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.

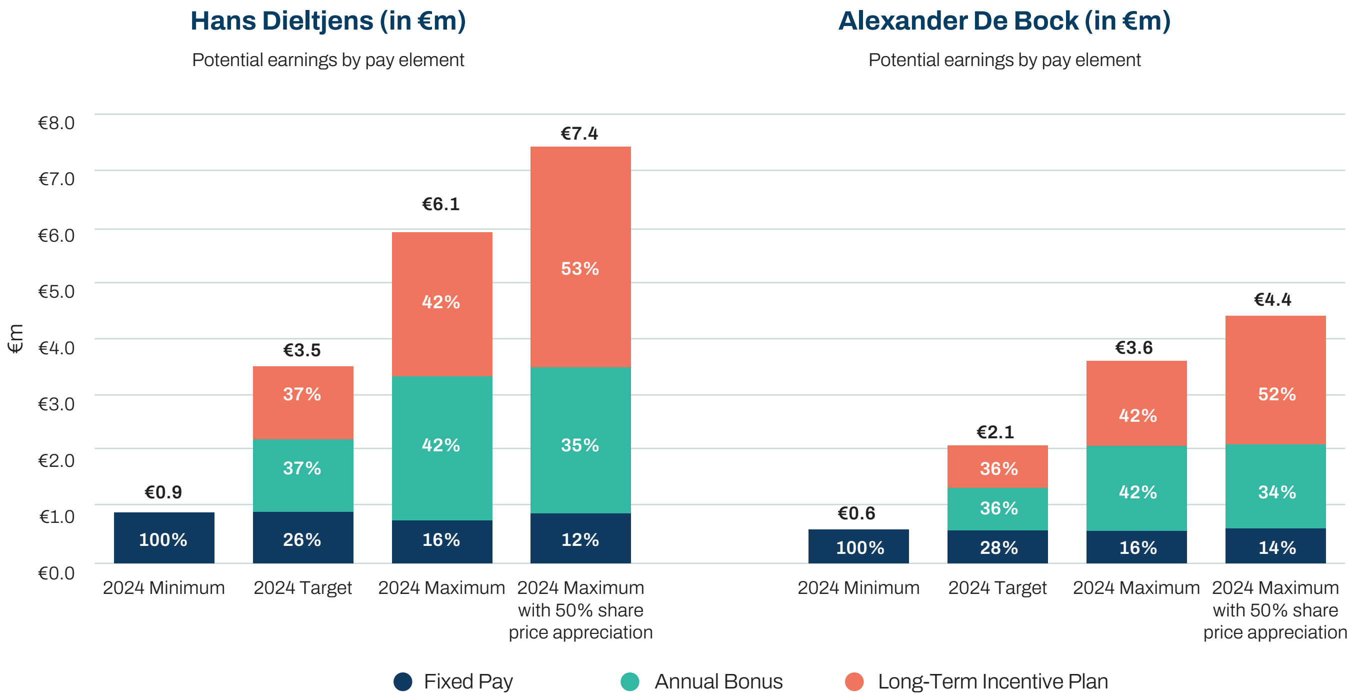
In the case of A. De Bock, (i) payment and provision of salary and other accrued obligations up to the termination date; (ii) any unpaid ABP or LTIP grants in respect of previous financial years; and (iii) a pro-rated payout of his CFO Buyout Awards based on his applicable time of service with his prior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

Element and overview of policy	Outcomes in respect to 2023	Implementation for 2024
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.	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: (see table below) €1 = $1.10	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.
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.	Access to health insurance, group term life insurance, vehicle, and perquisite allowance.	No significant change for 2024. Benefits remain in line with the Remuneration policy.
Pension Normal matching defined contribution retirement savings plan.	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: (see table below) €1 = $1.10	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.

Base salary:

Executive Director	2023 €000	Increase in salary
Hans Dieltjens	868	Nil
Alexander De Bock	545	n/a
Ron Hundzinski	590	Nil

Pension:

Executive Director	Amount €000
Hans Dieltjens	14
Alexander De Bock	9
Ron Hundzinski	10

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.

Outcomes in respect to 2023

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.

Implementation for 2024

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.

Outcomes in respect to 2023

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.

Implementation for 2024

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.

Outcomes in respect to 2023

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.

Implementation for 2024

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.

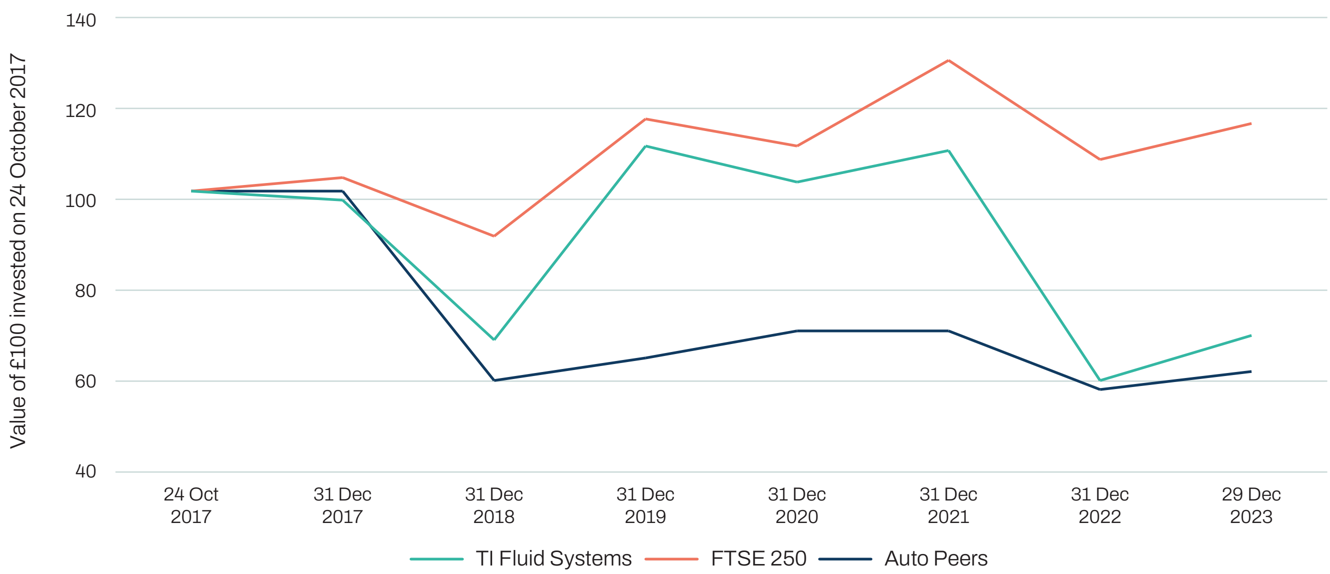
(4) Includes whole shares only; excludes fractional interests in 0.90889 ordinary shares held by a nominee on John Smith's behalf that were acquired under the Company's dividend reinvestment programme.

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