409,773	13,500	12,293	–	435,566	287,619	80,862	368,481	804,047
Justin Platt ⁴	434,783	13,054	5,797	–	453,634	380,342	–	380,342	833,976
Andrew Andrea ⁵	83,457	2,344	2,504	–	88,305	58,578	101,655	160,233	248,538

Period ended 30 September 2023	Salary £	Benefits £	Pension £	Other £	Total fixed £	Bonus £	Long-term incentives £	Total variable £	Total £
Andrew Andrea	620,626	17,480	18,619	0	656,725	0	0	0	656,725
Hayleigh Lupino	397,838	13,478	11,935	0	423,273	0	0	0	423,273

- Private medical insurance benefits are unchanged, but premiums may vary from year to year. Benefits include a car allowance, life assurance and group income protection for all Executive Directors. Justin Platt and Andrew Andrea also received private medical insurance. Hayleigh Lupino opted out of this benefit.
- Executive Directors receive a pension contribution of 3% of salary, in line with the wider workforce.
- FY2022 LTIP awards relate to those granted in December 2021 and due to vest in December 2024 for Hayleigh Lupino (in full) and Andrew Andrea (on a pro rata basis to 29 February 2024), based on performance assessed over FY2022, FY2023 and FY2024. The value of the shares is based on a three-month average share price of £0.383 to 28 September 2024. This value will be restated next year based on the actual share price on the date of vesting.
- Justin Platt was appointed as CEO with effect from 10 January 2024; salary, benefits, pension and bonus are shown from this date.
- Andrew Andrea stepped down as CEO and from the Board on 17 November 2023, followed by a handover period until 31 December 2023. A subsequent period of garden leave ended on 29 February 2024. The figures disclosed above relate to his time as a Director and the remainder of his remuneration is disclosed on page 71.

Annual bonus FY2024

Performance against the measures to 28 September 2024 is set out below. A summary of the formulaic outturn and the Committee's review and recommendations for the outturn payment is provided in the Annual Statement, on page 61.

Performance metric	Weighting	Threshold (20% of maximum)	Target (50% of maximum)	Maximum (100% of maximum)	Actual	% of maximum opportunity
Group sales	20%	£890m	£905m	£930m	£898.6m	7.44%
Group EBITDA	30%	£188m	£194m	£198m	£192.5m	12.75%
Group recurring free cash flow	20%	£17m	£25m	£31m	£43.6m	20%
Reputation score	15%	766	775	785	800	15%
Employee engagement	15%	7.8	8.2	8.3	8.4	15%
Bonus outturn						70.19%
Bonus awarded						70.19%

Executive Director	Annual bonus outcome		
	% salary	Value £	Deferral into shares ¹
Hayleigh Lupino ²	70.19%	287,619	One third
Justin Platt ³	87.74%	380,342	One third
Former Executive Director			
Andrew Andrea ⁴	70.19%	112,172	One third

- One third of any bonus paid (after tax) will be deferred into shares, which the Director must normally hold for a period of three years.
- Hayleigh Lupino was eligible for a maximum bonus opportunity of 100% of salary.
- Justin Platt was eligible for a maximum bonus opportunity of 125% of salary, pro-rated for the period of his employment.
- Andrew Andrea was eligible for a maximum bonus opportunity of 100% of salary, pro-rated for the period of his active employment, to 31 December 2023. The total value of Andrew's bonus is £112,172. Of which, £58,578 relates to the period where Andrew sat on the Board and is shown in the Total remuneration payable table. The remaining £53,593 relates to the handover period between 18 November and 31 December 2023 and is shown in the Payments for loss of office and to past Directors section on page 71.

CORPORATE GOVERNANCE REPORT continued

ANNUAL REPORT ON REMUNERATION

LTIP awards vesting in respect of performance during FY2024 (audited)

The FY2022 LTIP award was granted in December 2021 and the three-year performance period ended on 28 September 2024. The performance targets for this award and performance outturn are set out below:

Performance metric	Weighting	Threshold at 25%	On-target 50% vesting	Maximum 100% vesting	Actual	LTIP vesting
Underlying PBT	40%	£63.65m	£67.0m	£68.67m	£42.1m	0% out of 40%
Net cash flow (cumulative)	40%	£125m	£150m	£182m	£164.9m ¹	29.32% out of 40%
TSR v FTSE250 (excluding Investment Trusts)	20%	Median	–	Upper quartile	Below median	0% out of 20%
Total outcome						29.32% out of 100% maximum

1. Net cash flow excludes the cash proceeds from the CMBC disposal.

Further details of the Committee's review of the outturn in relation to the NCF target is provided in the Annual Statement on page 61. The December 2021 awards will therefore vest in December 2024, with the shares subject to a two-year holding period.

	Number of shares granted	Number of shares due to vest	Total £ ²
Executive Director			
Hayleigh Lupino	720,078	211,126	80,862
Former Executive Director			
Andrew Andrea ³	1,123,322	265,416	101,655

- The share price was £0.6705 at the time of the award, compared to the three-month average share price of £0.383 to 28 September 2024. Therefore, none of the value of the award is due to share price appreciation.
- Value of shares based on a three-month average share price of £0.383 to 28 September 2024. This will be restated next year based on the actual share price on the date of vesting.
- The number of shares due to vest has been pro-rated to reflect the period of service during the performance period for the award.

LTIP awards granted during FY2024 (audited)

Typically, LTIP awards are granted in December. However, the LTIP grants were delayed until Justin Platt joined the business and awards were granted on 4 March 2024. During the period between the normal grant date and the award date, the share price fell to £0.2925. To recognise the drop in share price, the award granted to Hayleigh Lupino was determined on a share price of £0.33. As a result, the number of options granted was 11% lower than it would have been if the share price on the date of grant (£0.2925) had been used. This reduction was considered appropriate so that there would be no inadvertent benefit caused by the delay to the grant.

As a new appointee to the Board, the Committee determined that Justin Platt's LTIP award should be granted on the normal basis. As a result, Justin's award was granted using the market price at the close of trading on the London Stock Exchange on 4 March 2024, being £0.2925 per ordinary share.

Andrew Andrea was not eligible for an LTIP grant in FY2024.

Awards under the Plan comprise two elements: (i) a nil-cost option (a "Nil-Cost Option"); and (ii) a CSOP Option over shares with a total value at the date of grant of £60,000 (the statutory limit) with an exercise price of £0.2925 per share (a "CSOP Option").

The options have been granted such that the maximum pre-tax value delivered to participants will not exceed the value of the shares over which the Nil-Cost Option would have vested if it was a standalone option. The CSOP option will be released only to the extent that the aggregate CSOP gain is less than or equal to the value of the shares over which the Nil-Cost Option would be released on the normal release date.

CORPORATE GOVERNANCE REPORT continued

ANNUAL REPORT ON REMUNERATION

The details of the awards granted are as follows:

	Nil-cost options			CSOP options			
	Percentage of salary	Number of Nil-Cost Options granted ¹	Face value at grant ³	Basis of the award	Number of CSOP options granted ²	Face value at grant ³	% of award vesting at threshold
Hayleigh Lupino	125%	1,552,169	£512,216	£60,000	205,128	£60,000	25%
Justin Platt	150%	3,076,923	£900,000	£60,000	205,128	£60,000	25%

- Justin Platt was granted 2,871,795 Nil-Cost Options on 4 March 2024 and Hayleigh Lupino was granted 1,347,041. This award was granted over fewer shares than intended, due to an administrative error. As a result, the Executive Directors received a second grant on 28 March 2024. Justin was awarded 205,128 Nil-Cost Options and Hayleigh was also granted 205,128 Nil-Cost Options. In both cases, the grant level did not exceed the relevant applicable percentage of salary.
- CSOP option with an exercise price of £0.2925 per share.
- The face value of the CSOP awards and Justin's Nil-Cost Option award is calculated using the mid-market share price at date of grant of £0.2925. The face value of Hayleigh's Nil-Cost Option is based on a share price of £0.33.
- The performance period for this award comprises the FY2024-FY2026 financial periods. The holding period for this award comprises the FY2027 and FY2028 financial periods.

The awards will vest subject to the satisfaction of performance metrics set out below:

Measure	Weighting	Threshold (25% vest)	Maximum (100% vest)
Underlying PBT (in FY2026)	20%	£75m	£95m
Net cash flow (cumulative over three years)	40%	£150m	£180m
Operating margin in FY2026	20%	16.3%	18.3%
Relative TSR v FTSE SmallCap (excluding Investment Trusts)	20%	Median	Upper quartile

- Straight-line vesting applies between threshold and maximum.

Non-executive Directors

Total remuneration (Chair and Non-executive Directors) (audited)

	Base fee £	Committee Chair £	SID £	FY2024 Total £	FY2023 Total £
Bridget Lea	58,880	–	–	58,880	57,165
Octavia Morley	58,880	10,609	10,609	80,098	77,765
Ken Lever ²	220,000	–	–	51,014	–
Rachel Osborne ³	58,880	10,609	–	48,088	–
Nick Varney	58,880	–	–	58,880	57,165
Past Directors					
Matthew Roberts ⁴	58,880	10,609	–	21,652	67,465
William Rucker ⁵	212,180	–	–	168,660	206,000

- The maximum authority for Non-executive Directors' fees (in aggregate), as outlined in our Articles of Association, is £750,000 a year, as approved by shareholders at our 2017 AGM.
- Ken Lever was appointed as Chair of the Board of Directors on 8 July 2024; the figures in the table above reflect his remuneration from the date of appointment.
- Rachel Osborne was appointed as a Non-executive Director, and Chair of the Audit Committee, on 23 January 2024; the figures in the table above reflect her remuneration from the date of appointment.
- Matthew Roberts stepped down from the Board on 23 January 2024.
- William Rucker stepped down from the Board on 8 July 2024.

Interests in ordinary shares (audited)

The beneficial interests of the Non-executive Directors and their connected persons in the share capital of the Company are shown below:

	As at 28 September 2024	As at 30 September 2023
Bridget Lea	86,703	86,703
Octavia Morley	25,000	25,000
Ken Lever	280,000	–
Rachel Osborne	141,067	–
Nick Varney	317,882	317,882
Former Non-executive Directors		
Matthew Roberts ¹	25,000	25,000
William Rucker ²	400,000	400,000

- Matthew Roberts stepped down from the Board on 23 January 2024. His interests in ordinary shares are shown as at that date.
- William Rucker stepped down from the Board on 8 July 2024. His interests in ordinary shares are shown as at that date.

CORPORATE GOVERNANCE REPORT continued

ANNUAL REPORT ON REMUNERATION

Payments for loss of office and to past Directors (audited)

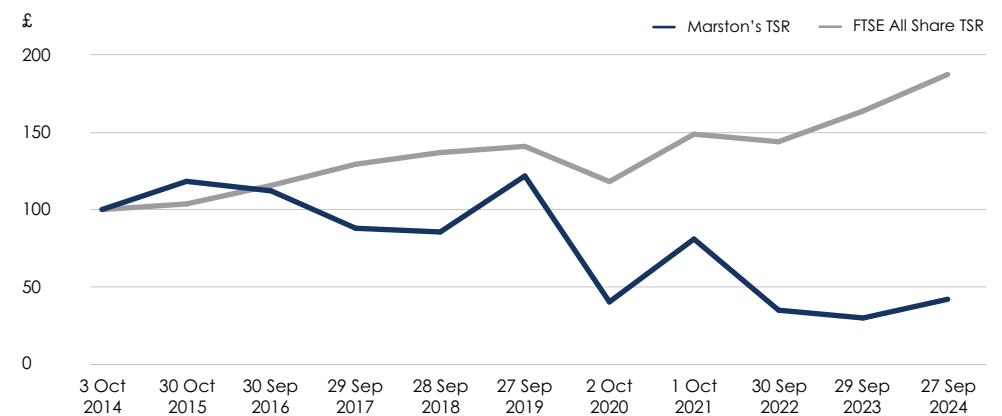
As reported in the 2023 Annual Report and Accounts, Andrew Andrea stepped down from the Board with effect from 17 November 2023 and remained actively employed assisting in a handover period until 31 December 2023. A short period of garden leave was completed from 1 January until 29 February 2024. The following arrangements applied to Andrew's remuneration from the date he stepped down from the Board until the end of his employment period. Details of the amounts received are set out on page 68.

- He continued to receive his full salary, pension and benefits until 29 February 2024. Andrew was appointed as CFO of C&C Group plc on 1 March 2024. From this date to 16 August 2024, Andrew did not receive any benefits or pension contributions from Marston's and monthly salary payments from Marston's were reduced by an amount equivalent to the salary for his new role. Payments from 18 November 2023 to 16 August 2024 amounted to £293,456 in relation to base salary, £5,487 in relation to pension and £5,136 in relation to benefits.
- He was eligible to receive a bonus for FY2024 based on his period of active employment to 31 December 2023. His bonus for that period equates to £112,172 of which £53,593 relates to the period following Andrew stepping down from the Board. Further details on performance are set out in the Annual Statement on page 61. One third of his bonus for FY2024 (after tax) will be paid in shares and held for three years.
- Andrew was treated as a good leaver in respect of his unvested FY2022 and FY2023 LTIP awards and these will continue subject to a pro-rata reduction to 29 February 2024, the achievement of performance conditions and will vest at the normal time. The two-year post-vesting holding period will continue to apply.
- Andrew will remain subject to post-employment shareholding guidelines.

No further payments were made to past Directors above the de minimis threshold. All payments are in line with the remuneration policy. The Committee did not exercise any discretion in relation to the payments to Andrew.

Total shareholder return chart and CEO remuneration history

The graph below shows the value, at 28 September 2024, of £100 invested in the Company on 5 October 2014 compared to the value of £100 invested in the FTSE All Share Index. The FTSE All Share Index has been selected as a comparator because the Company is a member of that index.



Total remuneration of the CEO over the past 10 financial periods is shown below. The annual bonus payout and LTIP vesting level as a percentage of the maximum opportunity is also shown.

Year	Name ¹	Total remuneration £	Annual bonus (% maximum)	LTIP vesting (% of maximum)
FY2024	Justin Platt	833,976	70.19%	N/A
FY2024	Andrew Andrea	248,538	70.19%	29.32%
FY2023	Andrew Andrea	656,725	0%	0%
FY2022	Andrew Andrea	783,654	14%	40%
FY2021	Ralph Findlay	711,612	0%	0%
FY2020	Ralph Findlay	592,423	0%	0%
FY2019	Ralph Findlay	722,432	0%	0%
FY2018	Ralph Findlay	807,665	17.7%	0%
FY2017	Ralph Findlay	803,303	20%	0%
FY2016	Ralph Findlay	1,008,320	40%	21%
FY2015	Ralph Findlay	876,788	40%	0%

1. Justin Platt was appointed as CEO and a Director with effect from 10 January 2024. Andrew Andrea stepped down as CEO and as a Director with effect from 17 November 2023, having been appointed as CEO from 3 October 2021. Ralph Findlay stepped down from the Board and retired from the Group as CEO on 2 October 2021.

CORPORATE GOVERNANCE REPORT continued

ANNUAL REPORT ON REMUNERATION

Change in remuneration of Directors' and employee pay

The table below shows the percentage change in the Directors' salary, benefits and annual bonus over the last five financial years. This is then compared to the wider workforce. It was agreed that all employees of the Group should be included in the comparison. Marston's PLC does not have any direct employees, as all employees within the Group are employed by a wholly owned subsidiary company, Marston's Trading Limited.

		Wider workforce	Current Directors						Former Directors			
			Justin Platt ²	Hayleigh Lupino	Ken Lever ²	Bridget Lea	Octavia Morley	Rachel Osborne ²	Nick Varney	Andrew Andrea ²	Matthew Roberts ²	William Rucker ²
Salary/ fees ¹	FY2024 and FY2023	8.1%	N/A	3%	N/A	3%	3%	N/A	3%	N/A	N/A	N/A
	FY2023 and FY2022	4.7%	N/A	3%	N/A	3%	3%	N/A	3%	3%	3%	3%
	FY2022 and FY2021	11.1%	N/A	N/A	N/A	2.7%	8.7%	N/A	N/A	53%	6.5%	3%
	FY2021 and FY2020	2.9%	N/A	N/A	N/A	0%	0%	N/A	N/A	2%	0%	0%
	FY2020 and FY2019	6.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2%	0%	0%
Taxable benefits ³	FY2024 and FY2023	See note 3	N/A	0%	–	–	–	–	–	N/A	–	–
	FY2023 and FY2022	See note 3	N/A	0%	–	–	–	–	–	0%	–	–
	FY2022 and FY2021	See note 3	N/A	N/A	–	–	–	–	–	18.7%	–	–
	FY2021 and FY2020	See note 3	N/A	N/A	–	–	–	–	–	5.8%	–	–
	FY2020 and FY2019	See note 3	N/A	N/A	–	–	–	–	–	(6.3%)	–	–
Annual bonus ⁴	FY2024 and FY2023	See note 4	N/A	100%	–	–	–	–	–	N/A	–	–
	FY2023 and FY2022	See note 4	N/A	N/A	–	–	–	–	–	(100%)	–	–
	FY2022 and FY2021	See note 4	N/A	N/A	–	–	–	–	–	100%	–	–
	FY2021 and FY2020	See note 4	N/A	N/A	–	–	–	–	–	0%	–	–
	FY2020 and FY2019	See note 4	N/A	N/A	–	–	–	–	–	0%	–	–

- Salary/fee reviews for the Executive Directors, Non-executive Directors, and salaried workforce are effective 1 October. However, whilst Marston's accounting reference date is 30 September, the Group reports on a 52-week basis and, therefore, the period end date changes from year to year. The year-on-year comparisons in the table above are based on the salaries/fees applying with effect from 1 October. Average employee change to salary is calculated by reference to the mean of employee pay. The majority of pub-based employees have their remuneration set by statute rather than the market.
- Where the incumbent did not serve for the full year, the calculation has not been made as it is unrepresentative. Justin Platt was appointed CEO effective from 10 January 2024. Ken Lever was appointed as Chair of the Board effective from 8 July 2024. Rachel Osborne was appointed Non-executive Director effective from 23 January 2024.
- No changes to benefits policy. Premiums for private medical insurance may vary from year to year. Eligibility to receive the individual benefits under the policy may be determined by an employee's role or length of service, where applicable.
- No bonuses were payable in respect of FY2023, based on Group performance, (with the exception of operational bonuses and discretionary payments earned by a small number of employees), therefore a comparison with bonuses earned in respect of FY2024 is not meaningful.

CORPORATE GOVERNANCE REPORT continued

ANNUAL REPORT ON REMUNERATION

CEO pay ratio

The tables below show how the CEO's single total figure of remuneration compares with the equivalent figures for UK employees whose remuneration was ranked at the 25th percentile, 50th percentile, and 75th percentile.

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
FY2024 ¹	Option B	56:1	52:1	49:1
FY2023	Option B	36:1	34:1	31:1
FY2022	Option B	46:1	45:1	40:1
FY2021	Option B	47:1	44:1	43:1
FY2020 (based on contractual salary and benefits)	Option B	48:1	45:1	41:1
FY2020 (reflecting voluntary reduction in salary and benefits)	Option B	40:1	37:1	34:1

- The CEO pay ratio has been calculated based on the aggregate pay of Justin Platt and Andrew Andrea.
- Two sets of pay ratios are included in the table above for FY2020, reflecting Ralph Findlay's voluntary reduction in salary and benefits during the period from April to July 2020 and his contractual salary and benefits for FY2020.

Component	CEO £	25th percentile £	50th percentile £	75th percentile £
Base salary	518,240	19,201	20,821	22,131
Total remuneration	1,082,514	19,201	20,821	22,131

We have chosen Option B which uses the hourly rate data from the most recent Gender Pay Gap reporting. This represents the most efficient and robust method to determine the respective pay ratios. The 2024 gender pay gap data is used to identify the employees falling at the relevant percentile. Total remuneration is then calculated for FY2024. To ensure year-on-year methodology and reporting is consistent, we have removed any variances in the total remuneration package for employees sitting at each of the percentiles as, for example, not all employees contribute to a pension scheme or receive a bonus. Necessary adjustments are then made to ensure that the 25th, median and 75th percentile employees are reasonably representative for the FY2024 financial year. The employee percentiles were determined by reference to 5 April 2024.

A substantial proportion of the CEO's total remuneration is performance-related and delivered in shares. This means that the ratios will vary significantly depending on the level of the CEO's annual bonus and long-term incentive outcomes, which are likely to fluctuate year-on-year. Over time, the Company considers the median pay ratio is consistent with the Group's wider policies on employee pay, reward and progression.

In FY2023, neither the annual bonus nor the LTIP was paid out for the CEO, leading to a lower ratio compared to previous years. For FY2024, as required by reporting regulations, the CEO pay ratio has been calculated using the combined remuneration for Justin and Andrew. Consequently, the CEO pay ratio showed a year-on-year increase (which is likely to be exceptional, reflecting the circumstances).

Relative importance of spend on pay

The table below demonstrates the relative importance of the Group's expenditure on total employee pay compared to dividend payments to shareholders.

	FY2024	FY2023	% change
Dividend payments ¹	£0m	£0m	–
Total employee pay ²	£208.8m	£210.6m	(0.85%)

- No distributions by way of share buybacks were made to shareholders during FY2024 or FY2023.
- Excluding non-underlying items.

External appointments for Executive Directors

Executive Directors are permitted to take up external appointments, subject to approval by the Board, and are allowed to retain any fees received.

Directors' share interests (audited)

Each Executive Director is required to build and retain a shareholding with a value equal to two times salary. To achieve these holdings under the current policy, Directors are required to retain 50% of the net of tax shares they receive under the annual bonus and LTIP, until the guidelines are satisfied. Shares subject to vested LTIP awards which are in a holding period count towards this guideline (on a net of assumed tax basis) and deferred bonus shares also count towards the shareholding guideline.

As at 28 September 2024, Justin Platt held shares worth 25% of base salary (share purchases made voluntarily) (2023: N/A) and Hayleigh Lupino held 22% of base salary in shares (2023: 13% of base salary).

In assessing the extent to which the guidelines are satisfied, shares are valued at the end of the relevant financial period. Once the required holding has been achieved, any change in the share price is disregarded when assessing the value attributed to shares already held.

CORPORATE GOVERNANCE REPORT continued

ANNUAL REPORT ON REMUNERATION

Executive Directors' share interests as at 28 September 2024

	Shares owned outright ¹		Share options ²				Shareholding requirement (% of salary)	Actual % of salary holding
	At 28.09.24	At 30.09.23	Not subject to performance		Subject to performance			
			Unvested	Vested but unexercised	Unvested	Vested but unexercised		
Executive Director								
Hayleigh Lupino	198,517	168,388	40,909 ³	17,550	3,358,207	–	200%	22% ⁴
Justin Platt	347,886	–	–	–	3,282,051	–	200%	25% ⁴
Former Executive Director								
Andrew Andrea	454,032	454,032	–	148,849	3,159,498	–	200%	23% ⁵

- The table above includes the holdings of persons connected with each of the Directors.
- All scheme interests are structured as nil-cost or tax-advantaged options.
- The 40,909 unvested share options are Sharesave options.
- Shareholdings for Hayleigh and Justin are calculated based on the share price as at 27 September 2024 (£0.43 per share) which was the last trading day of the financial year.
- The shareholding for Andrew Andrea is his shareholding on 17 November 2023, when he stepped down from the Board and is calculated using the share price on that date (£0.3265 per share).

Executive Directors interests in share options as at 28 September 2024

		Grant date ¹	Brought forward 30.09.23	Granted	Exercised/ vested	Cancelled/ lapsed	Carried forward 28.09.24	Exercise price £	Vesting date	Release date ²
Hayleigh Lupino	LTIP	2019 ²	17,550	–	–	–	17,550	Nil	2022	2024
		May 2021 ³	75,324	–	–	75,324	0	Nil	2023	N/A
		Dec 2021 ⁴	675,336	–	–	–	720,078	Nil	2024	2026
			44,742	–	–	44,472	0⁵	0.6507	Waived and so lapsed	
		2022 ⁶	1,085,960	–	–	–	1,085,960	Nil	2025	2027
		Mar 2024 ⁷	–	1,552,169	–	–	1,552,169	Nil	2026	2028
			–	205,128	–	–	205,128	0.2925	2026	2028
	Sharesave	June 2022	40,909	–	–	40,909	0.44	2025	N/A	
	Deferred bonus	May 2021	30,129	–	30,129 ⁸	0	Nil	2024	2024	
Justin Platt	LTIP	Mar 2024 ⁷	–	3,076,923	–	–	3,076,923	Nil	2026	2028
			–	205,128	–	–	205,128	0.2925	2026	2028
Former Executive Director										

CORPORATE GOVERNANCE REPORT continued

ANNUAL REPORT ON REMUNERATION

		Grant date ¹	Brought forward 30.09.23	Granted	Exercised/ vested	Cancelled/ lapsed	Carried forward 28.09.24	Exercise price £	Vesting date	Release date ⁹
Andrew Andrea	LTIP	2019 ²	148,849	–	–	–	148,849	Nil	2022	2024
		May 2021 ³	510,295	–	–	510,295	0	Nil	2023	N/A
		Dec 2021 ⁴	1,078,580	–	–	–	1,078,580	Nil	2024	2026
			44,742	–	–	–	44,742	£0.6507	2024	2026
		2022 ⁶	2,036,176	–	–	–	2,036,176	Nil	2025	2027
	Sharesave	June 2022	40,909	–	–	40,909	0	£0.44	2025	N/A

- Awards granted annually in December, unless otherwise stated.
- The performance conditions applying to the FY2020 LTIP are set out on page 67 of the 2020 Directors' Remuneration Report.
- The performance conditions applying to the FY2021 LTIP are set out on page 67 of the 2021 Directors' Remuneration Report.
- The performance conditions applying to the FY2022 LTIP are set out on page 67 of the 2021 Directors' Remuneration Report.
- During FY2024, Hayleigh waived her rights to the CSOP granted in December 2021 and so the LTIP award was increased by the number of CSOP awards that were waived as a consequence, as per the terms of the award, in line with terms of the policy when the award was granted. This has the effect of reverting to a standard LTIP award without any tax benefit and so there is no economic benefit to Hayleigh of this change.
- The performance conditions applying to the FY2023 LTIP are set out on page 94 of the 2022 Directors' Remuneration Report.
- The performance conditions applying to the FY2024 LTIP are set out on page 63 in this report.
- The aggregate gain for Hayleigh Lupino in the year from the exercise of awards granted under the Deferred Bonus Plan was £11,780 based on the share price on the date of exercise of £0.391. Hayleigh retained all of the resulting shares.
- The exact release date will be confirmed when the date of the relevant preliminary results announcement is known and the associated closed period ends.

There have been no further changes to the Directors' share interests and interests in share options between 28 September 2024 and 29 November 2024 (being the latest practical date prior to the date of this report).

CORPORATE GOVERNANCE REPORT continued

ANNUAL REPORT ON REMUNERATION

Implementation of the Policy in FY2025

The section below sets out the implementation of the Remuneration Policy in FY2025 which has been set in line with the Remuneration Policy approved by shareholders at the 2023 AGM. There is no significant change to the proposed implementation of the policy.

Base salary

As set out in the Chair's Annual Statement on page 62, a 3% increase has been applied to the Executive Directors base salaries.

	Base salary FY2025 £	Base salary FY2024 £
Hayleigh Lupino	422,066	409,773
Justin Platt	618,000	600,000

Annual bonus

Bonus opportunities for the CEO (up to 125% of salary) and CFO (up to 100% of salary) are unchanged from the previous year.

As set out in the Chair's Annual Statement, the bonus structure has evolved to drive the new strategy, with an 80:20 split between financial and non-financial metrics, all aligned to the key elements of our market-leading pub operating model.

Operating model element	Performance measure	% Weighting for 2024/25
Revenue growth	Revenue	20%
Cost efficiency	EBITDA	40%
	Recurring free cash flow	20%
Guest satisfaction	Reputation score	20%

The annual bonus targets for the FY2025 financial year are commercially sensitive. The Committee will continue to disclose how the bonus pay-out delivered relates to performance against the targets in next year's report.

One third of any bonus paid will be deferred into shares which must be held for three years.

LTIP

LTIP grant levels will remain unchanged, with the CEO receiving an LTIP grant of 150% of base salary and the CFO an LTIP grant of 125% of base salary.

The extent to which the LTIP awards will vest will be determined by the performance measures listed below:

	Weighting	Threshold 25% vesting	Maximum 100% vesting
Underlying PBT in FY2027	40%	£80m	£100m
Operating margin	30%	17.2%	19.0%
Relative Total Shareholder Return vs FTSE Small Cap (excl. investment trusts)	30%	Median	Upper quartile

The Committee is comfortable that these targets are aligned to strategy, provide an appropriate level of stretch and represent a strong link between pay and performance.

Non-executive Director remuneration

A 3% increase will be applied to the base fee, and additional fees, for Non-executive Directors (in line with the increase for the Executive Directors and that of the wider workforce). The Chair's fee is unchanged from the fee that applied upon appointment, on 8 July 2024. The fees that will apply from 1 October 2024 are set out below.

	FY2025	FY2024
Chair's fee	£220,000	£218,545 ¹
Non-executive Director basic fee	£60,646	£58,880
Additional fee for:		
Chair of the Audit Committee	£10,927	£10,609
Chair of the Remuneration Committee	£10,927	£10,609
Senior Independent Director	£10,927	£10,609

1. This fee applied to the former Chair of the Board, William Rucker, who stepped down on 8 July 2024.

Approval

This Remuneration report was approved by the Board of Directors on 3 December 2024 and signed on its behalf by the Remuneration Committee Chair:

OCTAVIA MORLEY
CHAIR OF THE REMUNERATION COMMITTEE

3 December 2024

CORPORATE GOVERNANCE REPORT continued

Directors' report

This section contains additional information which the Directors are required by law and regulation to include within the Annual Report and Accounts. This section, along with the information from the Chair's statement on page 44, to the Statement of Directors' responsibilities on page 80, constitutes the Directors' report in accordance with the Companies Act 2006.

Strategic report

The Company is required by the Companies Act 2006 to include a Strategic report in this document. The information that fulfils the requirements of the Strategic report can be found on pages 2 to 42, which is incorporated in this report by reference.

Corporate Governance Statement

The Corporate Governance Statement, as required by the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (DTR) 7.2.1, is set out on page 43 and is incorporated into this report by reference.

Dividends

As set out in the Strategic Report, the Board will balance debt reduction and strategic growth investments with the goal of creating a more financially robust business, supporting shareholder returns. Whilst no dividend will be paid in respect of FY2024, the Board is cognisant of the importance of dividends to shareholders and this remains under review as set out on page 13.

Directors

Biographies of the Directors currently serving on the Board are set out on pages 46 and 47. Changes to the Board during the period are set out in the Corporate Governance report on page 44. Details of Directors' service contracts are set out in the Directors' Remuneration report on page 67. With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the UK Corporate Governance Code, the Companies Act 2006 and related legislation. The Articles may be amended by special resolution of the shareholders. In accordance with the requirements of the UK Corporate Governance Code, all Directors will offer themselves for election or re-election at the AGM on 21 January 2025.

Directors' shareholdings

The interests of Directors and their connected persons in the shares of the Company are set out on pages 74 and 75 of the Directors' Remuneration report.

Directors' indemnities and insurance

The Company maintains Directors' and Officers' Liability Insurance in respect of legal action that might be brought against its Directors and Officers. In accordance with the Company's Articles of Association and to the extent permitted by law, the Company has indemnified each of its Directors and other Officers of the Group against certain liabilities that may be incurred as a result of their position within the Group. These indemnities were in place for the whole of the period ended 28 September 2024, and as at the date of the report. There are no indemnities in place for the benefit of the external Auditor.

Directors' powers

Under the Articles of Association, the Directors have authority to allot ordinary shares subject to the aggregate set at the 2024 Annual General Meeting (AGM). The Company was also given authority at its 2023 AGM to make market purchases of ordinary shares up to a maximum number of 63,414,851 shares. Similar authority will again be sought from shareholders at the 2025 AGM. The powers of the Directors are further described in the Corporate Governance Report on pages 44 to 80.

Share capital and shareholder voting rights

Details of the Company's issued share capital and of the movements during the period are shown in note 28 in the financial statements on page 127. The Company has one class of ordinary shares and one class of preference shares. On a poll vote, ordinary and preference shareholders have one vote for every 25 pence of nominal value of ordinary and preference share capital held in relation to all circumstances at general meetings of the Company. The issued nominal value of the ordinary shares and preference shares is 100% of the total issued nominal value of all share capital.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Details of employee share schemes are set out in note 27 to the financial statements on page 127. Where shares are held on behalf of the Company's share schemes, the trustees have waived their right to vote and to dividends. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

CORPORATE GOVERNANCE REPORT continued

DIRECTORS' REPORT

Significant shareholders

Notifications of the following voting interests in the Company's ordinary share capital have been received by the Company (in accordance with Chapter 5 of the DTR). The information shown below was correct at the time of disclosure. However, the date received may not have been within the current financial reporting period and the percentages shown (as provided at the time of disclosure) have not been recalculated based on the issued share capital at the period end. It should also be noted that these holdings may have changed since the Company was notified, however, notification of any change is not required until the next notifiable threshold is crossed.

Shareholder	As at 28 September 2024	
	No. Voting rights	% Voting rights
Aberforth Partners LLP	20,604,106	11.01
HSBC Holdings plc	9,558,166	5.10
Momentum Global Investment Management Ltd	9,385,993	5.02
Dimensional Fund Advisors LLP	9,339,455	4.98
ClearBridge Investments Limited	9,307,805	4.98
The Capital Group Companies, Inc	9,291,379	4.96
Standard Life Aberdeen plc	9,228,860	4.93
Brewin Dolphin	8,392,338	4.93
Bayberry Capital Partners LP	9,175,975	4.91
Sand Grove Capital Management	8,456,440	4.52
The Welcome Trust Limited	7,970,207	4.26
Royal London Asset Management Limited	6,794,023	3.99

Preference shares

The Company also discloses the following information as at 28 September 2024, obtained from the Register of Members, for the preference shares:

Shareholder	No. shares	% of issued capital
Mrs Heather Mabel Medlock	10,407	13.88
George Mary Allison Limited	5,500	7.33
Fiske Nominees Limited	31,548	42.06
Rulegale Nominees Limited	4,550	6.07
Mrs Helen Michels	2,750	3.67
Mr Richard Somerville	2,750	3.67
Mr Neil Aston and Mr Thomas Alexander Southall	2,855	3.81
Cgwl Nominees Limited	2,805	3.74
Mr Nathanael Peter Knowles	4,356	5.81

Change of control

There are a number of agreements that take effect after, or terminate upon, a change of control of the Company, such as commercial contracts, bank loan agreements, property lease arrangements and employee share plans. None of these are considered to be significant in terms of their likely impact on the business as a whole. Furthermore, the Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

Stakeholder engagement

Our Section 172(1) Statement can be found on page 14. Details of how the Directors have engaged with, and had regard to the interests of all our stakeholders and the need to foster the Company's relationships with those stakeholders including the principal decisions taken by the Board during the financial year, are set out in the Strategic Report on page 17.

Employee information

Our pubs are the heart of our communities, and it is the people in our pubs that make them what they are. We have a responsibility to create and foster safe environments where our teams and guests feel a sense of belonging, feel respected and feel valued for who they are. We are taking steps to ensure that everyone feels included. That means creating a culture where we embrace different perspectives, backgrounds and ideas. Above all, we want our pubs and Pub Support Centre to be a place where everyone feels like they can be themselves. The average number of employees within the Group is shown in note 5 to the financial statements on page 106. More information can be found on page 15 and in our Impact Report.

Human rights

Marston's is committed to respecting and upholding human rights, as expressed in the United Nations Universal Declaration of Human Rights, within our business and also within our supply chain. Our behaviours are aligned with our belief in, and commitment to, the Declaration of Human Rights. Our Human Rights Policy is available at www.marstonspubs.co.uk/responsibility and, for our suppliers, more information can be found in our Food Supplier Charter, also available on our website.

Modern Slavery Statement

Our Modern Slavery Act disclosure is available on our website www.marstonspubs.co.uk.

CORPORATE GOVERNANCE REPORT continued

DIRECTORS' REPORT

Research and development

Our Director of Guest Insight & Pricing and his team regularly undertake internal research and analysis such as guest satisfaction surveys and panelling, together with working with third-party independent data providers with expertise in retail and hospitality, including CGA and Reputation.

Greenhouse gas emissions, energy consumption and energy efficient action

More details of how we are reducing our environmental impact can be found on pages 33 to 34 in our Strategic report and our Impact report.

Political donations

Our policy is not to make any donations for political purposes in the UK or to donate to EU political parties or incur EU political expenditure.

Financial instruments

The disclosures required in relation to the use of financial instruments by the Group, together with details of our treasury policy and management, are set out in note 1 to the financial statements on pages 100 and 101.

Events after balance sheet

The Group has not identified any post balance sheet events as at the date of this report.

Auditor

RSM UK Audit LLP have indicated their willingness to continue as Auditor and their re-appointment has been approved by the Audit Committee. Resolutions to re-appoint them and to authorise the Audit Committee to determine their remuneration will be proposed at the 2025 AGM.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report. The financial position of the Group is described on pages 11 to 13. Further details are set out in the financial statements on pages 88 to 140.

The conclusion of this assessment, having considered the Group's forecast financial position and exposure to principal risks and uncertainties, including cost and inflationary pressures, and incorporating additional increases to employee related costs following the Autumn Budget 2024, was that the Board through the Audit Committee, have a reasonable expectation that the Group has adequate resources to continue to operate within its

borrowing facilities and covenants for a period of at least 12 months from the date of signing the financial statements. Accordingly, the financial statements have been prepared on the going concern basis. Full details are included in Note 1 of the financial statements on page 95.

Disclosure of information to Auditor

In accordance with Section 418 of the Companies Act 2006, each Director who held office at the date of the approval of this Directors' Report confirms that, so far as they are aware, there is no relevant audit information of which the Group's auditor is unaware, and that each Director has taken all of the relevant steps that they ought to have taken as a Director to ascertain any relevant audit information and ensure the auditor is aware of such information.

Annual General Meeting (AGM)

The 2025 AGM will be held at The Farmhouse at Mackworth in Derby on Tuesday 21 January 2025. Shareholders are welcome to attend the meeting in person, but we ask that you register your intention to attend ahead of time so we can monitor numbers in readiness for the meeting. Shareholders are able to ask questions ahead of the meeting, using the dedicated email address agm@marstons.co.uk if they are unable to attend in person. We will ensure that each question receives a direct response, with those questions pertinent to the business of the meeting from the above email address.

To enable all shareholders to vote on all resolutions in proportion to their shareholding, the voting at the 2025 AGM will be conducted by way of a poll and shareholders are encouraged to vote as early as possible ahead of the meeting. The Company will release the results of voting, including proxy votes on each resolution, on its website on the next business day after the AGM and announce them through a regulatory news service. Further details, including how you can cast your votes at the AGM, are set out in the Notice of Meeting, which will be made available to shareholders by their chosen method of communication. The notice, together with details of the special business to be considered and explanatory notes for each resolution, is distributed separately to shareholders. It is also available on our website at www.marstonspubs.co.uk/investors where a copy can be viewed and downloaded.

By order of the Board

BETHAN RAYBOULD
GENERAL COUNSEL & COMPANY SECRETARY

3 December 2024

Company registration number: 31461

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report and the Directors' Report, the Directors' Remuneration Report, the separate Corporate Governance Statement and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors have elected under company law, and are required under the Listing Rules of the Financial Conduct Authority, to prepare group financial statements in accordance with UK-adopted International Accounting Standards. The Directors have elected under company law to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the group and company financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- d. for the Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the company financial statements;
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on pages 46 to 47 confirm that, to the best of each person's knowledge:

- a. the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the company and the undertakings included in the consolidation taken as a whole; and
- b. the Strategic Report/Directors' report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Marston's PLC website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and the Company's position, performance, business model and strategy.

JUSTIN PLATT
CHIEF EXECUTIVE OFFICER

3 December 2024

HAYLEIGH LUPINO
CHIEF FINANCIAL OFFICER

3 December 2024