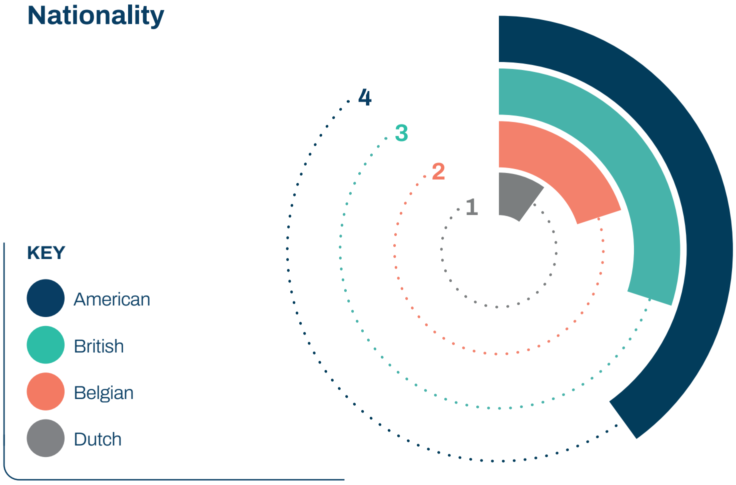
Governance

Improving fuel economy

In this section

Corporate Governance at a glance

Nationality



Meeting attendance

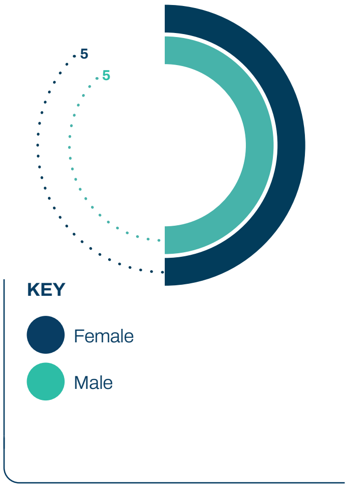
100%

Board meeting attendance

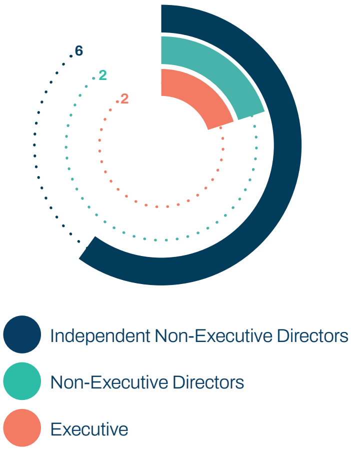
Board meeting attendance	
Julie Baddeley	7/7
Tim Cobbold	7/7
Alexander De Bock	5/5
Hans Dieltjens	7/7
Susan Levine	7/7
Jane Lodge	7/7
Elaine Sarsynski	7/7
Trudy Schoolenberg	7/7
John Smith	7/7
Stephen Thomas	7/7

The table above shows the Directors' attendance at meetings of the Board of which they were members and they were eligible to attend in the period from 1 January 2023 to 31 December 2023.

Board composition



Board independence



Board skills matrix

Director	Julie Baddeley	Tim Cobbold	Alexander De Bock	Hans Dieltjens	Susan Levine	Jane Lodge	Elaine Sarsynski	Trudy Schoolenberg	John Smith	Stephen Thomas
Independence										
SID[1]								●		
Independent[2]	●	●				●	●	●	●	
Areas of expertise										
Automotive industry experience		●	●	●		●			●	
CEO experience		●		●						
Environmental and sustainability	●			●	●		●	●		
Financial and accounting		●	●	●	●	●	●		●	●
IT and Cybersecurity	●									
Mergers and acquisitions	●	●	●	●			●	●	●	●
Operations		●		●				●		
Product development and innovation				●				●	●	
Risk and compliance		●	●			●		●		
Strategy	●	●	●	●	●	●	●	●	●	●

(1) Female SID.

(2) 60% independent Board. The Chair plus five Non-Executive Directors, including the SID.

The Board

Hans Dieltjens
Chief Executive Officer and President

Alexander De Bock
Chief Financial Officer

Tim Cobbold
Independent Non-Executive Chair

Julie Baddeley
Independent Non-Executive Director

Susan Levine
Non-Executive Director

Jane Lodge
Independent Non-Executive Director

Elaine Sarsynski
Independent Non-Executive Director

Trudy Schoolenberg
Senior Independent Director

John Smith
Independent Non-Executive Director

Stephen Thomas
Non-Executive Director

Committees

Nomination Committee

Chair

Tim Cobbold

Members

Julie Baddeley

Trudy Schoolenberg

Key responsibilities

Evaluating the size, structure and composition of the Board

Assisting the Board in relation to the composition of the Board, including evaluating the balance of skills, knowledge, experience and diversity

Consideration of succession planning

Read more on pages 86–87

Audit & Risk Committee

Chair

Jane Lodge

Members

Elaine Sarsynski

John Smith

Key responsibilities

Reviewing and monitoring the integrity of the financial statements

Ensuring effective systems of internal controls, internal audit and risk management are maintained

Advising on the appointment of the external auditors and monitoring non-audit work undertaken by the external auditor

Read more on pages 88–93

Remuneration Committee

Chair

John Smith

Members

Julie Baddeley

Jane Lodge

Key responsibilities

Setting the Remuneration policy for all Executive Directors and the Chair

Determine remuneration packages, including bonuses and awards, for Executive Directors and Executive Committee in consultation with the Chair and Chief Executive Officer, as appropriate

Read more on pages 94–96

ESG Committee

Chair

Elaine Sarsynski

Members

Julie Baddeley

Alexander De Bock

Hans Dieltjens

Susan Levine

Key responsibilities

Recommending the overarching Environmental, Social and Governance (ESG) vision and strategy road map to the Board in order to ensure sustainability priorities are met

Monitoring the Group's corporate responsibility, sustainability and stakeholder engagement activities

Read more on pages 118–119

The Executive Committee

Not a formal Committee of the Board, the Executive Committee is established and led by the CEO and President, is comprised of the Company's principal business and functional leaders, and is responsible for executing strategy and the day-to-day management of the business.

For the year ended 31 December 2023, the Company has applied the main provisions of the UK Corporate Governance Code and has complied with its provisions.

Further details can be found in the Nomination Committee report on pages 86–87 and the Directors' report on pages 120–122.

Corporate Governance statement

> “On behalf of the Board, I am pleased to introduce the TI Fluid Systems plc Corporate Governance report for the year ended 31 December 2023.”

Tim Cobbold
Chair

Applying the principles of the UK Corporate Governance Code 2018

Dear shareholder,

On behalf of the Board, I am pleased to introduce the TI Fluid Systems plc Corporate Governance report for the year ended 31 December 2023. The purpose of this report is to describe our governance arrangements, the operation of the Board and its Committees, and how the Board discharged its responsibilities during the year.

Our Taking-the-Turn strategy has evolved to Taking-the-Turn as we continue to execute and deliver on our financial and non-financial commitments, including double-digit revenue growth at constant currency, significant increases in our Adjusted EBIT margins and advances in our sustainability journey. Governance remains a top priority for the Board and Executive Committee in order to promote the strategic development and sustainable success of the Group.

I can confirm that the Group is in full compliance with the recommended governance principles and practices set forth in the UK Corporate Governance Code 2018 (the UK Governance Code) issued by the Financial Reporting Council (FRC). Associated guidance is available on the FRC website at www.frc.org.uk.

Corporate governance

The Group recognises the importance of effective corporate governance in supporting the long-term success and sustainability of our business. Our robust governance framework not only satisfies the provisions of the UK Governance Code, but also supports the effective operation of our business, enabling us to deliver our strategy. This section of the Annual Report covers our governance arrangements, the operation of the Board and its Committees, and describes how the Board discharged its collective responsibilities over the past year. The Board’s decision making reflects the balancing of stakeholder interests throughout the year and how we have engaged is explained in our Section 172(1) Statement on pages 36–39.

Stakeholder engagement

In leading the Group, the Board has engaged with our shareholders on many matters, including remuneration and sustainability. The Board has crucially focused on developing and refining the Taking-the-Turn strategy, overseeing its implementation by management and providing input and challenge as the strategy is implemented. Clear and consistent management and decisive decision making from the Board and Executive Committee allows for the delivery of our strategic objectives and sustained success for all our stakeholders.

The Non-Executive Directors continue with face-to-face stakeholder engagement and site visits, and the Executive Directors have engaged in numerous meetings with investors, employees, customers and stakeholders more generally.

The Board recommends that investors regularly review our website for trading updates, press releases and event presentations.

The Directors' and Corporate Governance reports, which follow this introduction, further explain how we are approaching important governance issues.

Board and Committee composition

We have a qualified and capable Board comprised of Directors with a broad range of relevant skills, independence, experience and diversity. In 2023, we oversaw the planned transition of our Chief Financial Officer, Alexander De Bock, to the Board of Directors after his election by shareholders at the 2023 Annual General Meeting. The remainder of the Board remained unchanged in 2023. Full biographies of each of the Directors in place on 31 December 2023 are set out on pages 76–78.

To assist the Board in its oversight functions, the Audit & Risk, Nomination, Remuneration and ESG Committees have met and carried out their areas of responsibility as noted on page 81. The Nomination Committee reviews the Board's skills and experience and considers succession planning in the event it is necessary. The Directors' time commitments are in line with the key institutional investor and investor body guidelines.

The Board and its Committees have responded to rapidly changing circumstances and new challenges again this year by working closely with management, reviewing trading updates, analysing forecasts and understanding issues impacting the business and our performance.

Ongoing Board and Committee evaluation

I am pleased to report the Board and its Committees are operating effectively and Board and Committee performance has been kept under ongoing review. In keeping with the recommendation of the UK Corporate Governance Code, we re-engaged our external adviser, Lintstock, to conduct a review of the Board's effectiveness. We asked Lintstock to conduct the review this year to help us follow up on areas for development identified in prior evaluations and to consider additional areas of Board performance with reference to relevant external guidance and best practice. More details can be found in the Directors' report on pages 120–122.

Overall, the results of the Board effectiveness review were positive with progress identified in several key areas since the last evaluation in 2022. The evaluation also highlighted a number of ongoing priorities for the Board, which we look forward to progressing in 2024. The results of the evaluation process were reviewed and discussed with the Nomination Committee and full Board. The resulting areas of Board focus for 2024 are noted in the Nomination Committee report on page 86.

The Group has an exciting future, and we have a strong and committed team to make the most of the opportunities that lie ahead. The challenges and successes presented in 2023 have provided further confidence in our resilience and the corporate governance structure underpinning us. Our resilience is demonstrated by the successful execution of our strategy for sustainable and profitable growth through delivery of double-digit revenue growth at constant currency and a significant increase in our Adjusted EBIT margins. More detail can be found in the Chief Financial Officer's report on pages 32–35.

Engagement by Chairs

As always, I, and all of our Committee Chairs, are available for engagement and may be reached through me at chair@tifs.com.

Finally, I look forward to working with the Board and Executive Committee in realising the Taking-the-Turn strategy to position the Group for long-term success as the automotive industry transforms for a more sustainable future. On a personal note, I would also like to thank the Group's workforce and my fellow Directors and Committee Chairs for their work on shareholders' behalf this year.

Tim Cobbold
Chair

Board of Directors

Tim Cobbold

Independent
Non-Executive Chairman
Appointment: 4 November 2019
Nationality: United Kingdom

Skills and experience

Tim was the Senior Independent Director from November 2019, and was appointed as Chair following the AGM on 18 May 2022. He is a qualified Chartered Accountant and has a degree in Engineering from Imperial College, London. He was formerly Chief Executive Officer of Chloride Group plc, De La Rue plc and UBM plc and he served as a Non-Executive Director of Drax Group plc for nine years until September 2019.

External appointments

Tim is currently a Non-Executive Director at Rotork plc following his appointment in 2018. He also serves as Rotork plc's Senior Independent Director and Chair of the Remuneration Committee.

Committee membership

N

Hans Dieltjens

Chief Executive Officer
and President
Appointment: 18 October 2021
Nationality: Belgium

Skills and experience

Hans was appointed as Chief Executive Officer and President and Executive Director in October 2021 having previously served as Chief Operating Officer. Hans joined the Company in 1996 and has gained broad commercial and operational experience through his divisional operating and executive positions. Hans led the Global Fuel Tank and Delivery Systems Division in developing and manufacturing products that enhance vehicle performance and safety.

Committee membership

E

Alexander De Bock

Chief Financial Officer

Appointment: 6 April 2023
Nationality: Belgium

Skills and experience

Alexander De Bock was appointed in April 2023 as Chief Financial Officer and an Executive Director of the Company. Alexander was previously CFO and Senior Vice President of ZF's Commercial Vehicle business, part of ZF Friedrichshafen AG. Prior to joining ZF, he was CFO of WABCO Holdings Inc. Alexander has 16 years of industry experience and began his career at Arthur Andersen (now Deloitte) as a member of the audit assurance practice and has a Master of Economics from the University of Antwerp, Belgium.

Committee membership

E

Ron Hundzinski

Chief Financial Officer
(Former)
Appointment:6 January 2020
Nationality: United States of America

Skills and experience

Ron was appointed as Chief Financial Officer in January 2020. Ron was previously Executive Vice President – Finance at Tenneco, Inc. During the past 35 years, Ron has held a variety of leadership positions in finance at Emerson Electric, GKN, Meridian Automotive and BorgWarner. Ron served as Chief Financial Officer and Executive Vice President of BorgWarner from 2012 to 2018. In November 2022, it was announced that Ron will be retiring from the Board and he stood down on 6 April 2023.

External appointments

Ron is a Non-Executive Director of Gentherm.

Committee membership

E

KEY

A Audit & Risk Committee
E ESG Committee
N Nomination Committee
R Remuneration Committee
● Chair

Julie Baddeley

Independent
Non-Executive Director
Appointment: 3 August 2021
Nationality: United Kingdom

Skills and experience

Julie was appointed as an Independent Non-Executive in August 2021.

External appointments

Julie is currently the Senior Independent Director and Chair of the Remuneration Committee at Marshall of Cambridge (Holdings) Ltd. as well as Chair of the Remuneration Committee at Ebiquity Plc. She also Chairs Chapter Zero, a network established under the auspices of the World Economic Forum, and is a By-Fellow at Hughes Hall College (Cambridge) and Co-Director of the Hughes Hall Centre for Climate Change Engagement.

Committee membership

E N R

Susan Levine

Non-Executive Director

Appointment: 11 December 2019
Nationality: United States of America

Skills and experience

Susan was appointed as a Non-Executive Director in December 2019.

External appointments

Susan joined Bain Capital in 2006 and has been a Managing Director since 2018. Prior to joining Bain Capital, Susan was a Manager at Bain & Company. Susan is a Non-Executive Director at Diversey. She serves on the Boards of the Massachusetts Society for the Prevention of Cruelty to Children, The Fessenden School, 3Point Foundation and the Board of Governors for the Georgetown University Alumni Association. She is also on the Board of Directors Academy, a non-profit that provides corporate governance and training for future board members from diverse backgrounds. Susan has decided not to stand for re-election at the 2024 AGM.

Committee membership

E

Jane Lodge

Independent
Non-Executive Director
Appointment: 6 June 2022
Nationality: United Kingdom

Skills and experience

Jane was appointed as an Independent Non-Executive Director in June 2022. During the past eleven years, Jane has served on the boards of other leading companies in the FTSE 100 and 250 indices, including DCC plc, Costain Group plc, Devro plc, and Sirius Minerals plc. She previously was a partner at Deloitte Deloitte LLP where she served for 25 years.

External appointments

Jane is a Director and Chairs the audit committees at FirstGroup plc and Bakkavor plc, and Chairs the remuneration committee at Glanbia plc.

Committee membership

A R

Elaine Sarsynski

Independent
Non-Executive Director
Appointment: 14 August 2018
Nationality: United States of America

Skills and experience

Elaine was appointed as an Independent Non-Executive Director in August 2018. Elaine was previously President of MassMutual Retirement Services and Chairwoman, CEO and President of MassMutual International.

External appointments

Elaine is currently a Non-Executive Director of Genworth Financial Inc. and Horace Mann Educators Corporation and Chair of its Investment Committee. Elaine is also a Non-Executive Director of Horizon Technology Finance Corporation and is a member of its Audit Committee and Chair of its Nominating and Corporate Governance Committee.

Committee membership

A E

Board of Directors continued

Trudy Schoolenberg

Independent Non-Executive Director and Senior Independent Director
Appointment: 5 September 2022
Nationality: The Netherlands

Skills and experience

Trudy was appointed as an Independent Non-Executive Director and the Senior Independent Director in September 2022. She was previously on the boards of Avantium N.V., Spirax-Sarco Engineering plc, Low and Bonar plc, and The Netherlands Petroleum Stockpiling Agency (COVA). Trudy has a PhD in Technical Sciences from the Delft University of Technology (Netherlands) and holds a master's degree in Industrial Engineering.

External appointments

Trudy currently serves on the boards of SPIE SA (Euronext Paris), Elementis plc (FTSE listed) and Chair of Accsys Technologies plc (AIM and Euronext listed).

Committee membership

N

John Smith

Independent Non-Executive Director
Appointment: 24 October 2017
Nationality: United States of America

Skills and experience

John was appointed as an Independent Non-Executive Director in October 2017 and is the Director in charge of workforce engagement. John has over 48 years of experience in the automotive industry, including 42 years working with General Motors in developing new technologies. John held a range of senior positions with General Motors, most recently as Group Vice President, Corporate Planning & Alliances.

External appointments

John is Principal of Eagle Advisors and is a Non-Executive Director of American Axle & Manufacturing Holdings, serving on its Audit and Executive Committees and as Chair of its Technology Committee.

Committee membership

A R

Stephen Thomas

Non-Executive Director

Appointment: 22 January 2015
Nationality: United States of America

Skills and experience

Stephen was appointed as a Director of TI Fluid Systems in July 2015 and was formally appointed as a Non-Executive Director of the Company in October 2017. Stephen joined Bain Capital in 2007 and has been a Managing Director since 2015. Prior to joining Bain Capital, Stephen was a manager at Bain & Company.

External appointments

Stephen is a Non-Executive Director of American Trailer Works, Evident Corporation, US LBM and Arxada AG.

Janis Acosta

Chief Legal Officer
Company Secretary
Appointment: 28 August 2023
Nationality: United States of America

Skills and experience

Janis joined the Company as Chief Legal Officer & Company Secretary in August 2023. Janis has more than 20 years of international automotive experience including leadership roles at International Automotive Components (IAC) Group and Lear Corporation. Janis has extensive experience in the areas of mergers and acquisitions, corporate governance, regulatory and legal compliance, and commercial and cross-border transactions.

KEY

A Audit & Risk Committee
E ESG Committee
N Nomination Committee
R Remuneration Committee
● Chair

Executive Committee

Janis Acosta

Chief Legal Officer
Company Secretary

Skills and experience

Janis joined the Company as Chief Legal Officer & Company Secretary in August 2023. Janis has more than 20 years of international automotive experience including leadership roles at International Automotive Components (IAC) Group and Lear Corporation. Janis has extensive experience in the areas of mergers and acquisitions, corporate governance, regulatory and legal compliance, and commercial and cross-border transactions.

Domenico Milicia

Chief IT, HR & Communications Officer

Skills and experience

Domenico has served as the Company's Chief IT, HR and Communications Officer since 2020 and previously served as the Company's Chief HR and Communications Officer. Domenico has more than 25 years of automotive industry experience living and working in various countries across the world with expertise in strategy, ethics and compliance, restructuring, leadership development, compensation, communications, IT infrastructure, and business transformation.

Johannes Helmich

Chief Technology Officer

Skills and experience

Johannes joined the Company as Chief Technology Officer in September 2021. Johannes has more than 25 years of international engineering experience at leading automotive suppliers including Magna, Brose, Bosch, and Valeo and extensive experience in advanced engineering and product development.

Todd Pontillo

Chief Commercial Officer

Skills and experience

Todd was appointed Chief Commercial Officer in January 2023 and previously served as the Company's Director of Sales and Business Development for the Americas. Todd has more than 20 years of automotive industry experience, including global purchasing roles at General Motors, MANN+HUMMEL and BorgWarner and extensive experience in procurement, sales and business development.

Stefan Rau

Chief Operating Officer
President Americas

Skills and experience

Stefan was appointed President of Americas region and Chief Operating Officer in January 2024 and previously served as the Company's Executive Vice President of Fluid Carrying Systems Division. Stefan has more than 27 years of global automotive industry experience and his expertise spans lean manufacturing, process engineering, strategic planning, programmes management and operational excellence.

Steve Vercauteren

President EMEA

Skills and experience

Steve was appointed President EMEA in January 2024 and previously served as the Company's Executive Vice President of the Fuel Tank & Delivery Systems Division. Steve has more than 30 years' experience within the Company including production and global roles as well as extensive experience in commercial and leadership positions.

Henri Tsang(1)

President Asia Pacific

Skills and experience

Henri was appointed President of Asia Pacific in January 2024 and previously served as the Company's Managing Director Fuel Tank and Delivery Systems for the Asia Pacific region. Henri has more than 30 years of automotive industry experience including leadership roles at Valeo, Plastic Omnium, Magna, and CAIP Automotive and extensive experience in sales, business development, and operational management.

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(1) Henri joined the Executive Committee on 1 January 2024.

Corporate Governance report

A summary of the main matters reserved for decision by the Board is set out below:

Strategy and management

- Oversight of the Group's operations
- Approval of the long-term objectives and commercial strategy review
- Approval of the annual financial budget and four-year Medium-Term Plan
- Review of performance in light of the Group's strategic aims, objectives, business plan and budgets

Remuneration

- Determine the Remuneration policy for Directors, Chief Executive Officer and other senior executives
- Determine the remuneration of the Non-Executive Directors
- Introduction of new share incentive plans or major changes to existing plans
- Approval of new incentive plans to be put to shareholders for approval

Corporate structure and share capital

- Changes to the Group's capital structure
- Major changes to the Group's corporate structure
- Significant changes to the Group's management and control structure
- Issues of public debt by the Company

Delegation of authority

- Approval of the written division of responsibilities between the Chair and the Chief Executive Officer
- Establishing Board Committees, approving their Terms of Reference and receiving reports from the Board Committees

Financial reporting and controls

- Approval of financial statements
- Setting the Company's dividend policy
- Approval of significant changes in accounting policy

Corporate governance

- Review the Group's overall Corporate Governance structure
- Determining the independence of Non-Executive Directors
- Undertaking a formal and rigorous review of the Board's performance, that of its Committees and individual Directors, and the division of responsibilities
- Consider the balance of interests between shareholders, employees, customers and the community

Internal controls

- Ensuring maintenance of a sound system of internal control and risk management
- Approval of the Group's compliance policies

Policies

- Approval of policies, including the Code of Business Conduct, as well as the Anti-Corruption, Diversity and Inclusion, Health and Safety, Environmental, Modern Slavery, Group Dealing and Tax Strategy policies

Contracts

- Approval of major capital projects
- Approval of larger-scale non-standard contracts
- Approval of acquisitions and joint ventures

Other areas

- Making of political donations
- Approve the overall levels of insurance for the Group
- Appointment of external auditors
- Shareholder engagement and general meetings
- Annual budgets and financial expenditure and commitments above levels set by the Board

Board membership

- Changes to the structure, size and composition of the Board
- Appointments to the Board, including selection and appointment of the Chair, Chief Executive Officer, Senior Independent Director and Company Secretary
- Membership and Chairs of Board Committees
- Approval of the continuation in office of Directors, including Executive Directors

The role and structure of the Board

The Board is responsible for the leadership and oversight of the Group and has overall authority for the management of the Group's business, strategy and culture. The Board is also responsible for ensuring the maintenance of a sound system of internal controls and risk management (including operational, financial and compliance controls) and for reviewing the overall effectiveness of systems in place, as well as for the approval of any changes to the capital, corporate and/or management structure of the Group.

The Board operates in accordance with the Company's Articles of Association and the Board's written Matters Reserved for the Board, which were approved by the Board in July 2015 and updated in October 2017 and December 2023. The Board has established a number of Committees, as set out on page 73. Each Committee has its own Terms of Reference, which are reviewed at least once every two years.

The Board currently consists of ten members: the Independent Non-Executive Chair, the Senior Independent Director, four other Independent Non-Executive Directors, two Executive Directors and two Non-Executive Directors (who are nominees of the Bain Shareholder, Bain Capital Fund XI, LP and certain of its affiliates, and RGIP, LP. under the terms of the relationship agreement discussed on page 83).

The Board generally meets five times a year, with additional ad-hoc meetings called as and when circumstances require. There is an annual calendar of agenda items to ensure that all matters are given due consideration and are reviewed at the appropriate time in the financial year.

In the period from 1 January 2023 to 31 December 2023, there were seven Board meetings. In addition, in the same period, there were five meetings of the Audit & Risk Committee, five meetings of the Remuneration Committee, three meetings of the Nomination Committee and six meetings of the ESG Committee.

The table below shows the Directors' attendance at meetings of the Board and Committee(s) of which they were members and eligible to attend in the period from 1 January 2023 to 31 December 2023.

All Directors are expected to attend all Board and Committee meetings, of which they are a member, and are expected to devote sufficient time to the Company's affairs to fulfil their duties as Directors. At all meetings, there was a 100% participation rate.

Key Board roles and responsibilities

The Board has approved a clear, documented division of responsibilities between the Chair and the Chief Executive Officer. The roles of the Chair and Chief Executive Officer are separately held and the role of each is clear and distinct. The division of responsibilities between the Chair and Chief Executive Officer is set out in writing and was approved by the Board on 13 October 2017.

Board evaluation

The Nomination Committee initiated an externally facilitated annual review of the effectiveness of the Board and Committees in December 2023. This was undertaken by a third-party advisory firm, Lintstock (who have no connection with the Group, and are considered by the Board to be independent). We have conducted an externally facilitated review in each of the last three years going beyond the UK Corporate Governance Code recommendations that such evaluations be undertaken at least every three years.

The review was designed to follow-up on areas for development identified in last year's internal evaluation and to consider additional areas of Board and Committee performance with reference to relevant external guidance and best practice.

More details of the outcome of this review can be found in the Nomination Committee report on pages 86–87.

Directors' attendance at meetings of the Board and Committee(s)

	Board	Audit & Risk	Remuneration	Nomination	ESG
Tim Cobbold (Chair from May 2022)	7/7			3/3	
Julie Baddeley	7/7		5/5	3/3	6/6
Alexander De Bock (appointed April 2023)	5/5				4/4
Hans Dieltjens	7/7				6/6
Ron Hundzinski (resigned April 2023)	2/2				2/2
Susan Levine	7/7				6/6
Jane Lodge	7/7	5/5	5/5		
Elaine Sarsynski	7/7	5/5			6/6
Trudy Schoolenberg	7/7			3/3	
John Smith	7/7	5/5	5/5		
Stephen Thomas	7/7				

Corporate Governance report continued

A summary of the key areas of responsibility of the Chair and Chief Executive Officer are set out below:

Tim Cobbold
Chair

Responsibilities

- Responsibility for the leadership and effective running of the Board and chairing its meetings
- Ensuring the Board, as a whole, plays a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives
- Setting the agenda for, and frequency of, meetings of the Board and ensuring the Board receives accurate, timely and clear information on which to base decisions
- Ensuring that adequate time is available for the Board to consider all agenda items
- Promoting a culture of openness and debate and facilitate the effective contribution and active engagement of all Directors
- Ensuring there is effective communication between the Group and its shareholders and that the Board understands the views of major investors in the Group
- Promoting the highest standards of integrity, probity and corporate governance
- Ensuring constructive relations between the Non-Executive and Executive Directors
- Regularly considering the Board's succession planning and composition
- Ensuring that the performance of the Board, its Committees and individual Directors are formally and rigorously evaluated at least once a year
- Providing an independent perspective and constructive challenge

Hans Dieltjens
Chief Executive Officer

Responsibilities

- Responsible for running the business of the Company and its subsidiaries
- Proposing and developing the Group's strategy and overall commercial objectives
- Regularly reviewing the Group's operational performance, cost control and operating efficiencies and recommending to the Board the annual budget and financial plans for the Group
- Reporting to the Chair and the Board on the progress of the strategy, the Group's performance and operational matters
- Maintaining a dialogue with the Chair and the Board on important and strategic issues facing the Group
- Providing a structure for the timely and accurate disclosure of information
- Ensuring the Board's strategies, objectives and decisions are implemented in a timely and effective manner
- Developing senior talent and succession planning
- Progressing in conjunction with the Chief Financial Officer and, where relevant, the Chair, the Company's communication programme with its shareholders
- Ensuring effective communication with shareholders, employees and other stakeholders, in order to understand their concerns and communicate issues to the Board
- Promoting and conducting the affairs of the Group with the highest standards of integrity, probity and corporate governance
- Safeguarding the reputation of the Group and managing the Group's risk profile
- Maintaining strong relationships with OEM customers

Senior Independent Director

The UK Corporate Governance Code recommends that the board of directors of a company with a premium listing on the Official List of the UK Financial Conduct Authority should appoint one of the Non-Executive Directors to be the Senior Independent Director, to act as a sounding board for the Chair and to support them in the delivery of their objectives. The Senior Independent Director is also responsible for leading the Non-Executive Directors in monitoring and evaluating the performance of the Chair and being available to shareholders if they have any concerns, where contact through the normal channels of the Chair, the Chief Executive Officer or the Chief Financial Officer has failed to resolve, or for which such communication is inappropriate. Trudy Schoolenberg agreed to serve as the Company's Senior Independent Non-Executive Director from her appointment in September 2022.

The Nomination Committee

The main roles and responsibilities of the Nomination Committee are set out in written Terms of Reference and are available on the Company's website.

The Nomination Committee is comprised of the Independent Chair, the Senior Independent Director and an Independent Non-Executive Director. The Nomination Committee Chair is Tim Cobbold. Details of the Nomination Committee's activities and its members can be found in the Nomination Committee report on pages 86–87.

The Audit & Risk Committee

The Audit & Risk Committee comprises three Independent Non-Executive Directors. The Audit & Risk Committee Chair is Jane Lodge.

The main roles and responsibilities of the Audit & Risk Committee are set out in written Terms of Reference and are available on the Company's website.

Details of the Audit & Risk Committee's activities can be found in the Audit & Risk Committee report on pages 88–93.

The Remuneration Committee

The Remuneration Committee comprises three Independent Non-Executive Directors. The Remuneration Committee Chair is John Smith.

The main roles and responsibilities of the Remuneration Committee are set out in written Terms of Reference and are available on the Company's website.

Details of the Remuneration Committee's activities can be found in the Remuneration Committee report on pages 94–96.

The ESG Committee

The ESG Committee comprises two Independent Non-Executive Directors, two Executive Directors and one Non-Executive Director. The ESG Committee Chair is Elaine Sarsynski.

The main roles and responsibilities of the ESG Committee are set out in written Terms of Reference and are available on the Company's website.

Details of the ESG Committee's activities can be found in the ESG Committee report on pages 118–119.

Balance and independence

In accordance with Principle K of the UK Corporate Governance Code, the Board and its Committees have a combination of skills, experience and knowledge of the Group. The size, composition and length of service of the Board is kept under review by the Nomination Committee to ensure an appropriate balance of skills and experience is maintained.

The UK Corporate Governance Code recommends, in the case of a FTSE 350 company, that at least half the Board of Directors (excluding the Chair) should comprise 'independent' Non-Executive Directors. The Board satisfies that recommendation and is comprised of the Non-Executive Chair, who is considered to be independent, two Executive Directors and seven Non-Executive Directors, of whom five are considered to be independent. The five Non-Executive Directors who are considered to be independent in character and judgement, and free of any business or other relationship that could materially influence their judgement, are Julie Baddeley, Jane Lodge, Elaine Sarsynski, Trudy Schoolenberg and John Smith.

As the Board composition changes over time, and when evaluating candidates for Board membership, candidates are considered on merit, taking account of their relevant skills and experience as well as recognising the benefits of diversity including gender, nationality, ethnicity and age.

Disclosure of relationship agreement with Bain

Details of substantial shareholdings in the Company's ordinary share capital are set out in the Directors' report on pages 120–122.

On 25 October 2017, the Company entered into a relationship agreement with the Bain Shareholder, Bain Capital Fund XI, LP and certain of its affiliates, and RGIP, LP. (the Bain Shareholder). The principal purpose of the relationship agreement is to ensure that following the Company's Admission and Listing, the Company is able to carry on its business independently of the Bain Shareholder, and that transactions and relationships between the Company and the Bain Shareholder are conducted at arm's length and on normal commercial terms. The Board confirms that the Company and, so far as it is aware, the Bain Shareholder, Bain Capital Fund XI, LP and its affiliates, and RGIP, LP have complied with all of their respective undertakings and obligations set forth in the relationship agreement.

Under the relationship agreement, the Bain Shareholder, Bain Capital Fund XI, LP and its affiliates, and RGIP, LP., the Bain Shareholder have a right to nominate for appointment to the Board: (a) two Directors for so long as the Bain Shareholder and its affiliate shareholders holding in the Company's equal to or more than 25%; and (b) one Director for so long as the Bain Shareholders and their associates' shareholding in the Company is equal to more than 10% but less than 25%. The terms of the appointment of these Directors under the relationship agreement does not specify the amount of time they are expected to devote to the Company's business. However, it is estimated they will commit a minimum of one day per month, which is calculated based on the time required to prepare for attending Board and Committee meetings, and additional duties such as attendance at the Annual General Meeting and meetings with shareholders.

Length of appointment

Non-Executive Directors are appointed for terms of three years, subject to the particular Director being re-elected by shareholders, for up to the customary maximum of three terms (nine years).

Conflicts of interest

The Company's Articles of Association set out the policy for dealing with Directors' conflicts of interest and are in line with the Companies Act 2006. The Board has a formal system in place for Directors to declare conflicts of interest and for such conflicts to be considered for authorisation.

Diversity

The Company's Diversity and Inclusion policy confirms that the Company does not discriminate on the grounds of gender, age, ethnicity, educational and professional backgrounds, sexual orientation, religion or belief, disability, gender reassignment, marital or civil partnership status, pregnancy or maternity, race, colour, nationality, political affiliation, socio-economic or veteran status. The policy notes the Company strives to make progress on diversity, equity and inclusion in its workforce and treats all associates with dignity and respect, and on a fair and equitable basis.

Training and development

In preparation for admission, all Directors received an induction briefing from the Company's legal advisers on the duties and responsibilities as Directors of a publicly quoted company. In addition, upon their appointment, all Directors receive an induction programme arranged by the Company, including plant visits and meetings with key members of senior management in order to familiarise themselves with the Group. Specific reviews and training on Directors' duties and the UK Corporate Governance Code requirements has been provided to Board members.

Corporate Governance report continued

Information and support

To enable the Board to effectively discharge their responsibilities, the Board is given full and timely access to all relevant information and discussion materials. In the case of Board meetings, this consists of a formal agenda and a comprehensive set of papers, including regular business progress reports. An established procedure is in place to ensure that such information is provided to Directors in a timely manner in advance of meetings. Specific business-related presentations are given by senior management when appropriate.

The Company Secretary works closely with the Chair, the Chief Executive Officer and the Chairs of the Board Committees to ensure that Board procedures, including setting agendas and the timely distribution of papers, are complied with and that there are good communication flows between the Board and its Committees, and between senior management and Non-Executive Directors. The Company Secretary is also available to all Directors to provide advice and support, including facilitating induction programmes. All Directors are able to take independent professional advice at the Company's expense in the furtherance of their duties where considered necessary.

Election or re-election of Directors

At the forthcoming Annual General Meeting on 14 May 2024, all the current Directors, apart from Susan Levine, will be offering themselves for re-election.

Whistleblowing

The Company has established procedures by which employees may, in confidence, raise concerns relating to fraud, non-compliance or other illegal or unethical conduct in the workplace. The Whistleblowing policy applies to all employees of the Group. The Audit & Risk Committee is responsible for monitoring the Group's whistleblowing arrangements and the policy is reviewed periodically by the Board.

Shareholder engagement

In addition to our largest shareholder, the Bain Shareholder, our shares are also held by both institutional and retail investors throughout the world. Investor relations activity and a review of the shareholder register are regular items in the Board information pack.

The Executive Directors regularly meet with a large number of investors and have active discussions with shareholders and investors, both on an individual basis and through roadshow events. The Company aims to maintain a constructive dialogue with key stakeholders, including institutional investors, to discuss issues relating to the performance of the Group, including strategy and new developments. A Capital Markets Event was held in September 2023 and was hosted by Hans Dieltjens. The Company has an investor relations website, which is publicly available and provides relevant information to both institutional investors and private shareholders, including performance updates and announcements by the Company.

Annual General Meeting

The Company's Annual General Meeting (AGM) will take place on 14 May 2024. A separate notice convening the AGM is provided with this Annual Report and Accounts. Separate votes are held for each proposed resolution. All Directors attend the AGM. Details of the resolutions to be proposed and an explanation of the items of special business can be found in the circular containing the notice convening the AGM, and will be available on our website with the proxy voting card for all shareholders.

Directors' duties – compliance with Section 172 of the Companies Act 2006

In accordance with the requirements of Section 172 of the Companies Act 2006, the Board seeks to promote the success of the Company for the benefit of its members as a whole and, in doing so, have regard for the interests of stakeholders, including shareholders, employees, customers, suppliers, and the wider community in which it operates. A summary of considerations undertaken by the Board in accordance with Section 172 is set forth on pages 36–39.

Approved by order of the Board

Tim Cobbold
Chair

11 March 2024

Annual General Meeting

The Company's Annual General Meeting will take place on 14 May 2024.

Nomination Committee report

> “2023 was a successful year for the Company with the election of three new Directors (one Executive Director and two Independent Non-Executive Directors), including our Senior Independent Director and the Audit & Risk Committee Chair. The Board remains fit for purpose with an enhanced balance of skills, knowledge, experience, and diversity.”

Tim Cobbold

Nomination Committee Chair

Committee membership

	Member since	Meetings attended
Tim Cobbold (Chair)	10 December 2019	3/3
Julie Baddeley	6 June 2022	3/3
Trudy Schoolenberg	5 September 2022	3/3
Meetings held during the year		3

Committee areas of focus

- Board composition and independence
- Board effectiveness
- Orderly succession for the Board and Executive Committee

Committee 2023 highlights

- Oversight of key Executive Committee appointments to support the regional structure alignment
- Directed the induction of new Directors appointed at the 2023 AGM
- Supported externally facilitated Board, Committee and Chair self-evaluation
- Developed and updated the Board’s Skill Matrix
- Updated the Committee’s Terms of Reference

Dear shareholder,

I am pleased to present the Nomination Committee’s report for the year ended 31 December 2023.

During the year, the Committee focused on its core mission to ensure that our Board remains fit for purpose with the optimal balance of skills, knowledge, experience, and diversity. As required by the UK Corporate Governance Code, the Committee monitored the balance of Executive and Non-Executive Directors and their skills and independence. Notably during the year, the Committee oversaw the planned transition of our new Chief Financial Officer and Executive Director, Alexander De Bock, reviewed new Executive Committee appointments to support the Group’s regional structure alignment, and supported the induction of the new Directors appointed to the Board at the 2023 AGM. The Committee also updated its Terms of Reference to reflect developments in corporate governance relevant to UK listed companies and ensure duties and reporting responsibilities are in line with UK best practice. The revised Committee Terms of Reference are available to view on the Company’s website.

The Committee met formally three times during 2023. As Chair, I regularly briefed the Board on key Committee discussions and ensured that the papers and reports presented to the Committee were made available to all Non-Executive Directors.

Having reviewed the Committee’s activities over the last 12 months against its Terms of Reference, I am happy to confirm that the Committee has fully discharged its responsibilities in line with its remit.

Diversity

The Committee recognises the importance of diversity and remains committed to having a diverse Board. The current composition of our Board brings considerable diversity, with 50% female representation, to support the Group with its strategic goals. Whilst the Group does not currently meet the expectations of the Parker Review, the Committee remains committed to working to meet this expectation through our succession planning process for every Board appointment going forward, whilst always appointing the person we judge to be the best candidate.

Of course, diversity does not apply only to the Board but extends to the entire management team and beyond. As such, we are committed to the principle that the Executive Committee achieve a broader, more diverse management team, whilst ensuring that promotions and appointments are made on merit, and there is an appropriate balance of skills and experience at all levels of the organisation. To that end, gender diversity targets have been established for all locations based on local university graduation rates, and HR processes have been updated to seek to eliminate unconscious bias and to use widened search criteria to encourage a diverse set of internal and external candidates for open positions.

Listing Rules and Disclosure Guidance and Transparency Rules

The Board also considered the Company’s diversity in the context of the new requirements on diversity metrics and reporting which apply to the Company for the first time this year – the Board confirms that as at 31 December 2023, the Company has:

- complied with the requirement that at least 40% of the individuals on the Company’s board are women as 50% of the Board are women;
- complied with the requirement that at least one senior board position (the Chair, CEO, Senior Independent Director or CFO) is held by a woman as the Senior Independent Director position is held by a woman; and
- not complied with the requirement that at least one individual on the Board is from a minority ethnic background(1).

Recognising the importance of diversity in the organisation, as at 31 December 2023, women represented approximately 32% of the Group’s total salaried workforce. There is one woman on the Executive Committee and 14% of senior management (defined as the members of the Executive Committee and their direct reports) are women.

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(1) Asian/Asian British; Black/African/Caribbean/Black British; Mixed/Multiple Ethnic Groups; and Other ethnic group, including Arab.

The Board is not yet compliant with all of the targets under the new Listing Rule 9.8.6R (9)(a) requirements. However, the Board is mindful of the targets and the recommendations of the Parker Review, and addressing this is a priority for our Nomination Committee. It has determined to always select the best candidate for a role, regardless of race, ethnicity or any other demographic factors, whilst taking into consideration the benefits of diversity. As between two candidates of equal merit the Board intends that, in recognition of any under representation of gender and ethnic diversity on the Board, preference is given to a female candidate and/or candidate from an ethnic minority background when making future independent non-executive director appointments. Our last three independent non-executive director appointments were female. The Committee recognises the importance of building a diversity pipeline of candidates for the Board, Executive Committee and beyond and will continue to focus on diversity as a priority.

Since 31 December 2023, Susan Levine has decided not to stand for re-election at the 2024 AGM and will step down from the Board effective from the end of the AGM. Notwithstanding her resignation, the Board continues to meet its target of having women represent at least 40% of the Board.

The data on gender and ethnic background set out below was collected directly from and self-reported by the Board and Executive Committee members. The Board and Executive Committee members were asked to indicate their gender and ethnic background from the categories set out in the table below. In accordance with Listing Rule 9.8.6R (10), the following table contains data on the ethnic origin and gender of the members of the Board and the Executive Committee as of 31 December 2023.

	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 management
Gender					
Men	5	50%	3	6	85%
Women	5	50%	1	1	15%
Not specified / prefer not to say					
Ethnic Background					
White British or other White (including minority-white groups)	10	100%	4	5	70%
Mixed/Multiple Ethnic Groups					
Asian/Asian British					
Black/African/Caribbean/Black British					
Other ethnic group, including Arab				1	15%
Not specified/ prefer not to say				1	15%

Board independence

The UK Corporate Governance Code requires that at least half the Board, excluding the Chair, consist of Non-Executive Directors determined by the Board to be independent. Throughout the year, the Board has been fully compliant on independence. At 31 December 2023, the Board was comprised of ten Directors, including the independent on appointment Non-Executive Chair, the Senior Independent Director, four other Independent Non-Executive Directors, two Executive Directors and two Non-Executive Directors. The Board considers that all of its independent Non-Executive Directors continue to demonstrate the required independence position. Neither the Chair nor any of the Non-Executive Directors have exceeded the maximum nine-year recommended term of service set out in the UK Corporate Governance Code. Details on length of tenure can be found in the biographies of the Board of Directors on pages 76–78.

The terms and conditions of the appointment of Non-Executive Directors are available for inspection at the Company's registered office during normal business hours and at the AGM.

Committee membership

The Nomination Committee is comprised of Non-Executive Directors Trudy Schoolenberg, who is the Senior Independent Director, Julie Baddeley and is Chaired by myself. Details of individual meeting attendance and membership are listed at the beginning of my report. The Board regularly assesses the most appropriate Committee membership to allow the Committee to operate effectively. All Committees will continue to be reviewed to monitor proper alignment of individual Directors' strengths and utilisation of their skills. Details of the membership of all Board Committees can be found on page 73.

Induction

To ensure that each Director is able to effectively contribute to discussions and decision making, all of our Directors participate in an induction programme on joining the Board. Each induction programme is tailored to provide the individual Director with the necessary knowledge and understanding of the Group, its markets and its material stakeholders based on their personal experience and background.

Annual Board and Committee evaluation and focus in 2024

In December 2023, the Committee initiated an externally facilitated annual self-evaluation of the effectiveness of the Board, Board Committees and Board Chair. This process was facilitated by a third-party advisory firm, Lintstock, which has no connection with the Group and is considered by the Board to be independent. Specifically, an online confidential questionnaire was developed by Lintstock in collaboration with me, and supported by the Company Secretary, to gather feedback on the effectiveness and performance of the Board consistent with the principles of the UK Corporate Governance Code. We have conducted an externally facilitated evaluation in each of the last three years going beyond the UK Governance Code recommendation that such evaluations be undertaken at least every three years.

The latest review and evaluation was designed to follow-up on areas for development identified in prior evaluations and to consider additional areas of Board and Committee performance with reference to relevant Company strategy and initiatives, external guidance and best practice.

The results of the evaluation process were discussed at the Nomination Committee and the Board. In particular, the evaluation indicated that the Nomination Committee is judged to function well in terms of planning succession to Board roles and other senior positions. In addition, the Board's overall effectiveness was highly rated with progress identified in several key areas, including oversight of stakeholders and customers, risk management processes and plans, and ESG initiatives.

The evaluation did highlight certain areas for either continued prioritisation or sharper focus, which we will reflect in the Board's activities during 2024. These included:

- Continued close review of the implementation of the Group's strategy as the transition to electrification continues
- Maintaining the focus on profitability and shareholder value as the industry transitions
- Continued close review of the implementation of the Group's China strategy
- Focusing on developing deeper engagement between the Board and the Executive Committee and evolving succession planning to the next level
- Sharpened focus on promoting a positive culture across the organisation, including diversity and inclusion

As a Committee, we look forward to implementing the actions noted for 2024 and continuing to assist the Board in fulfilling its corporate governance responsibilities.

Tim Cobbold

Nomination Committee Chair

11 March 2024

Audit & Risk Committee report

> “I am pleased to present this report as Chair of the Audit & Risk Committee, on its activities for the year ended 31 December 2023.”

Jane Lodge
Audit & Risk Committee Chair

Committee membership

	Meetings attended
Jane Lodge (Chair)	5/5
John Smith	5/5
Elaine Sarsynski	5/5
Meetings held during the year	5

Committee areas of focus

- Quality and integrity of external financial reporting
- Risk management process assessment
- Effectiveness and performance of internal and external audit

Committee highlights

- Oversaw the shift in the Internal Audit function focus from internal controls over financial reporting to broader business risks in 2023, and reviewed findings from the first year of operational audits
- Monitored progress in management’s internal control optimisation programme during the year against the road map reviewed by the Committee
- Considered management’s plan for strengthening the Company’s enterprise risk management, and monitored progress during the year, including consideration of the framework and operating model, risk appetite and more detailed disclosures of risks and uncertainties on pages 42–55
- Continued deep-dive reviews of the Group’s Information Technology General Controls and proposed enhancement programme, and cybersecurity policies and procedures

Dear shareholder,

I am pleased to present this report as Chair of the Audit & Risk Committee, on its activities for the year ended 31 December 2023. During the year, the Committee focused on its core responsibility to provide an independent oversight in relation to the integrity of financial reporting, the extent and effectiveness of internal financial controls and assurance processes, the monitoring of key risk management systems and processes, and assessment of the effectiveness and independence of the Group’s external auditor.

During 2023, the Committee, in addition to usual agenda matters, was presented with management’s plan to strengthen Information Technology General Controls and cybersecurity policies and procedures, assessed carefully the internal audit plan of the Group Assurance team, and monitored progress of management’s internal control optimisation programme and enterprise risk management against the road map, in response to the forthcoming enhanced internal control reporting requirements as part of UK corporate governance reform.

Membership of the Audit & Risk Committee

The Audit & Risk Committee comprises Independent Non-Executive Directors of the Company. Brief biographical information on the members of the Audit & Risk Committee are listed on pages 76–78, including details of experience and competence relevant to the sector. The Company Secretary, who is also the Chief Legal and ESG Officer, acts as Secretary to the Committee.

The Audit & Risk Committee is ordinarily scheduled, as approved by the Committee members, to meet six times throughout the annual cycle and its agendas include risk assessment and management processes, the programme of Internal Audit work, in-depth discussions on key financials and other risk areas, linked to both the Group’s external reporting timetable and the internal financial cycle.

Only Committee members have the right to attend the meetings, but they invite the Chief Executive Officer & President, the Chief Financial Officer, the Vice President Risk & Global Controller and other senior finance personnel, together with other senior representatives of the external and internal auditors, to attend certain meetings. In 2023 the Chief IT, HR & Communications Officer also attended some of the Committee meetings.

The Committee, when necessary, will meet in private with the internal and external auditors, without management present, as part of the overall meeting structure. All other members of the Board have an open invitation to attend the meetings. As the Chair of the Committee, I had a number of private discussions with the external auditor and internal audit during 2023.

I report to the Group Board on the activities of the Committee and make recommendations to the Group Board as appropriate.

The role of the Audit & Risk Committee

The primary function of the Audit & Risk Committee, which has remained consistent with prior years, is to assist the Board in discharging its responsibilities with regard to the quality and integrity of financial reporting, risk management assessment and the performance and effectiveness of both external and internal audits. The Committee’s role, authority, responsibilities and scope are set out in the Terms of Reference, which are available on the TI Fluid Systems plc website. The Committee reviews the Terms of Reference annually. The Terms of Reference were last updated in January 2023.

During the year, the Committee monitored the evolution in the proposed legal and regulatory requirements in relation to the UK Government's consultation 'Restoring trust in audit and corporate governance', and the final requirements in the revised UK Corporate Governance Code published in January 2024. The Committee continued its focus on the impact of the proposals and the Company's responses and preparation for the forthcoming changes. A significant element is the requirement to report externally on the effectiveness of the Company's internal controls and risk management procedures, which necessitates a more formalised level of reporting on all material internal controls, not just those over financial reporting. Group management have undertaken further steps during 2023 to facilitate the transition that is necessary. These steps are based on a formalised road map for internal control optimisation over 2023 and 2024, which includes the optimisation of the Group's global control framework, development and execution of an improvement plan for controls over information technology systems, scoping and determination of material controls, and consideration of an appropriate assurance programme to test and monitor the robustness of internal controls in accordance with the control standard framework adopted by the Group. With input from external advisers, the newly established Group Risk & Controls function led a number of internal control workshops with representations from all three lines of defence, to deep dive into the key priorities, challenges and enablers for internal control and process improvement. These workshops identified certain key areas to consider in order to implement an effective internal control optimisation programme, which appropriately takes into consideration the Group's conditions and circumstances, and other priorities. These include consideration of resourcing and training needs, careful assessment of what key controls are, and the scope to rationalise the level at which certain processes and controls are carried out to improve efficiency. During the year, phased roll-out of the optimised control standards have been carried out, with the last phase planned for the first half of 2024. A specific review of the Group's entity-level controls was also performed, and the remedial actions, which have been identified, have largely been completed by the year-end. In addition, the Group continued to improve its IT systems and infrastructure to increase automation of processes and controls.

The Committee have also considered the Audit Committees and the external audit: Minimum Standard (the Standard) published by the Financial Reporting Council in May 2023. Whilst as at the date of this report, we are not required to apply the Standard, it is our long-term aim to comply with the Standard provisions.

Committee's evaluation

During the year, the Committee undertook an annual evaluation of the effectiveness of the Board and its Committees in accordance with the requirements of the 2018 Code and recommendations of the Financial Reporting Council's (FRC) Guidance on Board Effectiveness.

The evaluation indicated that the Committee continues to operate effectively and has the skills and expertise required to perform its role appropriately. Further details of the evaluation are included on page 81.

Details of key activities during the year

Oversight of financial reporting

The Committee acts in an oversight role in respect of the Annual Report and other announcements with financial content, all of which are prepared by management. Throughout 2023, the Committee has continued to be mindful of the potential issues and complexities connected with financial reporting posed by the impact of global macroeconomic and industry-specific challenges, on the organisation. The Committee received reports on the Annual and Interim financial statements from management and the external auditor. The key audit matters identified by PricewaterhouseCoopers LLP are set out in its report on pages 126–133 and were reviewed by the Committee in approving the 2023 audit scope and plan.

Over the last 12 months, it has:

- considered the significant accounting judgements and critical estimates made by management in preparing the Interim and Annual financial statements and agreed their appropriateness
- examined key points of disclosure and presentation to ensure the adequacy, clarity and completeness of the financial statements, including ensuring that reporting and disclosure commitments given to the Financial Reporting Council have been maintained
- reviewed the content of the proposed news releases issued in conjunction with half-year and full-year results as well as reviewing, on behalf of the Board, the quarterly trading updates issued in May 2023 and November 2023
- discussed audit reports with the external auditor, which highlighted key accounting matters and significant judgements in respect of each set of financial statements
- reviewed and discussed reports to support management's assessment of the going concern judgement and the viability statement set out on pages 66-67
- sought re-assurances from the external auditor that an appropriate level of remote collaboration with the Company and the component audit teams continued to be factored into the external audit and review processes at both the half-year and full-year, including, but not limited to, accessing original documentation and meeting and sign-off procedures with management

Significant accounting matters

The issues and judgements considered below were identified by the Committee as significant to the preparation of the 2023 Financial Statements.

Key accounting judgement	Work undertaken
Goodwill and intangible assets impairment All cash-generating units (CGUs) containing goodwill and intangible assets are tested for impairment, annually. The determination of CGUs and the recoverable amount requires judgement by management in both identifying and valuing the relevant CGUs. Key judgements and estimates are involved in completion of impairment reviews, including cash flow forecasts, discount rates and long-term growth rates. A change in these assumptions can result in a material change in assessing the recoverable amount of the assets. Continued uncertainty about future automotive volumes, supply chain capacity and resilience, the impact of electrification trends, including the pace and rate of change, the extent and effectiveness of ongoing restructuring actions, and possible strategic and operational impacts of climate change developments, all necessitated judgement and estimation. In the light of the global volume and margin challenges continuing to be faced by the automotive industry due to continued risk of supply chain challenges, increasing inflationary pressure and cost-of-living challenges, the impact of geopolitical events and other macroeconomic factors such as increases in general level of interest rates, the 2023 impairment review has been an area of particular focus.	The extensive review carried out by management was reviewed by the Committee at its January and March 2024 meetings. The Committee: • reviewed the impairment methodology used by management including, but not limited to, the determination of cash-generating units (CGUs), the development of cash flow modelling based on the approved budget and Medium-Term Plan, and the consideration of both value in use and fair value less costs to sell methodologies in estimating the recoverable amount • challenged management's treatment of future restructuring activities, capital expenditure and working capital management assumptions included within the impairment assessment • understood the determination of discount rates and long-term growth rates pertinent to CGUs, ensuring appropriate consideration of inherent risk and geography had been factored in, and in particular noted the impact of the significant increase in discount rates during the year • understood the changes in business drivers since the 2022 impairment charge • assessed the resultant impairment result, the proposed disclosures including sensitivities and presentation on the income statement • satisfied ourselves that relevant critical judgements and estimates had been appropriately included in the financial statements and that the Annual Report included appropriate and measured disclosures about the impairment assessment The impairment reviews were also an area of focus for PricewaterhouseCoopers LLP and we considered their extensive work in this area. We were satisfied with the approach taken by management and concluded that the judgements and estimates used in the impairment assessment were reasonable, and the conclusion was appropriate.
Deferred tax asset recognition and provision for uncertain tax positions The Group has a wide geographic footprint and is subject to tax laws in many jurisdictions. Provisions are made for uncertain tax positions, which involve judgement and estimates by management as to the likelihood of their realisation. Recognition of deferred tax assets also involves judgement as to their realisation, including whether there will be sufficient taxable profits in future periods to support recognition.	The Committee reviewed summary reports from management in respect of estimates of tax exposures to assess the reasonableness of the Group's tax provisions. Information provided has included specialist tax advice in applicable jurisdictions and updates on specific ongoing audits. The recognition of deferred tax assets was reviewed including the Company's assessment of the availability of future profits to support recoverability, including the impact of continued future volume and trading uncertainties and consistency of forecasts with the impairment assessment. We ensured that a measured approach to the recognition of deferred tax assets was taken by management and importantly, that there was consistency between financial projections used for deferred tax asset recognition and those underpinning the Group impairment review. PricewaterhouseCoopers LLP also reported to the Committee its findings in this area, which have been reviewed and considered. The Committee was satisfied with the judgements, estimates, and that disclosures were reasonable and appropriate.

Key accounting judgement	Work undertaken
Warranty provisions The Group is subject to warranty claims in the event that its products fail to perform as per specifications. Warranty provisions are made to cover potential exposures that relate to specific customer claims. Key judgements are made in calculating the provision and these are dependent on the specific facts and circumstances involving the customer, complexity of the issue and the negotiation process. The outcome of claims is often difficult to predict and quantify.	The Committee considered the judgements made by management in assessing the likelihood and quantification of material exposures. This included: • understanding the nature of the specific claims or exposure • assessing correspondence with, and reactions of, customers and regulators (e.g. NHSTA) • considering the impact of recall actions taken by customers • probing management's evaluation of the likelihood and quantum of exposure and the status of negotiations with the customer We obtained the external auditor's views in relation to the appropriateness of the approach taken by management. Taking into account the evidence presented and explanations given by management, we concluded that the judgements taken in respect of warranty matters were reasonable and appropriate.
Presentation of financial statements The Board continues to use adjusted results as the measure of ongoing performance of the Group and its Divisions. This approach necessitates the exclusion of certain items of income or charge that are regarded by management to distort comparability of performance.	In considering the presentation of the 2023 financial statements, the Committee re-assessed the appropriateness of the non-IFRS measures used by the Group and considered the extent and clarity of explanation supporting the use of these measures. The Committee was satisfied that the 2023 Annual Report disclosures were appropriate and a satisfactory balance between non-IFRS measures and statutory measures had been maintained.

The Committee is satisfied that the judgements made are reasonable and that appropriate disclosures have been included in the financial statements.

Other financial reporting matters

Review of going concern and viability

The Committee reviewed the assumptions applied by management for going concern and long-term viability assessment. The going concern assessment included a downside scenario, which was regarded as severe but plausible. The results of this scenario show that there is sufficient liquidity in the business for a period of at least 12 months from the date of approval of these financial statements, and do not indicate any covenant breach during the test period. The Committee, on behalf of the Board, reviewed the assumptions and sensitivities around the scenarios presented by management and was satisfied with the outcome of the assessment. More information on the Group's going concern can be found on page 66.

The Committee also reviewed the Group's long-term viability assessment for the period to 31 December 2028, which considered a range of scenarios based on the potential financial impact of the Group's principal risks materialising. The Audit & Risk Committee (ARC) challenged the relevance and assumptions of the principal risks to the Company's long-term viability. The Committee was satisfied with the outcome of management's assessment and was able to make a recommendation to the Board on the Group's long-term viability. Further details on the assessment of the Group's long-term viability are set out on pages 66–67.

New accounting standards and guidance from the regulator

New pronouncements were considered by management and their impact was assessed to be not material. The Committee is satisfied with the assessment performed by management. The Committee also considered management's review of the key findings within the various thematic reviews issued by the Financial Reporting Council, to assess the impact on financial reporting by the Company.

External auditor

The ARC is very aware that the effectiveness and independence of the external auditor is central to ensuring the integrity of the Group's published financial information.

During 2023, the Committee's engagement with the external auditor has mainly focused on:

- the review and approval of PricewaterhouseCoopers LLP's 2023 audit plan, terms of engagement and fee for the audit of the 2023 financial statements
- review of the independence, objectivity and effectiveness of PricewaterhouseCoopers LLP
- concluding a recommendation to the Board to reappoint PricewaterhouseCoopers LLP
- satisfying ourselves that the level of non-audit services provided by PricewaterhouseCoopers LLP was compliant with external regulation and internal policies
- understanding the regulatory and other changes impacting the 2023 external audit and the consequential fee implications of the increase in work required

The Committee approved the proposed external annual audit plan and its scope at its meeting in October 2023. Our consideration of the plan involved an assessment of the size of entities covered and the level of risk associated with those entities. The Committee was satisfied that the proposed risk-based approach was appropriate.

Audit & Risk Committee report
continued

In its annual assessment of the effectiveness of PricewaterhouseCoopers LLP, the Committee had regard to a number of factors, which include, but are not limited to:

- their feedback and insights on the Group's business, internal control systems and attitude towards control
- the scope of audit, the planning process and final audit plan for the 2023 financial statements
- progress achieved against the agreed audit plan and communication of any changes
- the quality of reporting to, and interactions with, the Committee
- their performance during the 2023 half-year review process
- their compliance with regulatory and professional standards and guidance in relation to independence and partner rotation
- insight provided to the Committee about the UK Government consultation on audit effectiveness and corporate governance reform, and anticipated outcomes
- feedback from senior management on the quality of engagement with them including the output, presented to the Committee in April 2023, from the annual PwC year-end audit questionnaire
- results of audit quality inspection and supervision by the Financial Reporting Council

In summary, the Committee considers both PricewaterhouseCoopers LLP and its audit processes to be effective. PricewaterhouseCoopers LLP have a good understanding of the Group and its businesses, including the financial reporting and control challenges facing the Group. This understanding is accompanied by a robust challenge of the significant judgements made by management.

Auditor independence and non-audit services

In order to ensure the external auditor's independence, the Committee, annually reviews the Company's relationship with its auditors and assesses the level of controls and procedures in place to ensure the required level of independence and that the Company has an objective and professional relationship with PricewaterhouseCoopers LLP.

The Committee has received confirmation from PricewaterhouseCoopers LLP that they remained independent and objective within the context of applicable professional standards throughout 2023.

In order to safeguard auditor independence, the Committee has adopted a formal policy governing the engagement of the external auditor. This policy effectively limits the use of the external auditor to work that is specifically required by law or regulations to be carried out by the statutory auditor and is of an assurance nature only. All other non-audit services are considered on a case-by-case basis in light of prevailing regulations and ethical standards.

Any proposed non-audit service engagement has to be approved by the Vice President Risk & Global Controller on behalf of the Committee. Approval is only given if it is within acceptable financial parameters and confirmation has been received from PricewaterhouseCoopers LLP that the service does not contravene regulatory independence and ethical requirements. All non-audit service engagements with fees in excess of €0.2 million have to be approved by the Committee Chair before commencement. There were no significant engagements of the external auditor for non-audit services during 2023. Details of all fees due to PricewaterhouseCoopers LLP in 2023 can be found in Note 34 to the Financial Statements.

In accordance with the FRC Revised Ethical Standard 2019 Section 3.10, our audit engagement leader and PwC Group audit partner, Andrew Hammond, is due to rotate off our audit engagement following completion of his tenure of five years in 2023. The Committee has now agreed a new audit partner for 2024.

Having considered all of the factors, the Committee has concluded that PricewaterhouseCoopers LLP remain appropriately independent.

Taking all matters of effectiveness, independence and objectivity into consideration, the Committee has concluded that it was appropriate to recommend to the Board of Directors the reappointment of PricewaterhouseCoopers LLP as the Company's auditors for 2024.

PricewaterhouseCoopers LLP was reappointed as the Company's auditors following a formal tender process in 2017. The Company will conduct its next external audit tender no later than 2027, in line with the current audit tenure requirements. The Company confirms that it complied with the provisions of the Competition and Markets Authority's Statutory Audit Services for Large Companies Market Investigation Order 2014 for the financial year under review.

Internal audit

The Group has a dedicated Internal Audit function, which provides independent, objective assessment of risk and controls to senior management and the Committee, in relation to whether the design and operational effectiveness of the Group internal control procedures are adequate to manage business risk, safeguard the Group's resources, and ensure compliance with the Group's policies and legal and regulatory requirements. The Audit & Risk Committee considers and approves the Internal Audit plan. Progress in respect of the plan is monitored throughout the year and care is taken to ensure that the Internal Audit function has sufficient resources to complete the plan. The audit plan may be revisited during the year as a result of the ongoing assessment of the key risks or in response to the needs of the Group. The Group Audit Director reports, ultimately, to the Chair of the Audit & Risk Committee, although they report on a day-to-day basis to the Chief Financial Officer. A report on completed internal audits is presented to the Committee and, where appropriate, action plans are reviewed.

During the year, the scope of internal audit has shifted gradually from internal controls over financial reporting to operational controls. 2023 saw the first operational audits in the Group, covering areas such as request for quotation process, cybersecurity, environmental disclosures, compliance with delegation of authority etc. This transition in focus has worked well during the year.

Internal Audit findings are reported to relevant operational management and to the Committee. The internal audit function regularly reports on the progress of implementation of recommended actions to senior management and to the Committee at each meeting. The Committee also monitored management's responsiveness to the findings. Where appropriate, the internal audit function utilises external expertise for certain specialist areas.

The Committee monitors the effectiveness of the internal audit's work through the quality of audit reports received, the Committee's interaction with the Group Audit Director, the level and skills of the resource available to the internal audit function, reporting of progress against the internal audit plan at each Committee meeting, the adequacy of management's actions to address recommendations as well as any other ad-hoc quality reporting requested. The Committee was satisfied that the quality, experience and expertise of the function are appropriate for the business.

Internal control and risk management

In 2023, the Group continued to refine its processes and controls, globally, to reflect changes to its internal control framework.

The Group's system of internal controls, along with its design and operating effectiveness, is subject to review by the Audit & Risk Committee, in addition to review by the internal and external auditors. The Board has established policies and procedures, including delegation of authority, which have been communicated across the Group. During the year, management carried out a thorough review and update of management delegation of authority in conjunction with the change in organisational structure from 2024, and to reflect business and operational changes in recent years.

The system of internal controls is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and it can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Board has established a clear organisational structure with defined authority levels. The day-to-day running of the Group's business is delegated to the Executive Directors of the Group.

The Group formed a separate Group Risk & Controls function in 2022, led by Vice President Risk & Global Controller, and implemented a formal three-lines-of-defence structure for risk management and internal controls. The Group Risk & Controls function developed a road map for an internal control optimisation programme to outline the plan and steps in 2023 and 2024, paving the way to meet the expected forthcoming requirements on internal control reporting under the UK Corporate Governance Reform. The Committee monitored progress made during the year against the road map, which included:

- introduction of an optimised global controls framework, improving the clarity, robustness and proportionality of control standards to be adopted at all levels (entity, corporate, division, region and site)
- a phased approach in rolling out the optimised control standards by key processes, with the last phase scheduled to be completed in the first half of 2024
- a focused review of the entity-level controls, with the identified remedial actions having largely been implemented during the year
- consideration of an appropriate assurance framework to monitor compliance with the optimised control standards, including entity and system scoping, and methodology on and assessment of materiality
- specific action plan developed to strengthen Information Technology General Controls
- enhancement of resources dedicated to internal controls within the Group

In executing the Committee's remit for monitoring the financial reporting process and for reviewing the effectiveness of the Group's system of internal controls, the Committee undertook the following review work:

- considered reports from internal audit on the outcomes of the 2023 internal audit plan with particular focus on the deficiencies identified and their remediation
- reviewed with the Chief IT, HR & Communications Officer the measures and controls being implemented and strengthened within the Group to help mitigate the increasing risk posed by a cyberattack, and actions taken to assure the quality of the Group's cybersecurity programme (including tabletop exercises, third-party assessments and testing, and employee training programme)
- reviewed management's progress on the internal control optimisation programme
- discussed the status and actions relating to control issues raised via the Group's whistleblowing hotline
- discussed with the external auditor their findings and perspectives on the Group's internal controls

The Board has overall responsibility for the Group's risk management framework. The Board has delegated responsibility for review of the risk management programme and effectiveness of internal controls to the Audit & Risk Committee. Further information on the Group's risks and uncertainties, which are judged to have the most significant impact on the Group's long-term performance and prospects, and the Group's plan to strengthen its enterprise risk management processes, are set out on pages 42–55.

The Audit & Risk Committee has reviewed management's assessment of the Group's principal risks, the impact on the prospects for the Group and the mitigating actions, and the Board has confirmed that a robust assessment of the Group's principal risks had been undertaken. This assessment also included a discussion of emerging risks potentially facing the Group.

Other matters

During the year, the Committee:

- received an overview report on the Group's 2023 insurance renewal pricing
- reviewed and approved the parent company profit and loss account for the year on behalf of the Board pursuant to compliance with s408 Companies Act 2006
- reviewed the Group's tax strategy, including tax risk, compliance and efficiency
- received updates at each of its meetings on any Right to Speak issues raised and sought assurance from management on the issues raised and the Company's response
- performed a deep-dive review of the Group's transfer pricing process and procedures
- discussed capital structure matters with management, in particular, the consideration of early repayment of debt
- reviewed the process used to assess and identify disclosures made as part of the TCFD report and considered the impact of the TCFD disclosures on the assessment on the Company's approach to risk management and long-term viability

Jane Lodge
Audit & Risk Committee Chair

11 March 2024

Statement by the Chair of the Remuneration Committee

> "I'm very pleased with management's performance in 2023, which delivered 191 basis points of adjusted EBIT margin improvement at budget rates whilst booking €1.8 billion BEV/PHEV business, and is aligned with the Company's Taking-the-Turn strategy. The annual bonus plan payout is commensurate with this performance."

John Smith
Chair of the Remuneration Committee

Committee membership

	Meetings attended
John Smith (Chair)	5/5
Julie Baddeley	5/5
Jane Lodge	5/5

Committee areas of focus

- Shareholder outreach as part of policy review
- Aligning measures with strategy
- Review of wider workforce alignment

Committee highlights

- Minimal changes to the Remuneration policy
- Incentive measures aligned with business strategy in both ABP and LTIP
- Sustainability initiatives aligned in remuneration plan design

Dear Shareholders,

I am pleased to present the TI Fluid Systems Directors' Remuneration report for the year ended 31 December 2023.

Context

Business context

The management team have successfully navigated the Company through a series of challenges, including extraordinary inflation over the past two years combined with macroeconomic events, to deliver revenue growth of 10.9% and a 191 basis point improvement in adjusted EBIT margin at budget rates over the prior year. Relative to our automotive tier one peers, TI Fluid Systems performs in the top quartile and remains a high-quality international automotive tier one supplier. In addition to the robust financial performance, we have continued our focus on our long-term strategy as evidenced by booking over €1.8 billion of BEV/PHEV business.

Looking ahead, TI Fluid Systems has a clear strategy for delivering shareholder value as presented at the capital markets day in September 2023. We are Taking-the-Turn, maximising the opportunities presented by the industry transition to electric vehicles, targeting top line revenue growth to €3.8–4.2 billion by 2026 and returning to double-digit adjusted EBIT margins in the medium term.

Wider workforce context

The TI Fluid Systems Board values its people and has engaged the workforce on eight separate occasions throughout 2023. The Company provides base pay at competitive rates, that were increased in 2023 to reflect higher inflation rates and exceeds the living wage in the United Kingdom and other countries that have a published regulated living wage. A second, thorough review of gender pay was also completed in the year, resulting in relatively minor adjustments where warranted.

Additionally, TI Fluid Systems focuses on employee health and wellness with a variety of health and social programmes including a global assistance programme providing support for mental health.

Remuneration for 2023

Annual Bonus for 2023

The Annual Bonus for Executive Directors in 2023 was based 25% on adjusted EBIT margin, 25% on adjusted free cash flow, 20% on BEV/PHEV bookings (China) and 30% on BEV/PHEV bookings (non-China). As set out above, management delivered robust financial results, whilst securing significant new bookings of future BEV/PHEV business. Adjusted EBIT margin was 7.5% at 2023 budget rates, just below the maximum target, resulting in the element paying out at 92% of maximum. Free cash flow was an outstanding €142 million at budget rates, resulting in the element paying out at 100% of maximum. China and non-China Bookings were €628 million and €1,214 million respectively, resulting in the elements paying out at 57% and 100%.

As a result, management achieved an overall ABP award of 89.3% of maximum. In line with the policy, the first 100% of salary, on a gross basis before tax, will be paid in cash and any element above that will be deferred into shares for a two-year holding period when Executive Director's holdings do not meet their shareholding guideline. Full details of the targets and performance against them are set out on page 110.

LTIP vesting in respect of 2023

The 2021 LTIP award is due to vest shortly in respect of performance to 31 December 2023. The awards are based 60% on cumulative adjusted free cash flow, 20% on relative total shareholder return (TSR) and 20% on improvements to our ISS scores in respect of 'Environmental' and 'Social'.

Despite the excellent performance of management in navigating the business through the economic challenges of the last three years, the stretching cash flow targets were not met, largely due to an overly optimistic view of the industry's recovery at the time targets were set, and TSR performance against the FTSE 250 was below median. Therefore, these two elements will lapse. However, due to the Group's increased focus on ESG initiatives, external body ISS has increased our 'Environmental' and 'Social' score by 43%, which exceeded the maximum target. As such, Hans Dieltjens will receive 20% of his 2021 LTIP award, which will be subject to a post-vesting two-year holding period. Full details of the targets and performance against them are set out on page 111.

Overall

As part of their determination of the ABP and LTIP outturns, the Committee gave careful consideration to the underlying performance of the Company and the Executives over the respective performance periods. The Committee was satisfied that the incentive outturns were fair, appropriate, proportionate and in line with pay culture and approach at TI Fluid Systems.

Review of the Directors' Remuneration policy

A key area of focus for the Committee this year has been the review of the Directors' Remuneration policy, which is being submitted for shareholder approval at the 2024 AGM in line with the normal three-year timetable.

Policy review context

The Committee is aware of the mounting debate around the competitiveness of UK governance expectations for companies competing in a global talent pool. These discussions are particularly relevant for TI Fluid Systems, as we are a UK-listed Company, but with a management team based in the United States. As a result, TI competes for talent with automotive peers, all of which are listed outside of the UK.

The Committee recognises that it is critical that our Remuneration policy can appropriately meet the governance expectations of UK shareholders, without limiting our ability to attract, retain, and incentivise Executives working in the United States. Since listing in 2017, we have made a number of decisions in response to shareholder feedback and the expectations of the UK market. The following changes were made as part of the 2021 policy renewal:

- the ABP payout for target performance was reduced from 70% to 50% of maximum in line with the guidance of proxy body ISS
- shareholding guidelines were increased from 300% to 500%/400% of salary for the CEO/CFO respectively and are now at market-leading levels for a FTSE 250 company
- post-employment shareholding guidelines were introduced in line with the expectations of the UK Corporate Governance Code

In addition, the Committee has a track record of operating the policy responsibly, including for example:

- applying negative discretion to the 2021 ABP outturn (reducing it by 25% of maximum)
- scaling back LTIP grants in 2023 to mitigate the risk of windfall gains

The Committee is committed to its practice of setting pay levels competitively in the country in which the Executive Director is based, whilst balancing against remuneration expectations in the UK. We feel this practice is largely supported by our shareholders despite some proxy advisories' historic approach of comparing pay exclusively against UK-based PLCs. It is also important to note that our pay framework includes typical UK governance features, which do not exist in other US-based executive pay arrangements.

Remuneration policy review

During the year, the Committee undertook a detailed review of the policy giving careful consideration to the business context set out above and the latest developments in shareholder expectations and best practice. Following our review, the Committee has concluded that the existing framework continues to be the most appropriate framework for TI Fluid Systems to support the achievement of our strategy and the long-term delivery of shareholder value. We also believe that our framework, opportunities and governance features strike the right balance of meeting UK shareholder expectations and enabling us to hire Executives of the calibre necessary to deliver our strategy.

Statement by the Chair of the Remuneration Committee continued

Therefore, we are proposing to continue with our current structure made up of fixed pay, an annual and deferred bonus plan (ABP) and a long-term incentive plan (LTIP) and are proposing relatively minor amendments to the policy in the interests of simplification and to provide sufficient operational flexibility for the next three years. We are not proposing any increases to incentives. The changes proposed are as follows:

- **LTIP:** Historically the LTIP has included an outperformance element, whereby awards could be increased by 33% for achieving particularly stretching financial targets. This was an unusual feature that added complexity and has not been used for the current Executives. Therefore, we are simplifying the policy by removing the concept of an outperformance element

  The policy includes an exceptional LTIP limit of 450% that has never been used and the Committee does not anticipate using this higher level of LTIP opportunity for the foreseeable future. However, we recognise that there may be unforeseen circumstances, during the life of the policy, where the creation of shareholder value would be aided by a greater LTIP opportunity; therefore, the Committee will retain flexibility to grant awards of up to 450% of salary to Executives where there are exceptional recruitment needs or in truly exceptional circumstances that support shareholder value creation
- **Bonus:** In direct response to shareholder feedback, we are amending the policy to formalise a minimum weighting of 60% on financial measures. As noted below, the actual weighting on financial measures for 2024 will be 65%. In addition, although we do not currently anticipate introducing personal/individual measures to the ABP, we recognise that best practice is to limit the proportion of the ABP that such measures can represent. Therefore, we are also amending the policy to introduce a maximum weighting of 20% on personal/individual measures for Executive Directors

Shareholder consultation

The Committee recognises the importance of shareholder views and during the review process we consulted with approximately 70% of our non-Bain shareholders. The Remuneration Committee thanks those shareholders that took part in the consultation process and provided invaluable feedback. We were pleased to find that the majority of shareholders appreciated TI Fluid Systems' relatively unique position and were supportive of us rolling forward our current framework with minimal changes. During the consultation process a number of shareholders expressed a preference for an increased weighting on EBIT margin within the ABP and you will see that we have taken their feedback on board for 2024.

Remuneration in 2024

Salary reviews

Taking into account the current macroeconomic uncertainty, 2024 discretionary base salary increases for Executives and the wider workforce have been deferred until later in the year.

Annual Bonus for 2024

The maximum bonus opportunities for Hans Dieltjens and Alexander De Bock in 2024 are 300% and 275% of base salary respectively. Reflecting on the competitive labour market for highly qualified public company CFOs, the CEO and Remuneration Committee thought it appropriate to raise each of Alexander De Bock's ABP and LTIP maximum opportunities. As part of their annual review, the Committee has reviewed the ABP framework to ensure that it continues to appropriately align management to creating long-term shareholder value through the achievement of short-term goals. Following this review, and taking into account current market sentiment and shareholder feedback received during the consultation process, the Committee is making two changes to the ABP performance measures.

Recognising the importance of achieving our short-term financial targets the weighting of the adjusted EBIT margin measure has been increased to 40%. Achieving new business wins in BEV/PHEV continues to be fundamental to the Company's future success and, therefore, bookings in these areas will continue to play an important role in the ABP framework. To account for the increased weighting on adjusted EBIT margin the weighting on the strategic measure has been reduced to 35% and will be defined and measured as total world BEV/PHEV bookings. The remaining 25% of the ABP will continue to be subject to adjusted free cash flow targets.

LTIP for 2024

LTIP awards for 2024 will be at 300% and 275% of salary for Hans Dieltjens and Alexander De Bock respectively. The LTIP continues to be a critical tool for incentivising the Company's senior leaders to create value for shareholders by delivering our long-term strategy. For 2024, the Committee has reintroduced an EPS measure in place of the previous relative TSR measure. EPS is one of the Company's KPIs and its introduction will incentivise management to deliver profit growth over the longer term as well as providing better line of sight and control for management compared to the relative TSR measure. In making the decision to replace the TSR measure the Committee was also mindful that participants are already strongly aligned with the Company's share price through their shareholding guidelines, bonus deferral and share denominated LTIP awards. The Committee has also simplified the LTIP framework for 2024 by removing the second sustainability metric and focusing management on improving our CO_2e emissions consistent with our public commitment to reducing Scope 1 & 2 emissions by 50% by 2030.

Annual General Meeting

At our 2024 AGM, shareholders will be presented with two remuneration-related resolutions, in respect of the Directors' Remuneration policy and the Directors' Remuneration report (excluding the policy part). As explained above, we strongly believe that our remuneration framework is the most appropriate for TI Fluid Systems at this time and that the Committee has implemented the framework appropriately. I look forward to receiving your support at the upcoming AGM.

Respectfully submitted,

John Smith
Chair of the Remuneration Committee

11 March 2024

Directors' Remuneration policy

Introduction

This part of the Directors' Remuneration report sets out the details of the Remuneration policy (the policy) for Executive and Non-Executive Directors of the Company that will be proposed for approval by shareholders by way of a binding vote at the Annual General Meeting on 14 May 2024. It is proposed that the policy will apply for the period of three years from the date of approval unless updated and approved by shareholders. The policy, as set out below, will operate until the Company's Annual General Meeting to be held in 2027.

Changes to the Remuneration policy

During the year, the Committee undertook a detailed review of the policy giving careful consideration to the business context set out above and the latest developments in shareholder expectations and best practice. Following our review, the Committee has concluded that the existing framework continues to be the most appropriate framework for TI Fluid Systems to support the achievement of our Taking-the-Turn strategy and the long-term delivery of shareholder value. We also believe that our framework, opportunities and governance features strike the right balance of meeting UK shareholder expectations and enabling us to hire Executives of the calibre necessary to deliver our strategy.

Therefore, we are proposing to continue with our current structure made up of fixed pay, an annual and deferred bonus plan (ABP) and a long-term incentive plan (LTIP) and are proposing relatively minor amendments to the policy in the interests of simplification and to provide sufficient operational flexibility for the next three years. We are not proposing any increases to incentives. The changes proposed are as follows:

LTIP: Historically the LTIP has included an outperformance element, whereby awards could be increased by 33% for achieving particularly stretching financial targets. This was an unusual feature that added complexity and has not been used for the current Executives. Therefore, we are simplifying the policy by removing the concept of an outperformance element.

The policy includes an exceptional LTIP limit of 450% that has never been used and the Committee does not anticipate using this higher level of LTIP opportunity for the foreseeable future. However, we recognise that there may be unforeseen circumstances, during the life of the policy, where the creation of shareholder value would be aided by a greater LTIP opportunity; therefore, the Committee will retain flexibility to grant awards of up to 450% of salary to Executives where there are exceptional recruitment needs or in truly exceptional circumstances that support shareholder value creation.

Bonus: In direct response to shareholder feedback, we are amending the policy to formalise a minimum weighting of 60% on financial measures. As noted, the actual weighting on financial measures for 2024 will be 65%. In addition, although we do not currently anticipate introducing personal/individual measures to the ABP, we recognise that best practice is to limit the proportion of the ABP that such measures can represent. Therefore, we are also amending the policy to introduce a maximum weighting of 20% on personal/individual measures.

Remuneration policy summary

The Remuneration Committee is responsible for determining the Remuneration policy for the Executive Directors and Chair for current and future years. In setting the policy, the Remuneration Committee has sought to ensure that it is sufficiently flexible to take account of future changes in the Group's business environment and in remuneration practice.

The policy is designed around the following key principles that allow for:

- alignment with the long-term interests of shareholders
- competitive remuneration, which is set at an appropriate level to attract, retain and motivate executive management from the automotive industry in the jurisdiction (country) in which the executive resides
- strategic alignment between remuneration and the Group's long-term strategic goals
- encouraging and supporting a high-performance culture with appropriate reward for superior performance
- avoiding the creation of incentives that, having regard to the risk appetite of the Board, will encourage excessive risk taking or unsustainable Company performance

The Remuneration Committee will review and approve annually the remuneration arrangements for the Executive Directors and the Executive Committee and will also review for alignment the remuneration of the wider workforce, taking into consideration:

- overall corporate performance
- market conditions affecting the Group
- the competitive recruitment market
- business strategy over the period
- changing practice in the markets where the Group competes for talent

Directors’
Remuneration policy continued

Remuneration policy details

The details set forth below, and in the accompanying notes, summarise the key elements of the policy and how those elements support the Group’s short and long-term strategic objectives.

Key elements

Base salary

Base salary shall be set to recruit and retain the Executive Directors with the experience and expertise required to develop and implement the Company’s strategy.

Operation of base salary

- An Executive Director’s base salary is set on appointment and reviewed annually or when there is a change in position or responsibility
- When determining an appropriate level of base salary, the Committee considers:
  - individual degree of responsibility and experience of the Executive Director
  - remuneration structures in which the Company would compete for talent that are comparable in terms of business activities, complexity, size and geographic scope of the Executive Director
  - wider remuneration practices within the Group
  - the need to acquire and retain Executives with the skills and experience to develop and implement the Company’s strategy
  - the norms within the country in which the executive resides

Potential value of base salary and performance measure

In general, increases for Executive Directors will be in line with the increase for the wider workforce. In certain circumstances, such as, but not limited to, an increase in the size and scope of the role or where an individual is out of line with the market, higher salary increases may be given.

See the following section headed ‘Implementation of Remuneration policy’ for the salaries for the next year for each of the Executive Directors.

Benefits

The benefit package will be in line with the practice relative to our comparator group in the jurisdiction in which the Executive Director resides to enable the Company to recruit and retain Executive Directors with the experience and expertise to deliver our strategy.

Operation of benefits

- The Executive Directors are eligible to receive benefits coverage in the jurisdiction in which they reside. These benefits include medical, life and disability income protection insurance, executive medical assessments, perquisite allowances, car allowance or paid vehicle lease, relocation support and benefits when applicable, tax advice and tax return fees, support with respect to incremental overseas tax as well as other customary benefits, which are afforded to employees in the same jurisdiction. In some cases, the Group may pay the tax on these services and may coordinate or make available post employment benefits to the Executive Directors at their cost
- The Remuneration Committee recognises the need to maintain flexibility in the benefits provided to Executive Directors to ensure it is able to support the objective of attracting and retaining key personnel in order to deliver the Group’s strategy. Additional benefits may, therefore, be offered at the discretion of the Remuneration Committee

Potential value of benefits and performance measure

- Generally, benefits do not represent a significant portion of the total remuneration package of Executive Directors
- Medical benefits coverage is provided through the Group’s local operating unit of the jurisdiction in which the Executive Director resides and is consistent with the level of benefits afforded to other executives in the country. The cost of providing this benefit may vary on utilisation
- Perquisite and vehicle allowances or paid vehicle lease will be consistent with local practice for executives who reside in the Executive Director’s jurisdiction
- Tax advice and tax return fees are paid by the Group. The Group will cover incremental overseas tax (i.e. duplicative tax or social insurance charges), which may arise as a result of the Executive Director discharging their responsibilities on behalf of the Group
- Executive Directors will participate in the qualified disability benefits, which are afforded to other executives in the jurisdiction the Executive Director resides

Key elements

Pensions

Pension provisions will be in line with competitive practice to enable the Group to recruit and retain Executive Directors with the experience and expertise to deliver our strategy.

Operation of pension

- Pension arrangements are provided in line with the practice relative to the country in which the Executive Director resides. Executive Directors will only be eligible for defined contribution pension schemes that are in line with the wider workforce
- If appropriate, and at the discretion of the Remuneration Committee, a competitive pension arrangement or cash alternative may be implemented provided that the terms and value of the arrangements are consistent with custom and practice of the jurisdiction in which it is to be applied

Potential value of pensions

- Executive Directors residing in the United States are eligible to participate in the Group's 401(k) defined contribution scheme in line with the wider US workforce
- In the event that a non-US-based Executive Director is engaged, a pension arrangement or alternative cash scheme may be implemented consistent with custom and practice in the jurisdiction in which the Executive Director is employed
- For all Executive Directors, the maximum pension or cash in lieu of pension will be in line with the rate available to the majority of the workforce

See the following section headed 'Implementation of Remuneration policy' for the pension contributions for the next year for each of the Executive Directors.

The Annual and Deferred Bonus Plan (ABP)

The ABP provides an incentive to the Executive Directors linked to achievement in delivering annual goals that are closely aligned with our strategy and the creation of value for shareholders.

Operation of Annual Bonus Plan

- The Remuneration Committee will determine the bonus to be awarded following the end of the relevant financial year based on the Group's performance against annual performance measures and targets
- The Company will set out in the Remuneration report in the following financial year details of the performance measures, targets, weight and their level of satisfaction for the year being reported to the extent that they are not commercially sensitive
- The Remuneration Committee may use different performance measures and weightings for each performance cycle as appropriate, in line with the strategic needs of the business with a minimum of 60% weighting on financial measures, and no more than 20% weighting on personal/individual performance measures
- The Remuneration Committee, at its discretion, can further align (when appropriate) the Executive Directors with shareholders by deferring a portion of ABP awards into shares:
    - where the Remuneration Committee determines that an Executive Director has not met their shareholding guideline, the first 100% of salary, on a gross basis before tax, will be paid in cash and any element payable above 100% of salary will normally be deferred into ordinary shares of the Company, and held for two years with no further performance conditions
    - where the Remuneration Committee determines that an Executive Director has met their shareholding guideline the entire bonus will be paid in cash
    - the Committee, at its discretion, may award dividend equivalents on deferred shares
- The Company will set out in the Remuneration report in the following financial year, the nature of the deferral mechanism being operated for the ABP awards to be made in that financial year

Potential value of Annual Bonus Plan

- The maximum bonus (including any part of the bonus that is deferred) will not exceed 300% of an Executive Director's annual base salary
- The percentage of the bonus earned for levels of performance will be:
    - Threshold: 30% of maximum bonus award
    - Target: 50% of maximum bonus award
    - Maximum: 100% of maximum bonus award

See the following section headed 'Implementation of Remuneration policy' for the details on the ABP plan design for the next year for each of the Executive Directors.

Directors’ Remuneration policy continued

Key elements

Long-Term Incentive Plan (LTIP)

The LTIP is designed to incentivise and reward Executive Directors to create long-term value by successful delivery of our strategy. In addition, the plan is designed to increase Executive Directors shareholding in the Company to further align them with shareholders.

Operation of Long-Term Incentive Plan

- Awards are granted annually to Executive Directors in the form of either conditional shares, nil cost options, restricted stock units, or restricted shares
- These grants will normally vest over three years subject to:
  - the Executive Director’s continued employment at the date of vesting
  - satisfaction of the performance conditions
- No more than 25% of an LTIP grant may vest for Threshold and 100% for Maximum performance, with vesting normally calculated using a straight-line scale between Threshold and Maximum
- The Committee may award dividend equivalents on LTIP grants in either shares or cash to the extent such grants vest
- A post-vesting holding period of two years will normally apply to Executive Director LTIP grants, unless:
  - exceptional circumstances arise in which the Remuneration Committee feels the holding period post vesting is not warranted
  - two years have passed since the final date of employment
- The Committee will have the discretion, acting fairly and reasonably, to determine that vesting can be reduced or enhanced if there are circumstances (relating to the Group’s overall performance or otherwise) that make vesting when calculated by reference to the performance conditions alone inappropriate

The Committee reserves the right to:

- Amend the performance conditions for each new LTIP scheme during the period covered by this policy
- Amend ‘in flight’ schemes conditions where there is a significant change in economic circumstances or accounting standards or if there is a significant and material event that causes the Committee to believe the original measures, weighting and/or targets are no longer appropriate; provided that conditions are not materially less challenging to satisfy
- Adjust the number of LTIP shares on the occurrence of a corporate event or other reorganisation

Potential value of Long-Term Incentive Plan

- Maximum grant value of up to 300% of salary in respect of a year based on the market value at the date of grant set in accordance with the rules of the LTIP
- The Committee will retain flexibility to grant awards of up to 450% of salary in respect of a year to Executives where there are exceptional recruitment needs or in truly exceptional circumstances that support shareholder value creation

The 2024 LTIP weighting and measures are 50% on Adjusted Return on Capital Employed (ROCE), 25% on cumulative adjusted Earnings per Share (EPS) and 25% on CO_2(e) emissions reductions.

Non-Executive Director fees

Non-Executive Director fees support the recruitment and retention of high calibre Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Group’s strategic objectives.

- The Remuneration Committee is responsible for setting the remuneration of the Chair of the Board, and the Chair of the Board and the Executive Directors are responsible for setting the remuneration of the Non-Executive Directors
- Non-Executive Directors receive an annual fee, paid quarterly in arrears, which are reviewed annually in line with the review policy for the Executive Directors
- Non-Executive Directors do not participate in any variable remuneration or benefits arrangements
- The fees for Non-Executive Directors are competitive and are outlined on page 116
- In general, the level of fee increase for the Non-Executive Directors will be set taking into account any change in responsibility and the general increase in Non-Executive Directors’ fees in the UK market
- The Company will pay reasonable expenses incurred by the Non-Executive Directors, may also arrange, and pay fees, for preparation of annual tax returns, and provide travel insurance

Malus and clawback

The ABP and LTIP include standard malus and clawback provisions.

- Malus is the adjustment of unpaid or unvested ABP or LTIP grants as a result of the occurrence of one or more circumstances listed below
- Clawback is the recovery of paid or vested ABP or LTIP grants as a result of the occurrence of one or more circumstances listed below
- Malus and Clawback may apply to all or part of a participant's award(s) and may be effected, among other means, by requiring the transfer of shares, payment of cash or reduction of unvested ABP or LTIP grants

The circumstances in which malus and clawback could apply are:

- discovery of a material misstatement resulting in an adjustment in the audited accounts of the Group or any Group company
- discovery that the assessment of any performance measure target or achievement or condition in respect of an ABP award and/or LTIP grant was based on inaccurate or misleading information
- action or conduct of a participant, which amounts to fraud, gross misconduct, or corporate failure
- events or the behaviour of a participant, have led to the censure of a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company provided that the Board is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to the participant

Malus provisions may be applied to any unpaid or unvested ABP or LTIP grants.

Clawback provisions may be applied, with respect to any ABP award, during the three-year period following determination by the Board of such ABP award and, with respect to any LTIP award, during the two-year period following vesting of such LTIP award.

The Committee believes that the rules of the plans provide sufficient powers to enforce malus and clawback where required.

Discretion

The Remuneration Committee has discretion in several areas of policy as set out in the Directors' Remuneration report. The Remuneration Committee may also exercise operational and administrative discretions under relevant plan rules approved by shareholders as set out in those rules. In addition, the Remuneration Committee has discretion to amend the policy with regard to minor or administrative matters where it would be, in the opinion of the Remuneration Committee, disproportionate to seek or await shareholder approval.

Minimum shareholding guidelines

The Committee has adopted formal shareholding guidelines that will encourage Executive Directors to build up over a five-year period and then subsequently hold a shareholding equivalent to a percentage of the Executive Director's base salary. The Remuneration Committee will take into account adherence to these guidelines when considering participation in the Company's equity incentive arrangements. These guidelines ensure that the interests of Executive Directors and those of shareholders are closely aligned.

The following table sets out the minimum shareholding guidelines:

Role	Shareholding guideline (percentage of salary)
Chief Executive Officer	500%
Chief Financial Officer	400%

Post-employment shareholding guideline

Executive Directors will normally be expected to maintain a shareholding (i) equal to their in-employment shareholding guideline for the first 12 months post-departure; and (ii) equal to 50% of their in-employment shareholding guideline for the second 12 months post-departure (or, in either case, their actual shareholding on departure if lower). This post-employment guideline will apply to shares from incentive awards granted from the date of the policy. The Committee retains discretion to waive this guideline if it is not considered appropriate in specific circumstances.

Selection of performance targets

The remuneration arrangements are designed to incentivise the delivery of the Group's strategy and the creation of value for shareholders. The performance measures are reviewed annually to ensure that they continue to support our strategy and are set to align with budgets. The details regarding performance targets to be applied to the 2024 ABP and LTIP for Executive Directors are set out in the following section headed 'Implementation of Remuneration policy'.

Group employee considerations

The Remuneration Committee considers the Executive Directors' remuneration in the context of the wider employee population and is kept regularly updated on pay and conditions across the Group. Increases in base salary for Executive Directors will take into account the level of salary increases granted to employees within the Group and the competitive environment of the employing country.

The Group seeks to pay a competitive package of base pay and benefits in each market and at all job levels to attract and retain high-quality employees. The proportion of variable pay increases with progression through management levels with the highest proportion of variable pay at Executive Director level, as defined by the Remuneration policy.

Selected senior management and key employees participate in formal short and/or long-term incentive programmes that are based on financial and other strategic measures. In a number of countries in which the Group operates, due to custom and practice or the desire to apply flexible compensation arrangements, an annual local bonus may be granted to employees based on the achievement of both financial and non-financial key performance indicators.

The key element of remuneration for those below senior management grades is base salary and it is the Group's practice to ensure that base salaries are competitive in the local markets. An annual review of gender pay is also completed each year, after which adjustments, if any, are made where appropriate. General pay increases take local salary norms and business conditions into account.

Directors' Remuneration policy continued

Recruitment policy

The section below sets out the Remuneration Committee's approach to recruitment and remuneration of new Executive Directors.

The Company's principal objective is that the remuneration of a new Executive Director will be assessed in line with the same principles as for the current Executive Directors, as set out in the Remuneration policy. The Committee wishes to avoid paying more than it considers necessary to secure a preferred candidate with the appropriate qualifications and experience needed for the role.

In setting the remuneration for a new Executive Director, the Committee will have regard to guidelines and shareholder sentiment, when using its discretion, regarding one-off or enhanced short or long-term incentive payments, as well as giving consideration for the appropriateness of any performance measures associated with an award.

The Company's Recruitment policy regarding Base Salary, Annual and Deferred Bonus Plan and Long-Term Incentive Plan will be governed by the terms set out in the Remuneration policy outlined on pages 97–107. The Committee may use its discretion to tailor (for example the timeframe, form, performance criteria) the ABP or LTIP award based on the commercial circumstances at the time of hire. Normally the maximum combined incentive opportunity for an Executive Director would be 600% of base salary. The Committee will retain flexibility to grant LTIP awards of up to 450% of salary where there are exceptional recruitment needs in circumstances that support shareholder value creation, in which case the value of the maximum incentive opportunity is 750% of base salary excluding any buyout provisions.

Buyout of incentives forfeited on cessation of employment: Where the Remuneration Committee determines that the individual circumstances of recruitment justify the provision of a buyout, the Committee will determine the size of the buyout grant based on the commercial value of any incentives that will be forfeited on cessation of an Executive Director's previous employment, taking into account the following:

- the proportion of the performance period completed on the date of the Executive Director's cessation of employment
- the performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied
- any other terms and conditions having a material effect on their value

To the extent that it is not possible or practical to provide the buyout within the terms of our existing incentive plans, a bespoke arrangement will be used as permitted under the LSE Listing Rules (9.4.2).

The structure of the remuneration package would normally be in line with our Remuneration policy. In exceptional circumstances, other elements of remuneration may be awarded. Such circumstances include an interim appointment being made to fill an Executive Director role on a short-term basis or a Non-Executive Director taking on an executive function on a short-term basis.

In the event relocation is required, the Remuneration Committee will use its discretion in determining the financial limits of relocation assistance considering the needs and location requirements of the Executive Director and the Group.

Where an existing employee is appointed to the Board as an Executive Director, the policy will apply from the date of promotion, but there will be no retrospective application of the policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing employee will be honoured and form part of the ongoing remuneration of the person concerned. These will be disclosed to shareholders in the Remuneration report for the relevant financial year.

The Company's policy when setting fees for the appointment of new Non-Executive Directors is to apply the policy that applies to current Non-Executive Directors.

Legacy remuneration arrangements

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) in accordance with:

- the policy/rules in effect at the time the arrangement was initiated
- the status of the Director at the time the arrangement was initiated, when in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company

Service contracts and payments for loss of office

The section below sets out the Remuneration Committee's approach to service contracts and policy on termination payments.

The Remuneration Committee will honour Executive Directors' contractual entitlements. The Executive Directors' service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. Except as provided herein, there is no agreement between the Group and its Executive Directors or employees providing for compensation for loss of office or employment that occurs because of a Change of Control.

The Remuneration Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation), or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

Service agreement basis: Hans Dieltjens' contract is dated 16 February 2021, which came into effect upon his ascension to Chief Executive Officer in the fourth quarter of 2021, remains in effect until 1 March 2026. Alexander De Bock's contract is dated 28 October 2022 remains in effect until terminated in accordance with the terms of his Agreement. All Executive Directors' contracts are made through TI Group Automotive Systems L.L.C.

Notice period: For Executive Directors, if employment is terminated by the Executive Director without 'good reason', a six-month notice period is required. If employment is terminated by the Executive Director with 'good reason', a 30-day notice period is required, provided that the Company is not able to cure the issue in those 30 days. The Company is not required to provide notice for termination of the Executive Directors' contracts without cause or due to non-renewal. H. Dieltjens must provide six months' notice if he decides not to renew the term at the end of the initial term, or any renewal term.

Post-termination restrictions: Each Executive Director is subject to a confidentiality undertaking without limitation in time and to non-compete, non-solicit, and non-interference restrictive covenants. These restrictive covenants are for a period post termination of employment of 12 months in the case of H. Dieltjens and A. De Bock.

Summary termination: The employment of Executive Directors is terminable for 'cause' either immediately, or where the cause is curable, on five days' notice for each H. Dieltjens and A. De Bock (provided that they are not able to cure the cause for termination in this period) without payment or provision of any severance or additional benefits beyond salary and other accrued obligations until the termination date.

In the event of a termination for cause, there will be no entitlement to receive an ABP bonus or be granted an LTIP grant for the year of termination and all unvested deferred ABP bonus shares and LTIP grants will lapse.

Termination – severance payments: In the event of termination without 'cause', the Executive Directors will be entitled to the following payments:

In the case of H. Dieltjens, (i) payment and provision of salary and other accrued obligations up to the termination date; (ii) any unpaid ABP award in respect of the previous financial year; and (iii) payment of an amount equal to 100% of base salary, payable as a lump sum within six months of termination. H. Dieltjens will also be entitled to these payments in the event of the Company's non-renewal of his term of employment.

In the case of A. De Bock, (i) payment and provision of salary and other accrued obligations up to the termination date; (ii) any unpaid ABP award in respect of the previous financial year; and (iii) continuation of payment of an amount equal to his base salary payable in instalments over a 12-month period. A pro-rated payout of his CFO Buyout Awards based on his applicable time of service with his prior employer plus his time of employment with the Company would occur in the event of termination without 'cause'.

Termination – benefits: In the event that the Executive Director is terminated without 'cause', or in the case of H. Dieltjens in the event of the Company's non-renewal of his term of employment, health benefits will continue to be provided for 12 months,at the Company's cost, in the case of both H. Dieltjens and A. De Bock and their covered dependents.

Termination – treatment of ABP awards:

Good leaver reason

- Performance conditions will be measured at the bonus measurement date. Bonus payments will normally be prorated for the period worked during the financial year
- All subsisting deferred share awards will be released on the normal release date

Other

- No bonus payable for year of cessation
- Deferred shares that are subject to a holding period will lapse

Change of Control

- In the event of a Change of Control occurring during the Term of Employment, the employee shall be entitled to a pro rata bonus, paid in cash upon consummation of the Change of Control, provided that the employee is employed by the Company through the consummation of the Change of Control
- Deferred shares are released from restrictions at a Change of Control event

Discretion

The Committee has the following elements of discretion:

- to determine that an Executive Director is a good leaver – it is the Remuneration Committee's intention only to use this discretion in circumstances where there is an appropriate business case. The reasons for the use of discretion, if applied, will subsequently be disclosed to shareholders
- to determine whether to pro rate the bonus for the year of cessation for time – the Remuneration Committee's policy is that it will pro rate bonus for time unless otherwise stated in the Executive Director's employment contract or where circumstances exist that establish an appropriate business case not to pro rate for time. The reasons for the use of discretion, if applied, will subsequently be disclosed to shareholders
- to allow release of deferred shares at the end of the original deferral period or at the date of cessation – the Remuneration Committee will make this determination depending on the good leaver reason resulting in the cessation
- to determine whether to pro rate the maximum number of unreleased deferred shares based on the period from the date of grant to the date of cessation as a proportion of the full holding period – the Remuneration Committee's policy is that it will not pro rate deferred share awards for time in cases where the Executive Director is a good leaver. The reasons for the use of discretion, if applied, will subsequently be disclosed to shareholders

Malus and Clawback

- Malus and Clawback provisions apply to awards under the ABP

Termination treatment of LTIP:

Good leaver reason

- Prorated for time and performance in respect of each subsisting LTIP award, unless otherwise stated in the Executive Director's employment contract
- Awards will normally be released on the earlier of the end of the post-vesting holding period or the second anniversary of departure

Other

- Lapse of any unvested LTIP grants
- Vested LTIP grants would ordinarily continue to be subject to any applicable post-vesting holding period unless subject to Clawback
- In the event of a Change of Control occurring during the Term of Employment, the Executive Director shall be entitled to a pro rata annual LTIP grant, paid in cash upon consummation of the Change of Control, provided that the employee is employed by the Company through the consummation of the Change of Control

Directors'
Remuneration policy continued

Discretion

The Committee has the following elements of discretion:

- to determine that an Executive is a good leaver – it is the Remuneration Committee's intention only to use this discretion in circumstances where there is an appropriate business case, which will be explained in full to shareholders
- to measure performance over the original performance period or at the date of cessation – the Remuneration Committee will make this determination depending on the type of good leaver reason resulting in the cessation
- to determine whether to pro rate the maximum number of shares for the time period from the date of grant to the date of cessation – the Remuneration Committee's policy is that it will pro rate awards for time. It is the Remuneration Committee's intention only to use discretion to not pro rate in circumstances where there is an appropriate business case, which will be explained in full to shareholders
- to accelerate the post-vesting holding period in exceptional circumstances in which the Remuneration Committee feels the holding period is not warranted, for example termination due to ill health

Malus and Clawback

Malus and Clawback provisions apply to awards under the LTIP.

A 'good leaver reason' is defined as cessation in the following circumstances:

- death
- ill-health
- injury or disability
- redundancy
- retirement
- employing company ceasing to be a Group company
- 'good reason'
- in other circumstances set forth in the LTIP agreement
- transfer of employment to a company which is not a Group company
- any other circumstances at the discretion of the Committee (as described above), except for dishonesty, fraud, misconduct or any other circumstances justifying summary dismissal

Cessation of employment in circumstances other than those set out above is cessation for 'other' reasons. Circumstances constituting 'good reason' for an Executive Director in the service contracts include:

- a material diminution in their title, duties or responsibilities (including reporting responsibilities) or removal from the Board
- a material reduction in their annual basic salary, annual bonus opportunity or severance pay
- a failure of the Company to pay any compensation payable under the service contract when due
- a significant relocation of their principal place of employment
- TI Group Automotive Systems L.L.C.'s failure to fulfil certain obligations under the service agreement

Upon resignation for 'good reason', each Executive Director generally is entitled to the same payments and benefits as upon a termination without 'cause'.

In the event of termination for death or disability, the Executive Directors will be entitled to the following payments:

In the case of H. Dieltjens, (i) payment and provision of salary and other accrued obligations up to the termination date; and (ii) any unpaid ABP or LTIP grants in respect of previous financial years, as well as prorated awards for the year of termination if any death, disability or termination occurs during the calendar year.

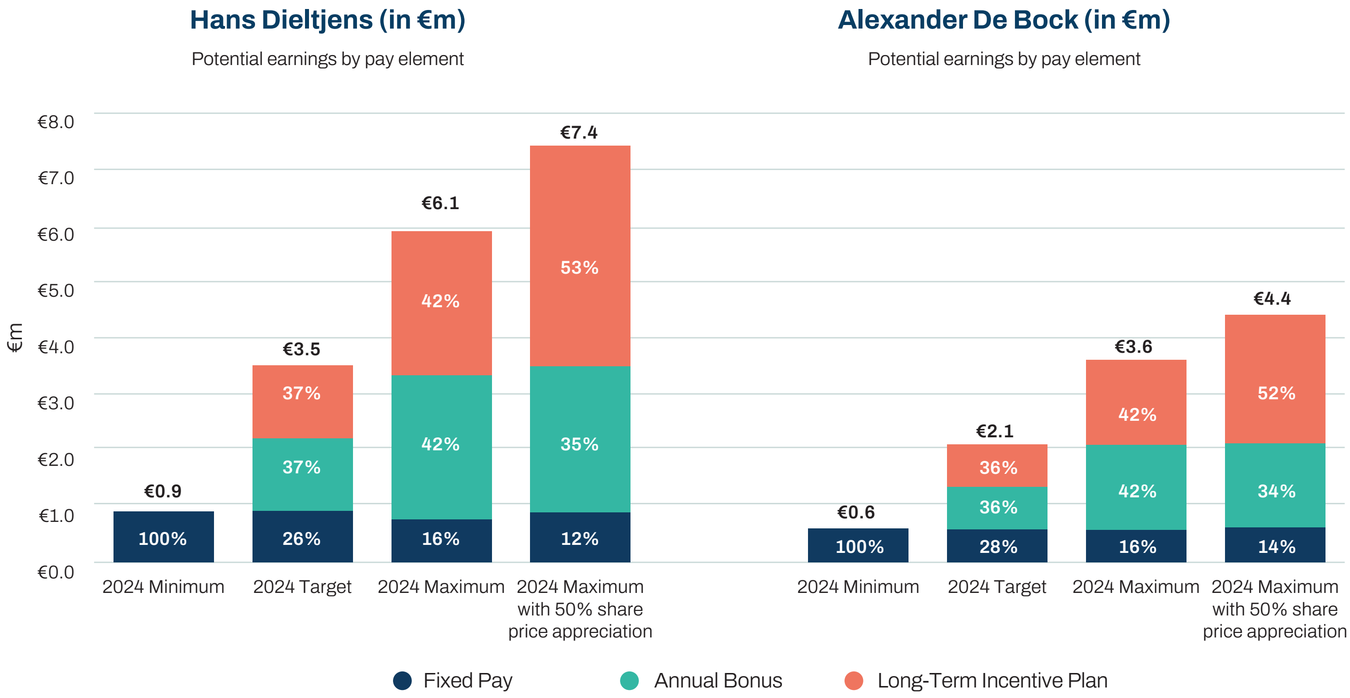
In the case of A. De Bock, (i) payment and provision of salary and other accrued obligations up to the termination date; (ii) any unpaid ABP or LTIP grants in respect of previous financial years; and (iii) a pro-rated payout of his CFO Buyout Awards based on his applicable time of service with his prior employer plus his time of employment with the Company.

Remuneration scenarios

The following charts illustrate Executive Directors' remuneration under four different performance scenarios:

- Minimum – basic salary, company matching US retirement savings contributions and benefits as set out in the Remuneration policy, no bonus and no vesting of the LTIP
- Target – basic salary, company matching US retirement savings contributions and benefits as set out in the Remuneration policy
  - a bonus at target of 150% of basic salary and LTIP vesting at target of 150% of basic salary for the CEO
  - a bonus at target of 137.5% of basic salary and LTIP vesting at target of 137.5% of basic salary for the CFO
- Maximum – basic salary, company matching US retirement savings contributions and benefits as set out in the Remuneration policy
  - a bonus at maximum of 300% of basic salary and LTIP vesting at maximum of 300% of basic salary for the CEO
  - a bonus at maximum of 275% of basic salary and LTIP vesting at maximum of 275% of basic salary for the CFO
- Maximum with 50% share price appreciation – indicative maximum remuneration, assuming LTIP vesting at maximum with share price appreciation of 50% on the LTIP during the performance period

In accordance with the regulations, share price growth has not been included, except where indicated. In the following scenarios, the potential value of the ABP is estimated for the current plan year. Any amount earned would be paid in the following year with any bonus earned over 100% of salary deferred into Company shares with a two-year holding period to apply. The deferral would only apply to an Executive Director who has not met the new higher shareholding guideline. The potential value of the Long-Term Incentive Plan is estimated for the current three-year performance period beginning in 2024. Any amount earned would be paid following the three-year performance period with a two-year holding period to apply.



Fixed pay consists of the 2024 annualised basic salary and estimated value of retirement contributions and benefits provided under the Remuneration policy, excluding any one-offs. Actual figures may vary in future years.

The value of the annual bonus is calculated on the annualised 2024 basic salary and assumes a constant share price for the value of any deferred element.

The value of the LTIP award is as proposed to be awarded in 2024 and does not include additional shares awarded in lieu of dividends that may have been accrued during the vesting period.

The basis of the calculation of the share price appreciation is that the share price in the calculation for the 'maximum' bar chart is assumed to increase by 50% across the performance period.

€1 = $1.10

Statement of conditions elsewhere in the Company

The Remuneration Committee considers pay and employment conditions across the Company when reviewing the remuneration of the Executive Directors and other senior employees. The Remuneration Committee considers the range of base pay increases across the Group. Whilst the Group does not directly consult with employees as part of the process of reviewing executive pay and formulating the Remuneration policy set out in this report, the Group does receive updates from the Executive Directors on their discussions and reviews with senior management and employees. In addition, employees are able to ask questions regarding remuneration and other business matters during routine all employee meetings.

Consideration of shareholder views

The Company welcomes dialogue with its shareholders, and the Remuneration Committee will consult with key shareholders prior to any significant changes to its Remuneration policy.

In 2023, the Group invited shareholders representing over 80% of outstanding shares to comment on, and participate in the development of, our 2024 Remuneration policy. The resulting engagement helped to form parts of the proposed Remuneration policy outlined.

Implementation of Remuneration policy

Remuneration in brief

The table below summarises the Director's Remuneration policy, the remuneration outcomes in respect of 2023, and the implementation of the policy.

<table>
<tr><th>Element and overview of policy</th><th>Outcomes in respect to 2023</th><th>Implementation for 2024</th></tr>
<tr>
<td>Base salary

Set at a level that is market competitive to attract and retain Executives, and at a level that reflects an individual's experience, role, competency, and performance.</td>
<td>When Hans Dieltjens was appointed as CEO on 1 October 2021, he volunteered to reduce his salary incrementally.

He did not receive an inflationary salary increase for 2023 as his full salary of €868k was restored with effect from 1 January 2023.

With the announcement that Ron Hundzinski intended to retire, he did not receive an inflationary salary increase in 2023.

The salary of our incoming CFO Alexander De Bock had been set at €545k.

Annualised salaries for 2023 were as follows:
<table>
<tr><th>Executive Director</th><th>2023 €000</th><th>Increase in salary</th></tr>
<tr><td>Hans Dieltjens</td><td>868</td><td>Nil</td></tr>
<tr><td>Alexander De Bock</td><td>545</td><td>n/a</td></tr>
<tr><td>Ron Hundzinski</td><td>590</td><td>Nil</td></tr>
</table>
€1 = $1.10</td>
<td>Considering the uncertainty of the economic environment, the Company will delay discretionary base pay increases to Executive Directors and the wider workforce.

The current intention is that at that time, an increase in annual base pay, which is in line with the range of increases to be awarded to the US workforce, would be implemented.</td>
</tr>
<tr>
<td>Benefits

Provide benefits packages in line with practices relative to the Company's wider workforce and the Company's comparator group in the country in which the Executive Director resides.</td>
<td>Access to health insurance, group term life insurance, vehicle, and perquisite allowance.</td>
<td>No significant change for 2024. Benefits remain in line with the Remuneration policy.</td>
</tr>
<tr>
<td>Pension

Normal matching defined contribution retirement savings plan.</td>
<td>Total matching contribution up to the 401k tax deferral limit, resulting in the Company matching contributions in respect to services as an Executive Director as follows:
<table>
<tr><th>Executive Director</th><th>Amount €000</th></tr>
<tr><td>Hans Dieltjens</td><td>14</td></tr>
<tr><td>Alexander De Bock</td><td>9</td></tr>
<tr><td>Ron Hundzinski</td><td>10</td></tr>
</table>
€1 = $1.10</td>
<td>No substantial changes for 2024.

Pensions remain in line with the Remuneration policy and in line with the wider workforce and other executives in the US, which are below typical pension provisions in Europe.</td>
</tr>
</table>

Element and overview of policy

Outcomes in respect to 2023

Implementation for 2024

Annual and Deferred Bonus Plan (ABP)

Annual incentive of up to 300% of base pay based on financial and strategic targets measured over a one-year period.

Until shareholding guidelines are met, the Committee may use its discretion to pay up to the first 100% of salary in cash, with any element above 100% of salary deferred into ordinary shares and subject to a holding period of two years.

Maximum opportunity for the CEO and CFO of 300% and 250% of base pay, respectively.

Following the end of the financial year, the Committee considered management's performance relative to the measures and targets set in the 2023 ABP. Management's performances in 2023 has been exemplary, earning payouts across all plan measures, whilst adding 191 bps of adjusted EBIT margin at budget rates over prior year. These results are anticipated to deliver significant value for shareholders.

Following this review, the Committee determined that Executive Directors would receive 2023 ABP awards of 89.3% of maximum.

Measure	Weight	Achievement
Adj. EBIT Margin	25%	22.9%
Adj. Free Cash Flow	25%	25.0%
BEV/PHEV Bookings China	20%	11.4%
BEV/PHEV Bookings Rest of World	30%	30.0%
Total	100%	89.3%

With the announcement that Ron Hundzinski intended to retire, he was not eligible for the ABP in 2023.

Further details are provided on page 110.

Maximum opportunity for the CEO and CFO of 300% and 275% of base pay, respectively.

Resulting from our shareholder engagement, a greater priority on an ABP profit measure is preferred, thus, going forward, a minimum of 60% weighting of the ABP will be based on financial measures.

The Company's Strategic Initiative in 2024 again relates to the achievement of new business wins in customer BEV and PHEV-related platforms, which continue to set the foundation for long-term success as the automotive industry continues its transformation.

The table below summarises the measures and weightings of the Company's ABP in 2024:

Measure	Weight
Adj. EBIT Margin	40%
Adj. Free Cash Flow	25%
BEV/PHEV Bookings	35%
Total	100%

Long-Term Incentive Plan (LTIP)

Annual conditional share grant of up to 300% of base pay. Vesting is subject to performance conditions measured over a three-year period. Awards are subject to a post-vesting holding period of two years.

In 2023, a grant of conditional shares was made to the Executive Directors as follows:

Executive Director	Position	% of salary(1)
Hans Dieltjens	CEO	300%
Alexander De Bock	CFO	250%

(1) To mitigate the risk of 'windfall gains' the number of shares granted was determined using a higher share price of £1.20, which effectively reduced the number of shares granted by circa 13%.

The Committee and Mr Dieltjens agreed to remove the outperformance element of the LTIP valued at up to 100% of salary in light of UK remuneration sensitivity, and this feature has been permanently removed in the 2024 Remuneration policy.

With the announcement that Ron Hundzinski intended to retire, he did not receive a LTIP Award in 2023.

The performance measures for the 2023 LTIP are as follows:

Measure	Weight
Adj. Return on Capital Employed	50%
Sustainability: ISS Social Score(1)	10%
Sustainability: CO$_2$(e) Emission(2)	15%
Relative TSR Rank vs auto peers(3)	25%
Total	100%

(1) Sustainability Social performance will be measured against relative improvement on Social 'S' scoring as measured by ISS against their Social score benchmark.

(2) CO$_2$ equivalent emission in line with the 1.5°C global warming climate ambition.

(3) Relative TSR Rank will be measured against automotive peers described on page 112.

In 2024, the Committee intends to make conditional share grants of 300% and 275% of salary for both the CEO and new CFO, respectively.

Under the terms of the new policy, there will be no outperformance opportunity.

Performance measures for the 2024 LTIP are intended to be:

Measure	Weight
Adj. Return on Capital Employed	50%
Sustainability: CO$_2$(e) Emission(1)	25%
Cumulative Adjusted Earnings per Share(2)	25%
Total	100%

(1) CO$_2$ equivalent emission in line with the 1.5°C global warming climate ambition.

(2) Cumulative Adjusted Earnings per Share will be measured as described on page 116.

Shareholding guidelines

Executive Directors are required to build up and hold a shareholding equal to 500% of base and 400% of base for the CEO and CFO, respectively.

The following table outlines the shareholding levels of Executive Directors as of 31 December 2023:

Executive Director	Ownership guideline(1)	Shares owned(1)
Hans Dieltjens	500%	263%
Alexander De Bock	400%	–

(1) % of salary.

Shareholding guidelines will apply in accordance with the Remuneration policy.

The full Remuneration policy, approved on 13 May 2021 at the 2021 Annual General Meeting, can be found in the 2020 Annual Report on our website at www.tifluidsystems.com in the Investor Relations section, under Reports and Presentations.

Annual report on remuneration

UK Corporate Governance Code and shareholder consultation

During the review of the Remuneration policy, the Remuneration Committee considered a wide range of factors, including the views of guidance from UK proxy bodies and institutional shareholders and the provisions of the UK Corporate Governance Code. The following table summarises how the Remuneration policy, and its operation, addresses the factors set out in the UK Corporate Governance.

Factor	Details
Clarity	The Remuneration Committee is mindful of operating a Remuneration policy that is transparent and clear for both shareholders and participants.
Simplicity	We operate a standard UK incentive structure that is appropriately aligned to our strategy, and which has been designed to avoid complexity.
Risk	Performance measures and targets are aligned with the Group's strategy with appropriate regard to the risk appetite of the Group. In addition, our policy has a number of features to mitigate excessive risk-taking, including LTIP holding periods, recovery provisions, and significant shareholding guidelines, which extend post-departure.
Predictability	Our Remuneration policy provides four illustrations of the application of the policy. Payments are directly aligned to the performance of the Group and the Executive Directors.
Proportionality	Targets under the ABP and LTIP reflect the Group's strategic priorities and have been set at an appropriate level so that full payout requires exceptional performance.
Alignment to culture	The Remuneration policy has been designed to support a high-performance culture with an appropriate reward for superior performance.

In addition to considering the expectations of the UK Corporate Governance Code, the Committee took into account shareholder feedback and developments in market practice when making decisions in respect of executive remuneration for 2023 and 2024.

Executive Directors' and Non-Executive Directors' contracts

The Executive Directors of the Company are employed through service contracts executed through the Company's wholly owned subsidiary TI Group Automotive Systems LLC. Hans Dieltjens' contract is dated 16 February 2021 and came into effect as an Executive Director upon his ascension to Chief Executive Officer on 1 October 2021 and remains in effect until 1 March 2026. Alexander De Bock has a service contract dated 28 October 2022, which came into effect when he joined as Chief Financial Officer in April 2023 and remains in effect for an indefinite period of time. All Executive Directors' contracts are maintained at the U.S. Corporate Offices.

The Non-Executive Directors of the Company do not have service contracts but are appointed by letter of appointment. Each Non-Executive Director's term of office runs for an initial period of three years unless terminated earlier upon written notice or upon their resignation. The terms of the Non-Executive Directors' appointments are subject to their re-election by the Company's shareholders at the Annual General Meeting scheduled to be held on 14 May 2024 and to re-election at any subsequent Annual General Meeting at which the Non-Executive Directors stand for re-election.

The date of appointment of each of the Directors is set out below:

	Appointment date	Unexpired term(1)
Executive Directors		
Hans Dieltjens	1 October 2021	6 months(2)
Alexander De Bock	6 April 2023	6 months(2)
Non-Executive Directors		
Tim Cobbold	4 November 2019	19 months
Julie Baddeley	3 August 2021	3 months
Susan Levine	11 December 2019	At will, per Bain Relationship Agreement
Jane Lodge	6 June 2022	14 months
Elaine Sarsynski	14 August 2018	4 months
Trudy Schoolenberg	5 September 2022	18 months
John Smith	24 October 2017	30 months
Stephen Thomas	22 January 2015	At will, per Bain Relationship Agreement

(1) Subject to election or re-election by shareholders at the upcoming Annual General Meeting and any subsequent Annual General Meeting.

(2) Each Executive Director has a six-month termination notice provision under their service agreement.

Directors' remunerations (audited results)/single figure table

The table below sets out a single total figure for the remuneration received by each Executive and Non-Executive Director (apportioned for time in office) for the years ended 31 December 2023 and 31 December 2022:

Executive Directors

	Basic salary(1)		Taxable benefits(1),(2)		Annual bonus(1),(3)		LTIP(1),(4)		Pension(1)		Other(1),(5)		Total(1)		Fixed pay(1)		Variable pay(1)	
€000	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Hans Dieltjens(6)	**868**	819	**37**	35	**2,326**	1,229	**189**	489	**14**	12	**–**	–	**3,434**	2,584	**919**	866	**2,515**	1,718
Alexander De Bock(6), (7)	**402**	–	**239**	–	**898**	–	**–**	–	**9**	–	**948**	–	**2,496**	–	**650**	–	**1,846**	–
Ron Hundzinski(6)(7)	**172**	586	**20**	55	**–**	737	**120**	824	**10**	12	**–**	273	**322**	2,487	**202**	653	**120**	1,834

Non-Executive Directors

	Fees(1)		Taxable benefits		Annual bonus		LTIP		Pension		Other		Total(1)		Fixed pay(1)		Variable pay	
€000	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Tim Cobbold(8)	**397**	296	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**397**	296	**397**	296	**–**	–
Trudy Schoolenberg(9)	**150**	48	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**150**	48	**150**	48	**–**	–
John Smith	**121**	117	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**121**	117	**121**	117	**–**	–
Elaine Sarsynski(10)	**121**	117	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**121**	117	**121**	117	**–**	–
Julie Baddeley	**121**	117	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**121**	117	**121**	117	**–**	–
Jane Lodge(11)	**121**	68	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**121**	68	**121**	68	**–**	–
Susan Levine(12)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Stephen Thomas(12)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–

(1) Figures in the table above are in respect to services for the time as an Executive Director or Non-Executive Director in 2023 and converted at the following exchange rates: €1 = $1.10 and €1 = £0.87, except as otherwise noted.

(2) Taxable benefits include perquisite allowance, car allowance, life insurance, health care coverage, and tax assistance in accordance with the Remuneration policy. Taxable benefits for A De Bock also include relocation, temporary living, and related expenses (€209k) to support his move from Switzerland to the US.

(3) Awards in respect of 2023 will consist of a cash payment of 100% of base salary with the remainder of the bonus deferred into an award of shares, 168% of base salary for H Dieltjens and 123% of base salary for A De Bock to be held for two years with no further conditions. Additional detail can be found on page 110. In respect of the bonus paid in 2022, the total deferred into shares for Dieltjens was 50% of base salary and 25% of base salary for Hundzinski.

(4) The value of the LTIP for 2023, which had a three-year performance period ending 31 December 2023, is estimated as the number of shares earned (117,089 for H Dieltjens and 74,130 for R Hundzinski) multiplied by an illustrative share price of £1.33, based on the average share price over the final quarter of the 2023 financial year. The value in the LTIP column for 2023 also includes payment of dividend equivalents for H Dieltjens (€9k) and R Hundzinski (€6k). The values in the LTIP column for 2023 will be re-stated in next year's Single Figure Table to reflect the share price on the date of vesting (12 March 2024).

The value of the LTIP for 2022, which had a three-year performance period ending 31 December 2021, has been re-stated in this year's Single Figure Table using the share price on the date of vesting (16 March 2023) of £1.01 at the following exchange rates: €1 = $1.10 and €1 = £0.87. The value in the LTIP column for 2022 also includes payment of dividend equivalents for H Dieltjens (€43k) and R Hundzinski (€72k).

(5) On joining the Group, in line with the Remuneration policy, A De Bock received a like for like buyout payment to compensate him for forfeited incentives awarded to him by his former employer. A cash payment of CHF 616,830 (€628k) was paid in September 2023. To compensate him for the pro-rated portion of his lost 2023 annual bonus opportunity from his former employer, he will receive a cash payment of €320k in respect of the period prior to joining TI Fluid Systems. This represents 89.3% of the maximum opportunity calculated in accordance with the TI Fluid Systems annual bonus as shown on page 110.

The value in the Other column for 2022 for R Hundzinski includes a payment of the final buyout award (€273k) to compensate him for forfeited incentives awarded to him by his former employer on joining the Group, in line with the Remuneration policy.

(6) The Company has advanced and paid directly PAYE obligations to HMRC in respect to tax equalisation for duplicative tax. These are shown net of repayments made to the company by H Dieltjens, R Hundzinski, and A De Bock in respect of prior year foreign tax credits claimed. The net amounts of PAYE paid or refunded in 2023 were (€1 /£0.86) €26,043 paid for CEO H Dieltjens, €18,775 refunded for former CFO R Hundzinski up to leaving the business, and €14,961 for A De Bock from appointment as CFO in April 2023. These amounts will be reimbursed to the Company by HMRC directly or by the Executive Director to the extent foreign tax credits used in their local tax filings provide a benefit over and above their normal local tax obligations.

(7) As announced on 6 April 2023, A De Bock was appointed the Group's new CFO, replacing R Hundzinski. The remuneration shown in the table above is in respect of their services for their time as an Executive Director.

(8) As announced on 25 January 2022, Tim Cobbold was appointed Chair of the Board effective 18 May 2022 following the AGM, succeeding Manfred Wennemer who stepped down from the Board effective 18 May 2022.

(9) As announced on 6 September 2022, Trudy Schoolenberg was appointed as Senior Independent Director, joining the Company on 5 September 2022.

(10) As announced on 24 March 2022, Elaine Sarsynski was appointed an Independent Non-Executive Director, joining the Company on 23 March 2022.

(11) As announced on 7 June 2022, Jane Lodge was appointed an Independent Non-Executive Director, joining the Company on 6 June 2022.

(12) Susan Levine and Stephen Thomas are nominees of the Bain Shareholder, Bain Capital Fund XI, LP and its affiliates, and RGIP, LP and elected by our shareholders. They are not remunerated and receive no payment from the Company with respect to their qualifying services as Non-Executive Directors.

Compensation attributed to share price growth (audited)

For the purposes of the Single Figure Table, the 2021 LTIP award has been valued using the average share price over the final quarter of the 2023 financial year (£1.33). This price is lower than the price used to determine the number of shares at grant and, therefore, none of the amount in the table is attributable to share price appreciation.

Annual report
on remuneration continued

Executive Director remuneration detail

Base salary (audited)

Base salaries are typically reviewed and eligible for adjustments once per year. Hans Dieltjens was appointed as CEO on 1 October 2021, at which time his base salary was originally set at €868k, which was 16% lower than his predecessor. Considering the economic environment at that time, Mr Dieltjens agreed to discount his salary by 11% (€773k annualised) for 2021 and by 5.7% (€819k annualised) for 2022. He did not receive an inflationary salary increase for 2023 as his full salary of €868k was restored with effect from 1 January 2023.

With the announcement that Ron Hundzinski intended to retire, he did not receive an inflationary salary increase in 2023. The annualised salary of our incoming CFO Alexander De Bock was set at €545k.

The table below outlines Executive Director annualised base salaries:

Executive Director	2023 €000	2022 €000	Increase in salary
Hans Dieltjens	**868**	Discounted to 819	Nil
Ronald Hundzinski	**590**	590	Nil
Alexander De Bock	**545**	–	n/a

€1 = $1.10

Pension (audited)

Executive Directors have a nominal matching defined contribution retirement savings plan consistent with the retirement savings plan offered in the United States. For 2023, the total matching contribution resulted in contributions of €13,500 for Mr Dieltjens, €9,874 for Mr Hundzinski and €9,435 for Mr De Bock.

€1 = $1.10

Annual Bonus for 2023 performance (audited)

In 2023, unexpected and significant inflation pressures added to the Company's operating challenges. The Company was, again, challenged by customers modifying supply demands, frequently causing misalignment with inventories and production needs. However, the management team have successfully navigated the Company through these challenges to deliver robust financial results, achieving 7.5% of Adjusted EBIT Margin and €142m of Adjusted Free Cash Flow at budget rates.

In addition, the Company achieved over €1.8 billion of lifetime sales bookings related to BEV/PHEV products, such as coolant or heat pump components relevant to electric vehicle platforms, which fully aligns with our Company's Taking-the-Turn strategy. This strong booking performance remains the key to the long-term success of the business and delivering value to shareholders.

The exceptional performance in delivering Adjusted EBIT Margin, Adjusted Free Cash Flow, and BEV/PHEV bookings resulted in an overall 2023 ABP achievement level of 89.3% of maximum. The table below outlines the 2023 ABP measures and performance outcomes:

Measure	Weighting	Threshold 30% of maximum	Target 50% of maximum	Maximum 100%	Actual performance(1)	Achievement
Adjusted EBIT Margin	25%	6.0%	6.5%	7.7%	7.5%	22.9%
Adjusted Free Cash Flow	25%	€90m	€100m	€130m	€142m	25.0%
BEV/PHEV Bookings China	20%	€500m	€600m	€800m	€628m	11.4%
BEV/PHEV Bookings Rest of World	30%	€900m	€1.1b	€1.2b	€1.2b	30.0%
Total Achievement of Maximum						89.3%

(1) Actual performance calculated using budget exchange rates consistent with exchange rates used in setting targets.

The following table outlines the Executive Directors' 2023 ABP awards:

	2023 Annual Bonus Awards				
Executive Director	% Achievement of maximum	Total Award €000	Shareholding requirement met	Value paid in cash €000	Value deferred in shares €000
Hans Dieltjens	89.3%	2,326	No	868	1,458
Alexander De Bock (1)	89.3%	898	No	402	496

(1) The bonus opportunity for Alexander De Bock has been pro-rated to reflect his start date of 6 April 2023.

€1 = $1.10

LTIP Grants in 2023 and awards granted during the year (audited)

The current Remuneration policy provides for Long-Term Conditional Share Grants of 300% of base salary, with the potential to increase to 400% of base salary with outperformance.

In 2023, LTIP awards were made at 300% and 250% of salary for Hans Dieltjens and Alexander De Bock respectively. However, mindful of the suppressed share price and in order to mitigate the risk of 'windfall gains', the Committee applied discretion to use a higher share price of £1.20 to determine the number of shares granted. As this price was higher than the prevailing price, the number of shares granted was effectively reduced by circa 15%. LTIP grants did not include the outperformance feature. With the announcement that Ron Hundzinski intended to retire, he did not receive a LTIP Award in 2023. The Committee also applied discretion to scale back LTIP grants in 2023 to mitigate the risk of windfall gains in the future. The following table sets out the performance conditions, which will be assessed over a three-year performance period (2023 to 2025):

	Number of conditional share units granted (% of base salary)				
Measure	Weight	Threshold(1)	Maximum	H Dieltjens	A De Bock
Adjusted Return on Capital Employed	50%	14%	20%	1,006,937 (150% of base)	527,159 (125% of base)
Sustainability: ISS Social Score	10%	3	2	201,387 (30% of base)	105,432 (25% of base)
Sustainability: CO_2(e) emission improvement (in tonnes)	15%	670,913	645,105	302,081 (45% of base)	158,148 (38% of base)
Relative TSR ranks vs auto peer group	25%	50th Percentile	75th Percentile	503,469 (75% of base)	263,579 (63% of base)
Total shares awarded				2,013,874 (300% of base)	1,054,318 (250% of base)
Face value at grant (000)(2)				€2,604	€1,363

(1) Threshold vests at 25% of maximum.

(2) The face value of each award is reflected at 300% and 250% of annualised salary for H Dieltjens (€868k) and A De Bock (€545k) respectively.

In line with the Remuneration policy, vesting will occur on a straight-line basis from threshold to maximum, and a holding period of two years will apply post vesting, subject to a two-year hold maximum post-termination.

2021 LTIP vesting (audited)

The Company's 2021 Plan concluded in 2023. The majority of the plan was subject to the achievement of Adjusted Cumulative Free Cash Flow targets with the remainder subject to relative TSR and ESG targets. Unfortunately, due to the general market dynamics related to post-COVID-19 supplier shortages, and automotive industry production volumes during the performance period, Management were not able to generate the €500 million threshold of free cash flow in the three-year period and the Company's TSR results were also not achieved leading to zero vesting for these measures. As a result of various initiatives throughout the period, Management was able to achieve the maximum performance level in improving their ISS Environmental and Social score.

As a result, 20% of the award to the Executive Directors and other members of the senior management team vested. The Committee considered that this level of vesting was appropriate.

The table below outlines the vesting outcomes of the Company's 2021 LTIP:

Measure	Weight	Threshold	Maximum	Achievement
Basic LTIP				
Adjusted Cumulative Free Cash Flow	60%	€500m Vests 20% of maximum	€620m Vests 100% of maximum	Below €500m No vesting
Relative TSR Rank vs FTSE 250	20%	50th percentile Vests 25% of maximum	75th percentile Vests 100% of maximum	Below 50th percentile No Vesting
Improvement in average of ISS environmental and social quality scores	20%	10% Vests 25% of maximum	20% Vests 100% of maximum	43% Vests 100% of maximum
Outperformance Plan(1)				
Adjusted Cumulative Free Cash Flow	100%	n/a	€675m	Below €500m No vesting
Total Achievement of Maximum				20% of maximum

Final overall performance is measured using the management performance exchange rates of the plan year in which the targets were set.

(1) Not applicable to the current Executive Directors.

Payments to past Directors (audited)

During the year, the Company has not made any payments to past Directors that have not been previously disclosed in prior Annual Reports.

Payments for loss of office (audited)

During the year, the Company has not made any payments to any Directors for loss of office.

Annual report on remuneration continued

Statement of Directors' shareholdings and share interests (audited)

Interests of the Executive and Non-Executive Directors in the share capital of the Company as of 31 December 2023 are shown in the table below:

	Current shareholding[1]	Beneficially owned	Deferred shares not subject to performance conditions	LTIP interests subject to performance conditions	Options vested but not exercised	Options unvested	Shareholding requirements as a % of base salary	Shareholding requirement met?[2]
Executive Directors								
Hans Dieltjens	1,491,830	1,327,574	164,256	3,632,576	–	–	500%	No
Alexander De Bock	–	–	–	1,054,318	–	–	400%	No
Ron Hundzinski	659,318	613,782	45,536	691,750	–	–	400%	No
Non-Executive Directors								
Tim Cobbold	–	–	–	–	–	–	N/A	N/A
Julie Baddeley	–	–	–	–	–	–	N/A	N/A
Susan Levine[3]	–	–	–	–	–	–	N/A	N/A
Jane Lodge	–	–	–	–	–	–	N/A	N/A
Elaine Sarsynski	–	–	–	–	–	–	N/A	N/A
Trudy Schoolenberg	–	–	–	–	–	–	N/A	N/A
John Smith[4]	156,316	156,316	–	–	–	–	N/A	N/A
Stephen Thomas[3]	–	–	–	–	–	–	N/A	N/A

(1) Current shareholding includes deferred bonus shares. No share movement between year-end and the date of publication.

(2) Shareholding requirement measured by multiplying the current shareholding amount on 31 December 2023 by an illustrative share price of £1.33, based on the average share price over the final quarter of the 2023 financial year, then dividing by the annualised base salary on 31 December.

(3) Susan Levine and Stephen Thomas are nominees of the Bain Shareholder, Bain Capital Fund XI, LP and its affiliates, and RGIP, LP and elected by our shareholders. They are not remunerated and receive no payment from the Company with respect to their qualifying services as Non-Executive Directors.

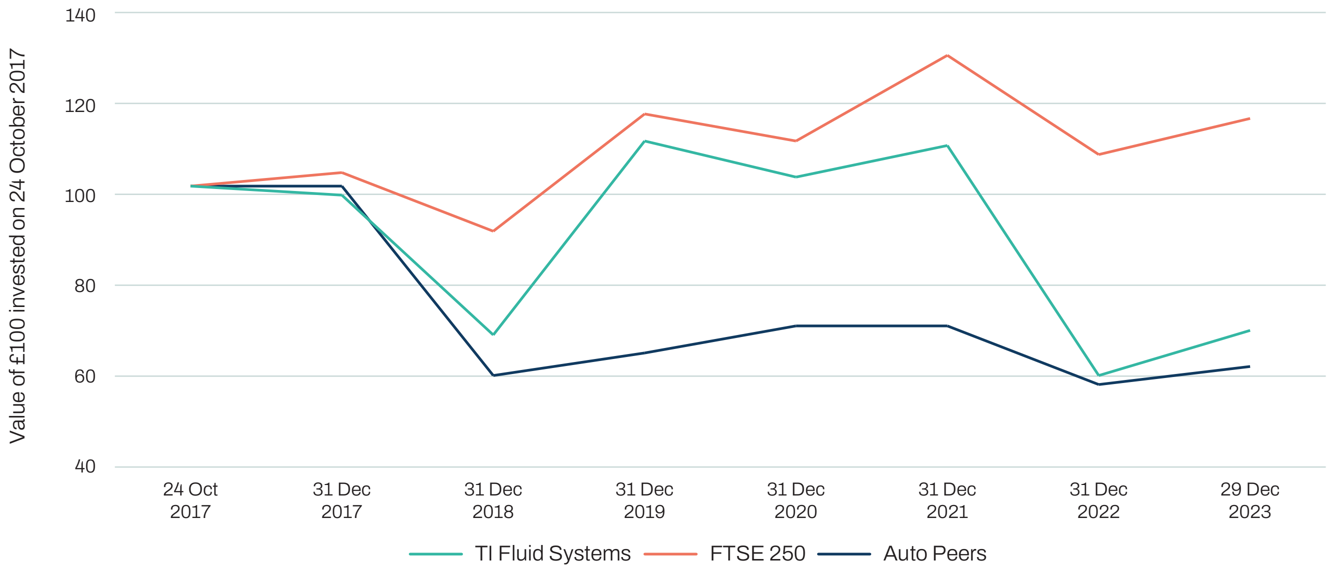
(4) Includes whole shares only; excludes fractional interests in 0.90889 ordinary shares held by a nominee on John Smith's behalf that were acquired under the Company's dividend reinvestment programme.

Total Shareholder Return

The chart below shows the Company's Total Shareholder Return (TSR) relative to the FTSE 250 Index, as well as a set of automotive peers. The FTSE 250 Index was chosen as we are a constituent of the FTSE 250. In addition, we have shown the performance for the following set of automotive peers to provide a relevant sector comparison.

Adient plc	Continental AG	Lear Corporation
American Axle & Manufacturing Holdings, Inc.	Cooper-Standard Holdings Inc.	NORMA Group SE
Autoliv Inc.	Dana Incorporated	Schaeffler AG
BorgWarner Inc.	ElringKlinger AG	Valeo SA
Brembo S.p.A.		

The chart shows the total return to investors since the Company listed on the London Stock Exchange on 24 October 2017.



Historical CEO payouts

The following table sets out details of the CEO's single figure and incentive payouts for the last seven financial years (apportioned for time in office):

Year	CEO	CEO single figure of total remuneration €000	Annual bonus award (% of maximum)	Long-Term Incentive vesting (% of maximum)
2023	**Hans Dieltjens**	**3,434**	**89.3%**	**20.0%**
2022	Hans Dieltjens	2,584	50.0%	80.0%
2021	Hans Dieltjens	452	37.4%	13.4%
2021	William Kozyra	2,334	37.4%	13.4%
2020	William Kozyra	3,571	75.0%	–
2019	William Kozyra	2,963	60.0%	–
2018	William Kozyra	2,897	60.0%	–
2017	William Kozyra	9,122	N/A	N/A

See notes under single figure table.

Mr Kozyra was CEO until 1 October 2021, at which time Hans Dieltjens became CEO.

Pay ratio data

The following table sets out pay ratio data in respect of the CEO's total remuneration compared to the 25th percentile, median and 75th percentile of UK employees.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	**Option A**	**107:1**	**86:1**	**48:1**
2022	Option A	97:1	78:1	44:1
2021	Option A	95:1	69:1	40:1
2020	Option A	145:1	84:1	54:1
2019	Option A	93:1	77:1	47:1

Employee	2023 single figure remuneration €000	Salary component €000
Chief Executive Officer	**3,434**	868
UK employee at 25th percentile	**32**	24
UK employee at median	**40**	37
UK employee at 75th percentile	**72**	52

€1 = $1.10 = £0.87

Supporting information for reporting

The Regulations provide flexibility to adopt one of three methods of calculation and we have chosen Option A to calculate the CEO Pay Ratio as it is the most statistically accurate manner to calculate the ratios and the recommended approach. Employees included in the pay ratio calculation were active employees on 31 December 2023. The total pay and benefits of employees identified at the 25th, 50th, and 75th percentiles were used to calculate the pay ratios to be consistent with the calculation of the CEO's remuneration for the purposes of the Single Total Figure of Remuneration (STFR), found on page 109. Total pay and benefits for the UK comparison employees include base salary, bonus, pension benefits, taxable benefits, and any share-based remuneration. Total pay and benefits were annualised to convert to full-time equivalent employee pay and benefits.

Annual report on remuneration continued

Factors influencing our CEO pay ratio

Our CEO pay ratio data compares the CEO's remuneration to selected UK employees, as required by the regulations. Our UK workforce represents approximately 1% of our total employee population and is largely made up of production-related employees in the manufacturing industry. These employees have different eligibility to variable incentives than our US-based CEO. Taking this into account, the Committee considers that the CEO pay ratios are appropriately aligned with our remuneration principles and are consistent with the relative roles and responsibilities. A significant proportion of the CEO's remuneration is delivered in variable pay, in line with our remuneration structure supporting our high-performance culture with an appropriate reward for superior performance. As a result, the pay ratios are likely to fluctuate in line with performance, depending on the outcome of incentive plans each year.

Year-on-year comparisons reflect the increase in performance-related pay outcomes in 2023 compared to 2022, which form a larger portion of CEO pay. In prior years, any differences in year-on-year pay ratio were again due to differences in performance-related pay.

Whilst the Company complies with all UK remuneration structure standards, we believe it is difficult to deduce relevant comparative information from this pay ratio calculation, as we compare a US-based CEO against UK-based employees as required by the Companies Act 2006.

Percentage change in the remuneration of the Directors compared with employees

2022 to 2023	Avg. Employee(1)	Hans Dieltjens(2)	Alexander De Bock(2)	Ron Hundzinski(3)	Tim Cobbold	Trudy Schoolenberg	John Smith	Elaine Sarsynski	Julie Baddeley	Jane Lodge	Stephen Thomas(4)	Susan Levine(4)
Salary/Fees(5)	11.5%	–	N/A	N/A	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	–	–
Bonus(6)	78.6%	78.6%	N/A	N/A	–	–	–	–	–	–	–	–
Benefits(7)	–	–	N/A	N/A	–	–	–	–	–	–	–	–

2021 to 2022	Avg. Employee(1)	Hans Dieltjens(2)	Alexander De Bock(2)	Ron Hundzinski(3)	Tim Cobbold	Trudy Schoolenberg	John Smith	Elaine Sarsynski	Julie Baddeley	Jane Lodge	Stephen Thomas(4)	Susan Levine(4)
Salary/Fees(5)	9.3%	–	N/A	3.0%	3.0%	N/A	3.0%	3.0%	3.0%	N/A	–	–
Bonus(6)	33.7%	33.7%	N/A	33.7%	–	N/A	–	–	–	N/A	–	–
Benefits(7)	–	–	N/A	–	–	N/A	–	–	–	N/A	–	–

2020 to 2021	Avg. Employee(1)	Hans Dieltjens(2)	Alexander De Bock(2)	Ron Hundzinski(3)	Tim Cobbold	Trudy Schoolenberg	John Smith	Elaine Sarsynski	Julie Baddeley	Jane Lodge	Stephen Thomas(4)	Susan Levine(4)
Salary/Fees(5)	4.0%	N/A	N/A	5.0%	–	N/A	–	–	N/A	N/A	–	–
Bonus(6)	(62.6)%	N/A	N/A	(57.3)%	–	N/A	–	–	N/A	N/A	–	–
Benefits(7)	–	N/A	N/A	–	–	N/A	–	–	N/A	N/A	–	–

2019 to 2020	Avg. Employee(1)	Hans Dieltjens(2)	Alexander De Bock(2)	Ron Hundzinski(3)	Tim Cobbold	Trudy Schoolenberg	John Smith	Elaine Sarsynski	Julie Baddeley	Jane Lodge	Stephen Thomas(4)	Susan Levine(4)
Salary/Fees(5)	5.2%	N/A	N/A	N/A	(4.2)%	N/A	(4.2)%	(4.2)%	N/A	N/A	–	–
Bonus(6)	66.7%	N/A	N/A	N/A	–	N/A	–	–	N/A	N/A	–	–
Benefits(7)	–	N/A	N/A	N/A	–	N/A	–	–	N/A	N/A	–	–

(1) Theoretical assumptions for 'average employee' were made as there are no employees of the PLC entity for comparison purposes.

(2) As announced on 21 September 2021, Hans Dieltjens was appointed the Group's new CEO effective 1 October 2021. In 2021, Mr Dieltjens had volunteered that his salary would be discounted 11.0% relative to his full salary. In 2022, he had volunteered that his salary would be discounted 5.7% relative to his full salary. The discounting of salary previous volunteered by Mr Dieltjens will end in 2023 and be returned to his full salary level. No inflationary increases were provided during these periods. Additional details can be found in the Base salary section on page 110.

(3) As announced on 2 November 2022, and again on 6 April 2023, Alexander De Bock was appointed the Group's new CFO, effective 6 April 2023 replacing Ron Hundzinski.

(4) Stephen Thomas and Susan Levine are nominees of the Bain Shareholder, Bain Capital Fund XI, LP and its affiliates, and RGIP, LP and elected by our shareholders. They are not remunerated and receive no payment from the Company with respect to their qualifying services as Non-Executive Directors.

(5) The percentage change calculation is based on the year over year change in annualised salary/fees.

(6) Annual bonus comparator group is all ABP eligible employees. The percentage change in the average employee's bonus and that of the Executive Directors has been calculated based on the change in the payout as a percentage of maximum for each year. Note that the figure for 2019 to 2020 was calculated using an alternative approach and has been updated for consistency.

(7) There were no material changes to the benefit programmes provided to the average employee, or that of the Executive Directors. Note that the figures presented in prior reports were calculated using an alternative approach and have been updated for consistency.

As there are no employees in the TI Fluid Systems plc parent entity to be used as the 'average employee' for comparison, our voluntary disclosure is based on the following assumptions. Base salary comparator group is all employees globally. Annual bonus comparator group is all ABP eligible employees. The percentage change in annual bonus is based on the best available estimates at the time of publication. During 2023, the Company engaged with employees through all employee meetings, during which employees were able to comment and provide feedback on our approach to pay practices. Furthermore, at local levels, ongoing discussions are held with representatives of employees (i.e. Works Councils and Unions) on a variety of matters, including pay.

Relative importance of spend on pay

The table below sets out the relative importance of spend on pay in the 2023 and 2022 financial periods. All figures provided are taken from the relevant Company's accounts.

	Disbursements from profits in financial year €m		
	2023	2022	% change from the prior year
Profit distribution by way of dividend	**19.8**	12.6	57.1%
Overall spend on pay including Executive Directors	**850.4**	801.6	6.1%

Implementation of remuneration policy for Executive Directors in 2024

The following section summarises how remuneration arrangements will be operated from 1 January 2024 onwards.

Base salary

As outlined earlier in this report, the Company has elected to delay discretionary base pay increases to Executive Directors and the wider workforce considering the uncertainty of the economic environment. Until then the Executive Directors' salaries will be unchanged at €868k for Hans Dieltjens and €545k for Alexander De Bock. The current intention is that any increases for Executive Directors would be aligned with the range of increases to be awarded to the US workforce.

The table below sets out the annualised base salary of the Chief Executive Officer and Chief Financial Officer in 2024 and the comparison with the annual salary received in 2023.

Executive Director	2024 €000	2023 €000	Increase in base salary
Hans Dieltjens	**TBD**	€868	TBD
Alexander De Bock	**TBD**	€545	TBD

€1 = $1.10

Benefits and pension

No significant changes in benefit and pension schemes. Please refer to the Remuneration policy for details.

Annual bonus plan (ABP)

The maximum opportunity for the year ending 31 December 2024 for the CEO and new CFO will be 300% and 275% of salary, respectively.

Consistent with the Remuneration policy, if the Executive Director has not achieved the shareholding guideline, any awards under the ABP will consist of a cash payment of up to 100% of base salary with the remainder of the bonus (if any) deferred into an award of shares to be held for two years, which will also be subject to malus and clawback provisions as detailed in the policy.

As part of their annual review the Committee has reviewed the ABP framework to ensure that it continues to appropriately align management to creating long-term shareholder value through the achievement of short-term goals. Following this review, and taking into account current market sentiment and shareholder feedback received during the consultation process, the Committee is making two changes to the ABP performance measures, electing to use the following overall framework for the 2024 ABP:

- To reflect shareholder sentiment, the financial measure weighting has been increased to 65% for 2024. Of the opportunity, 40% will be measured by Adjusted EBIT margin and 25% measure by Adjusted Free Cash Flow
- Achieving new business wins in BEV/PHEV continues to be fundamental to the Company's future success and, therefore, the remaining 35% of the opportunity will continue to be based on the BEV/PHEV bookings for 2024, a decrease from 50% from the prior year recognising market sentiment on slowing BEV/PHEV adoption rate. In addition, the measure will no longer consider China bookings separately
- Specific targets will not be disclosed because the Remuneration Committee considers forward-looking targets to be commercially sensitive. However, the Committee intends to disclose these retrospectively in next year's Remuneration report to the extent that they do not remain commercially sensitive

Annual report on remuneration continued

Long-Term Incentive Plan (LTIP)

LTIP awards for 2024 will be made at 300% and 275% of salary for Hans Dieltjens and Alexander De Bock respectively. The Committee is mindful of shareholder guidance around 'windfall gains' and has full discretion to ensure that the level of any vesting outcome is appropriate based on the overall performance of the Group and the shareholder experience.

The LTIP continues to be a critical tool for incentivising the Company's senior leaders to create value for shareholders by delivering our long-term strategy. For 2024, the Committee has reintroduced a cumulative adjusted EPS measure in place of the previous relative TSR measure. EPS is one of the Company's KPIs and its introduction will incentivise management to deliver profit growth over the longer term as well as providing better line of sight and control for management compared to a relative TSR measure. In making the decision to replace the TSR measure the Committee was also mindful that participants are already strongly aligned with the Company's share price through their shareholding guidelines, bonus deferral and share denominated LTIP awards. The Committee has also simplified the LTIP framework for 2024 by removing the second sustainability metric and focusing management on improving our CO_2(e) emissions.

For the 2024 LTIP awards, the Committee has elected to apply the following framework:

- 50% will be based on Adjusted Return on Capital Employed (ROCE) again in 2024. This measure was selected as management of returns on capital, through the industry transition to electric vehicles, which is seen as critical to a successful deployment of the strategy. It complements the proportion of the annual bonus aligned to BEV/PHEV bookings by rewarding an ongoing, long-term attention to margin through the transition and beyond

ROCE shall be calculated by averaging, over the performance period, Income divided by Investments for each year of the performance period, where Income is defined as adjusted Earnings Before Interest and Taxes and Investment is defined as invested capital adjusted down for purchase price allocation (PPA). Investment does not include borrowings and debt like items net of cash, derivatives, tax assets/liabilities. The Committee will determine, to what extent, any acquisitions not contemplated when setting the target should be included in the calculation.

A change compared to the prior two LTIP designs, is that the ROCE measure for 2024 will be calculated without the inclusion of Goodwill as, the value of Goodwill on the Company's balance sheet is related Bain's acquisition of the Company in 2015, and is not a controllable element for management.

- 25% will be based on cumulative adjusted Earnings per Share (EPS). As discussed above, for 2024 the Committee has reintroduced an EPS measure in place of the previous relative TSR measure
- The remaining 25% will be based on CO_2(e) emissions which were set against our 2021 baseline and aligned with the 1.5°C global warming climate ambition. The Committee has also simplified the LTIP framework for 2024 by removing the second sustainability metric and focussing management on improving our Scope 1 & 2 CO_2(e) emissions

The following table sets out the performance measures applicable to the 2024 awards:

Measure	Weight	Threshold vests at 25% of maximum	Maximum vests at 100%
Adj. Return on Capital Employed	50%	22%	29%
Cumulative adjusted earnings per share	25%	€0.70	€1.20
Sustainability: CO_2 emission improvement(1)	25%	636,509	602,098
Total	100%		

(1) Targets set against 2021 emissions baseline and in line with the 1.5°C global warming climate ambition.

The Remuneration Committee reviews LTIP metrics and targets each year to ensure that they align with the Group's strategic objectives and are appropriately stretching. All measures are assessed over a three-year performance period (2024 to 2026).

Implementation of Non-Executive Director Remuneration policy in 2024

Chairman and Non-Executive Director fees

The Company operates an all-inclusive Non-Executive Director fee, which includes any additional fees for responsibilities on committees. Taking into account the delay of discretionary base pay increases for the workforce, increases to Non-Executive Directors fees for 2024 will also be deferred until wider workforce base pay increases are implemented in the UK. The following table outlines the current Non-Executive fees, with the expectation that Directors will participate in various Committees.

Role	2024 £000	2023 £000
Chair	TBD	£348
Senior Independent Director (SID)	TBD	£132
Non-Executive Director (NED)	TBD	£106

€1 = £0.87

Remuneration Committee

Membership: The Remuneration Committee consists of three Non-Executive Directors: John Smith, Julie Baddeley, and Jane Lodge. There were five formal meetings of the Committee during the year.

The Board considers each Committee member to be independent in accordance with the UK Corporate Governance Code. The Chair of the Board, Chief Executive and/or other persons may also attend meetings of the Committee by invitation but will not be present when matters relating to their own remuneration are discussed.

Role of the Remuneration Committee

The Remuneration Committee's responsibilities are set out in its Terms of Reference, which are available to shareholders on request and on the Company's website. Its role includes:

- setting the Remuneration policy for all Executive Directors of the Company, the Chair of the Board and senior management
- within the terms of the Remuneration policy and in consultation with the Chair of the Board and/or Chief Executive Officer, as appropriate, determine the total individual remuneration package of each Executive Director and the Chair including bonuses, incentive payments, and share options or other share awards
- approve the design of, and determine targets for, the ABP and LTIP and approve total annual payments made under such schemes
- ensure that contractual terms on termination, and any payments made, are fair to the individual and Company, that failure is not rewarded, and that the duty to mitigate loss is fully recognised

In carrying out its duties, the Remuneration Committee considers any legal and regulatory requirements, including the UK Corporate Governance Code and the UK Listing Rules. Determining the fees of the Non-Executive Directors is a matter for the Executive Directors and the Chair.

Advisers to the Committee

The Committee receives advice and guidance on Executive Directors' remuneration from the Chief Human Resources & Communications Officer and the Company Secretary in respect of the UK Corporate Governance Code and share schemes.

The Company Secretary acts as Secretary to the Committee and ensures that the Remuneration Committee fulfils its duties under its Terms of Reference and provides regular updates to the Remuneration Committee on relevant regulatory developments in the UK.

Deloitte LLP has been appointed by the Committee as the independent advisers since 2018, following a competitive tender process. Deloitte is a founding member of the Remuneration Consultants Group and operates under the code of conduct in relation to executive remuneration consulting in the UK. The Committee is more than satisfied that the advice received from Deloitte is objective and independent.

Total fees for the year in relation to executive remuneration consulting were £69,482, based on time and materials. In the year, Deloitte also provided advice in relation to share schemes and employment taxes.

Statement of shareholder voting

The voting outcomes in respect of the Directors' Remuneration report at the 2023 AGM and the Directors' Remuneration policy at the 2021 AGM were as follows:

Resolution	Votes for	% for	Votes against	% against	Total votes cast	Votes withheld
Directors Remuneration report (2023 AGM)	382,322,016	87.49	54,669,245	12.51	474,442,130	37,450,869
Directors Remuneration policy (2021 AGM)	368,648,750	75.34	120,632,574	24.66	489,281,324	1,625

Approval

This report was approved by the Board of Directors, on the recommendation of the Remuneration Committee, on 4 March 2024 and signed on its behalf by:

John Smith

Chair of the Remuneration Committee

11 March 2024

ESG
Committee report

> As the Chair of the ESG Committee, I am happy to present the Committee's 2023 report. The Committee continues to support the management team's strategy and engagement on ESG. I would like to thank the members of the Committee and management team for their commitment, and I look forward to working with the team in 2024."

Elaine Sarsynski
ESG Committee Chair

Committee membership

	Meetings attended
Elaine Sarsynski (Chair)	6/6
Susan Levine	6/6
Julie Baddeley	6/6
Hans Dieltjens	6/6
Alexander De Bock	4/4
Meetings held during the year	6

2023 highlights

- Supported the Group's TCFD reporting initiative and initial analysis of the procurement of a VPPA for the Group's operations located in European Association of Issuing Bodies (AIB) countries
- Further developed the Group's diversity and inclusion programme, including key focus areas and metrics
- Received SBTi-approved science-based CO_2(e) emissions reduction targets consistent with the 1.5°C scenario
- Progressed data collection for water and waste and new enhanced waste targets established for landfill avoidance and recycling

Focus for 2024

- Implementation of the Group's renewable electricity plan and energy efficiency initiatives
- Refine measurement of Scope 3 emissions
- Evaluate potential net zero pathway for the Group
- Monitor progress on the Group's CO_2(e) emissions reduction targets
- Support further development of the Group's supplier sustainability policy and engagement process to support Scope 3 reduction

Dear shareholder,

I am pleased to present the ESG Committee report for the year ended 31 December 2023.

The Committee supports the Board to fulfil its oversight responsibilities with respect to sustainability matters. The Committee's Terms of Reference are available on our website and the Terms of Reference were revised in 2023.

We recognise that the Group, as a leader in the automotive industry, has an obligation to operate its business in an environmentally responsible and sustainable manner in order to provide long-term success for all stakeholders. As such, the Group's strategy includes sustainability as a core element.

From an environmental standpoint, it is critical to address climate change not only by supporting vehicle electrification with an expanded product portfolio, but also by decarbonising the Group's operations, reducing waste, and conserving water. On behalf of the Group, I am pleased to report in 2023 the Group progressed on all fronts.

The Group gained SBTi approval for its CO_2(e) emissions reduction targets that call for a 50% reduction of Scope 1 & 2 emissions and a 30% reduction of Scope 3 emissions, in each case, by 2030 on an absolute basis from a 2021 baseline. During 2023, the Group implemented elements of its 2022 renewable electricity plan. These elements revolved around energy efficiency programmes to support achievement of the plan's targets and the procurement of renewable electricity. I am proud to report that the Group has already decreased its CO_2 emissions by 15% compared to the baseline.

The Group was actively engaged in evaluating a Pan European Virtual Power Purchase Agreement (VPPA) for the EU-based manufacturing and office locations. In 2023, we evaluated a large number of photovoltaic and wind projects offered from more than 25 developers. In 2024, the final evaluation will occur on whether one of these VPPA projects is the right fit for the organisation.

I am happy to report that the Group received a B grade for Climate Change and a C score for Water Security from CDP. These scores recognise the Group's progress, and ability to maintain our ratings for two consecutive years. CDP is the Group's reporting mechanism for SBTi targets and remains an important transparent disclosure to which we are committed to report. On the social side, the Group has taken a number of steps to support safety, diversity and inclusivity.

The teams have implemented enhanced safety processes to protect our workforce, including expanding our ISO 45001 safety management framework to cover 96 plants in 2023, with a goal of having every manufacturing location included by the end of 2024. The Group has hired additional EHS personnel in every region to assist with the training and implementation of safety programmes. We supported the Global Safety Week campaign to bring awareness to slip, trip and fall accidents in the workplace and at home.

To further support our employees, we have continued diversity and inclusivity training and assessments for the entire senior management team. Progress will be tracked by monitoring against gender diversity targets, which are based on local university graduation rates.

In order to connect to our larger communities and prepare the next generation of women to succeed in the automotive industry, the Group has established scholarship programmes in Germany, Poland, Mexico, the US, and China for female students enrolling in universities to study STEM subjects. In 2023, the Group awarded more than 43 scholarships totalling €120,000. These scholarship recipients are also introduced to local TI facilities for potential internships and other extracurricular learning opportunities. Within the business, a Women's Mentorship programme has been established to support and guide women on strategies for success.

Environmental targets continue to be included as a performance element of our Long-Term Incentive Plan for Executive Directors and senior management. The alignment of remuneration with our purpose and strategy ensures that the Group will continue to focus on Taking-the-Turn to develop and manufacture products to support vehicle electrification in the most sustainable way.

The Committee is pleased with the Company's work this year to build a more sustainable business. We will continue to review measures and targets to gauge progress and ensure accountability at all levels of the organisation.

I look forward to updating you on the Group's continuing sustainability journey.

Elaine Sarsynski
ESG Committee Chair

11 March 2024

Directors' report

> "The Directors present their Annual Report and the audited financial statements for the Group for the year ended 31 December 2023."

Janis Acosta
Company Secretary

The Directors present their Annual Report and the audited financial statements for the Group for the year ended 31 December 2023. The Directors' report comprises pages 120–122 and the below sections of the Annual Report, incorporated by reference, which, taken together, contain the information to be included in the Annual Report, where applicable, under Listing Rule 9.8.4.

	Pages
Future developments of our business and the Group (Our strategy)	20–21
Section 172(1) statement	36–39
Non-financial and sustainability information statement	68–69
Corporate Governance report	80–85
Board membership	76–78
Directors' long-term incentives	100
Issued share capital	177
Dividends	164
Diversity and involvement	122
Information to the independent auditor	126–133
Subsidiaries	201–203

General information

The Company is incorporated and domiciled in the United Kingdom and was registered in England and Wales on 22 January 2015 as a limited company under the name Omega Holdco II Limited and with registered number 09402231. On 27 September 2016, the Company changed its name to TI Fluid Systems Limited and, on 18 October 2017, the Company was re-registered as a public company limited by shares with the name TI Fluid Systems plc. The Company is premium listed on the London Stock Exchange (TIFS). The Company's registered address is 4650 Kingsgate, Oxford Business Park South, Cascade Way, Oxford OX4 2SU.

Subsidiaries

The Company's subsidiary undertakings, including its operating and non-operating subsidiaries, are listed on pages 203–205.

Articles of Association

The Company's Articles of Association (the Articles) are available by request to the Company Secretary at the registered address. Unless expressly specified to the contrary in the Articles, the Articles may be amended by a special resolution of the Company's shareholders.

Issued share capital

Following settlement and cancellation of all purchased ordinary shares as part of the Company's share buyback programme, as at 31 December 2023, the issued capital of the Company comprised 516,814,055 ordinary shares of £0.01 each.

All of the issued ordinary shares carry voting rights of one vote per share. As at 31 December 2023, there were no ordinary shares held in treasury and no restrictions on transfer of issued shares, apart from vested shares awarded to the Executive Directors, which have a two-year holding period. No shares hold special rights regarding the control of the Company. Additional detail on the issued share capital can be found in Note 24 on page 177.

Voting

Subject to any special terms as to voting upon, which any shares may be issued, or may, for the time being, be held, and to any other provisions of the Articles, on a show of hands, every member who is present in person or by proxy or represented by a corporate representative at a general meeting of the Company, has one vote. On a poll, every member who is present in person or by proxy or represented by a corporate representative has one vote for every share of which they are the holder. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, is accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names stand in the register in respect of the joint holding.

Results and dividends

The results for the year are set out in the consolidated statement of comprehensive income on page 135. Two dividends were paid in 2023 totalling 3.84 Euro cents per share. The Group paid a dividend of 1.54 Euro cents per share, amounting to €8.0 million on 23 June 2023, based on the overall strength of the Group's financial position and prospects at that time. The 2023 interim dividend of 2.30 Euro cents per ordinary share (1.96 pence per ordinary share), was paid on 15 September 2023 amounting to €11.8 million.

Employee Benefit Trust

Equiniti Trust (Jersey) Limited, as Trustee of the TI Fluid Systems Employee Benefit Trust holds 3,719,994 being 0.72% of the issued share capital of the Company at 31 December 2023 on trust for the benefit of the employees of the Company. The voting rights in relation to these shares are exercised by the Trustee and the Trustee is obliged to waive all dividends on the shares unless requested to do otherwise by the Company in writing.

Directors and Directors' interests

The Directors who served the Company during 2023, and at the date of this report, are listed on pages 76–78, which include brief biographical details. Their remuneration and interests in the share capital of the Company are set out in the Report on Directors' Remuneration on pages 108–117.

The Company has adopted best practice guidelines and the UK Corporate Governance Code. Executive, and Non-Executive Directors, apart from Susan Levine, will offer themselves for re-election at the 2024 Annual General Meeting. The rules for re-election of Directors are contained in the Company's Articles. They include that the number of Directors must not be less than two, or more than 15, in number and the Board may appoint any person to be a Director. Any Director so appointed by the Board shall hold office only until the next general meeting and shall then be eligible for election.

Substantial shareholdings

At 31 December 2023, the following interests in 3% or more of the Company's ordinary share capital had been notified to the Company:

Shareholder	Number of shares	Percentage held (%)
BC Omega Holdco Ltd	191,064,632	36.97
Liontrust Special Situations Fund	44,277,535	8.57
EQMC Europe Development Capital Fund	21,926,178	4.24
Aberforth Smaller Companies Trust plc	19,394,686	3.75

At 6 March 2024, the following interests in 3% or more of the Company's ordinary share capital had been notified to the Company based on the latest practical ordinary share capital of the Company:

Shareholder	Number of shares	Percentage held (%)
BC Omega Holdco Ltd	**191,064,632**	37.14
Liontrust Special Situations Fund	**43,023,759**	8.36
EQMC Europe Development Capital Fund	**20,219,225**	3.93
Aberforth Smaller Companies Trust plc	**19,394,686**	3.77

Change of control

The Company has in place a number of agreements with advisers, financial institutions and customers, which contain certain termination rights, which would have an effect on a change of control. The Directors believe these agreements to be commercially sensitive and that their disclosure would be seriously prejudicial to the Company; accordingly, they do not intend to disclose specific details of these. In addition, all of the Company's share schemes contain provisions which, in the event of a change of control, would result in outstanding options and awards becoming exercisable, subject to the rules of the relevant schemes. There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a change in control.

Directors' indemnity

The Company's Articles provide, subject to the provisions of UK legislation, that the Company may indemnify Directors in respect of liabilities incurred in the discharge of their duties. During 2023, the Company entered into Deeds of Indemnity with each Director documenting the terms of this indemnification.

Directors' and officers' liability insurance is in place in respect of all the Company's Directors.

Directors' power

As set out in the Articles, the business of the Company is managed by the Board who may exercise all powers of the Company. The Directors were granted authority at the 2023 Annual General Meeting to allot relevant securities up to a nominal amount of £1,734,230. At this year's Annual General Meeting, shareholders will be asked to grant an authority to allot relevant securities up to a nominal amount equal to one third of the Company's issued ordinary share capital at 21 March 2024, such authority to apply until the end of next year's Annual General Meeting (or, if earlier, until the close of business on 14 August 2025).

Special resolutions will also be proposed to renew the Directors' power to make non-pre-emptive issues for cash up to a nominal amount equal to 10% of the Company's issued ordinary share capital at 21 March 2024 and, in connection with any such non-pre-emptive issue, to issue a further 2% of the Company's issued share capital at 21 March 2024 for the purposes of a follow-on offer, provided that the Directors determine that such follow-on offer is of a kind contemplated by the Pre-Emption Group's Statement of Principles (the 'Pre-emption Principles'). This authorisation will expire on the earlier of the conclusion of the Annual General Meeting of the Company for 2025 (or, if earlier, at the close of business on 14 August 2025). This disapplication authority is in line with institutional shareholder guidance, and, in particular, with the Pre-emption Principles. The Pre-emption Principles were revised in November 2022 to allow the authority for an issue of shares otherwise than in connection with a pre-emptive offer to be increased from 10% to 20% of the Company's issued ordinary share capital, provided that the Company confirms that it intends to use the additional 10% authority only in connection with an acquisition or specified capital investment. In addition, the Pre-emption Principles allow for a further 2% of the Company's issued share capital at 21 March for the purposes of a follow-on offer, provided the Directors determine that such follow-on offer is of a kind contemplated by the Pre-emption Principles. The Directors have no present intention of exercising any such authority.

The Company was also authorised at the Annual General Meeting held in 2023 to make market purchases of up to 52,026,914 ordinary shares being 10% of the Company's issued ordinary share capital at 5 April 2023 and sets the minimum and maximum prices that may be paid. This authorisation will expire on the earlier of the conclusion of the Annual General Meeting of the Company for 2024 (or, if earlier, at the close of business on 16 August 2024).

Our people

The Group's policy is to consider all job applications on a fair basis free from discrimination in relation to age, sex, race, ethnicity, religion, sexual orientation or disability not related to job performance. Every consideration is given to applications for employment from disabled persons, where the requirements of the job may be adequately covered by a disabled person. Where existing employees become disabled, it is the Group's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development wherever appropriate.

The Group places considerable value on the involvement of its employees and encourages the development of employee involvement in each of its operating companies through formal and informal meetings. It is the Group's policy to ensure that all employees are made aware of significant matters affecting the performance of the Group through the operation of employee forums, information bulletins, informal meetings, team briefings, internal newsletters and the Group's website and intranet.

Diversity

Details of diversity can be found in the Nomination Committee report on pages 86–87 in terms of the Board and Executive Committee team balance and their independence. Employee diversity information details are in the Sustainability section on pages 40–41.

Suppliers, customers and others

As set out in the Large Company Regulations, Schedule 7, Part 4, paragraph 11B, the Directors confirm that they have regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year. Details can be found as to how the Board fulfils this duty in the Section 172(1) Statement on pages 36–39 and throughout the Strategic report located on pages 08–69.

Research and development

The Company's primary activities in the field of research and development are engineering, prototyping, validation and testing activities related to products and product enhancements, with emphasis on EV applications. Details of the activities can be found in Note 1.6 on pages 141-142 and expenditure in Note 6.2 on page 156 in the Group financial statements.

Key performance indicators

Details of the Group's key performance indicators can be found on pages 30–31.

Principal risks and uncertainties

Details of the principal risks and uncertainties faced by the Group can be found in the Strategic report on pages 42–55.

Financial instruments

An explanation of the Group's treasury policies and existing financial instruments are set out in Note 1.10 on pages 143–144 and Note 4 on pages 154–155 of the Group financial statements. Details of how we use hedging to manage foreign currency and interest rate risks can be found in Note 4 on pages 154–155 of the Group financial statements.

Annual General Meeting

A separate notice convening the Annual General Meeting of the Company to be held on 14 May 2024 will be provided to shareholders with this Annual Report and Accounts and will also be available on our website.

Corporate Governance

The Company's statement on Corporate Governance can be found in the Corporate Governance report on pages 72–119. The Corporate Governance report forms part of this Directors' report and is incorporated into it by cross reference.

Disclosure statements

In line with the Corporate Governance Code 2018, the disclosure statements have been prepared and confirmed on page 74.

- Section 172(1) statement summarising the key areas of disclosure in this Annual Report required by the Non Financial Directive can be found on pages 36–39. The Board of Directors of TI Fluid Systems plc consider, both individually and together, that they have acted in the way they judge to be in good faith and would be most likely to promote the success of the Company for the benefit of its shareholders as a whole. The Board decision-making process takes into regard the stakeholders and matters set out in Section 172(1) (a–f) of the Companies Act 2006 in the decisions taken during the year ended 31 December 2022. Non-financial and sustainability information statement can be found on pages 68–69
- Greenhouse gas emissions disclosure can be found in the Sustainability section on page 41
- Task Force on Climate-related Financial Disclosures (TCFD) can be found on pages 56–65

Financial and business reporting

When reporting externally, the Board aims to present a fair, balanced and understandable assessment of the Group's position and prospects. During the year, the Board, or Committees of the Board, have been satisfied that appropriate procedures are in place to enable it to state that this Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. A statement of this responsibility, together with additional responsibilities of the Directors in respect of the preparation of the Annual Report, is set out on page 123.

Going concern and viability statement disclosure

We agree with the basis of the assessments and the disclosures included on pages 66–67.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness under section 489 of the Companies Act 2006 to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- in so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps necessary to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

By order of the Board

Janis Acosta
Company Secretary

11 March 2024

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under Company law, 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 parent Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the parent Company financial statements, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent Company will continue in business

The Directors are responsible for safeguarding the assets of the Group and parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent Company and enable them to ensure that the financial statements and the Directors' Remuneration report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the information included on the parent Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that 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 parent Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Board of Directors section of this report, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group
- the parent Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the parent Company
- the Strategic report includes a fair review of the development and performance of the business and the position of the Group and parent Company, together with a description of the principal risks and uncertainties that it faces

This responsibility statement was approved by the Board of Directors on 11 March 2024 and is signed on its behalf:

By order of the Board

Hans Dieltjens
Chief Executive Officer and President

Alexander De Bock
Chief Financial Officer

11 March 2024