



UPDATE ON RESPONSE TO 2021 AGM VOTING OUTCOME

Background

Picton held its AGM on 17th November 2021 and all resolutions were passed with the requisite majority of votes.

Whilst Resolution 11 - *To receive and adopt the Directors' Remuneration Policy*, had near unanimous support, (97% in favour), Resolution 10 - *To receive and adopt the Directors' Remuneration Report for the year ended 31 March 2021*, had lower overall support (72% in favour).

The Company is now providing a further update on the views received from shareholders in relation to Resolution 10 as required by the Corporate Governance Code 2018.

Follow up statement

The Remuneration Committee gave careful consideration to executive remuneration during the early part of 2021 and sought external input including a prior consultation with larger shareholders, proxy agencies and other stakeholders prior to determining its executive director pay proposal under the new Remuneration Policy.

The views of all our shareholders are important to us and as such we have taken feedback from shareholders who we are aware voted against this resolution to better understand their specific concerns.

The feedback that we received indicated that their concerns primarily related to the phased three-year transition of the Executive Directors remuneration packages and specifically, to the proposed percentage salary increases and proposed reduction in annual variable pay, which was intended to offset the salary increases. A detailed explanation for these proposed changes, which were designed to ensure that the Directors' remuneration packages more fairly reflect their responsibilities, was set out in the 2022 Remuneration Report and we will continue to engage with shareholders on these issues throughout this transition period.

Whilst the remuneration committee recognises that a minority of shareholders were unable to support the proposed changes, it wishes to thank the majority of shareholders, who did support the proposals, particularly those shareholders who were willing to engage in prior consultation with the Company.

A final update on these matters will be provided in the Company's Annual Report, prior to the Company's AGM in 2022.

15 March 2022