FTSE100 Board remuneration

Pay trends report for the 2025 financial year

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Introduction

Welcome to the Ellason 2025 pay trends report for the FTSE100

This report captures remuneration trends across the FTSE100, and captures pay data for the constituents of the FTSE100 at 1 January 2025 (based on 3-month average market capitalisation, captured on 31 December 2024). The data includes companies with year-ends between 1 April 2024 through to 31 March 2025.

Key observations include:

- The most common change presented to shareholders during the 2025 AGM season was an increase in variable incentive opportunities, with seven companies raising both annual bonus and LTIP limits. These changes were typically justified as necessary to attract and retain talent amid growing global competition or to align with relevant market benchmarks (whether UK-focussed or international).
- Bonus deferral practices have also shifted, with 14 companies proposing reduced, or no, deferral requirements where in-post shareholding targets are met.
- Four companies introduced hybrid structures, allowing the use of both restricted and performance shares, continuing a trend seen last year.
- 50% of FTSE100 companies presenting a new Policy to shareholders raised their in-post shareholding requirements, often in tandem with increased LTIP opportunities and typically accompanied with corresponding increases to post-exit holding requirements.

Please email us if you would like a tailored report, detailing how your company compares with the FTSE100 on all relevant slides.

Do not hesitate to share this report with colleagues, and/or contact the Ellason team if you have any questions on this report or have any other remuneration matters you would like to discuss.

The Ellason library includes pay trends reports for the FTSE350, FTSE SmallCap, FTSE AIM, ISEQ and investment trusts, and for companies at IPO. Contact one of the team if you would like a copy of other FTSE cuts either by size or by sector (and which can be tailored to your specific request).

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Introduction

2025 AGM season overview

Just over 35% of the FTSE100 have sought shareholder support for a new Remuneration Policy at their 2025 AGMs. Nearly a third of these companies held an early vote on the policy, ahead of the end of the standard three-year cycle.

Shareholder support for remuneration resolutions has remained largely consistent year over year. Median support for Policy renewals held steady at 96% in both 2024 and 2025, while average support rose from 91% to 93%. The median support for the advisory vote on the Directors' Remuneration Report (DRR) also remained unchanged at 97%, although the average support saw a slight decline, falling from 96% in 2024 to 93% this year.

No FTSE100 company has failed its Policy vote so far in 2025 (with one pulling the resolution prior to the AGM); one company failed its DRR vote, requiring it to submit a new policy for approval in 2026. Two companies received less than 80% shareholder support for their Policy, falling below the threshold for inclusion on the Investment Association's Public Register. One of these companies also received under 80% support for its DRR. An additional seven companies saw support for their DRR fall below 80%.

The primary reasons for low votes this year include:

- Significant quantum increases, either to salary or incentive opportunity
- The introduction of hybrid (PSP and RSP) incentive structures
- Concern in the degree of stretch in incentive targets

Shareholder support, 2025 AGMs

	Remuneration Policy	Directors' Remuneration Report
75th percentile	98%	98%
Median	**96%**	**97%**
25th percentile	91%	93%
Average	93%	93%
Lowest	*67%*	*34%*

All data as at July 2025

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Ellason FTSE100 Board Director remuneration

Salary

Overall salary findings

For FY25, median salaries among FTSE100 companies stand at £1,016k for Chief Executive Officers (CEO) and £668k for Finance Directors (FD). The highest executive salaries are found in the energy sector, while the real estate sector reports the lowest. Salary ratios between executive roles remain broadly consistent, with Finance Directors typically earning around 65% of the CEO's salary.

Three FTSE100 companies have included explicit salary caps for executive directors in their Remuneration Policies, ranging from £850k to £2 million (where disclosed). Additionally, two companies have set caps on annual salary increases within their Policies, at 5% and 10%.

The gap between salary increases for the wider workforce and executive directors continues to narrow. The median salary increase across the FTSE100 workforce was 3.5%, only marginally above the 3.0% median increase for executive directors.

Twelve CEOs received salary increases exceeding 10%, up from four in the previous year. These increases are generally attributed to efforts to align executive pay more closely with competitive market benchmarks, particularly in comparison to global peers.

FY25 Salary, all FTSE100

	CEO	FD
75th percentile	£1,300k	£803k
Median	**£1,016k**	**£668k**
25th percentile	£863k	£556k

Reported FY25 salary increases, including zeroes

	CEO	FD	Workforce
75th percentile	5.6%	4.0%	4.0%
Median	**3.0%**	**3.0%**	**3.5%**
25th percentile	2.5%	2.4%	3.0%
No increase (excluding new hires)	*12%*	*20%*	*n/a*
Less than employee increase	*34%*	*42%*	*n/a*

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Pension

Overview

For FY25, the median pension opportunity for FTSE100 CEOs and Finance Directors is 10% of salary, in line with the wider workforce. Since the 2023 AGM season, IVIS (the Investment Association's voting arm) has adopted a policy of issuing a 'red top' warning on a company's proxy report if executive director pension contributions are not aligned with those offered to the wider workforce.

FY25 Pension opportunity, % salary

	CEO	FD	Workforce
75^{th} percentile	12.5%	12.0%	12.5%
Median	**10.0%**	**10.0%**	**10.0%**
25^{th} percentile	8.0%	8.5%	9.3%

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Variable pay opportunity

Maximum award opportunities, bonus and LTIs

Bonus

Annual bonus opportunities for executive directors in the FTSE100 typically range from 150% of salary at the lower quartile to 225% at the upper quartile, with target bonuses generally set at 50% of the maximum opportunity.

Around half of FTSE100 companies offer the same bonus potential to both the CEO and FD. Where the FD's opportunity is lower, it is usually around 20% below that of the CEO.

In 14% of companies, the Remuneration Policy allows for a higher maximum bonus opportunity. Where this is the case, the additional headroom above the standard maximum ranges from 15% to 50% of salary, with a median of 30%.

Only three companies do not have a bonus for executive directors, typically because variable pay is delivered entirely through a long-term incentive plan or a single integrated incentive structure.

FY25 Annual Bonus opportunity, % salary		
	CEO	**FD**
75th percentile	225%	200%
Median	**200%**	**200%**
25th percentile	200%	150%

LTIP

LTIP opportunities, based on PSP equivalence, now typically range from 200% to 450% of salary for executive directors. Median award levels have increased compared to last year, 300% to 335% of salary for CEOs; 250% to 260% of salary for FDs.

Around 25% of companies offer equal LTIP opportunities to the CEO and FD. Where a differential exists, the FD's opportunity is typically around 80% of the CEO's.

Just over a third of companies include a higher maximum LTIP opportunity in their Remuneration Policy than the level usually granted each year. In such cases, the Policy limit is typically around 70% of salary above the standard award.

FY25 LTIP maximum opportunity, % salary		
	CEO	**FD**
75th percentile	450%	360%
Median	**335%**	**260%**
25th percentile	250%	205%

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Variable pay opportunity

Maximum aggregate award opportunities

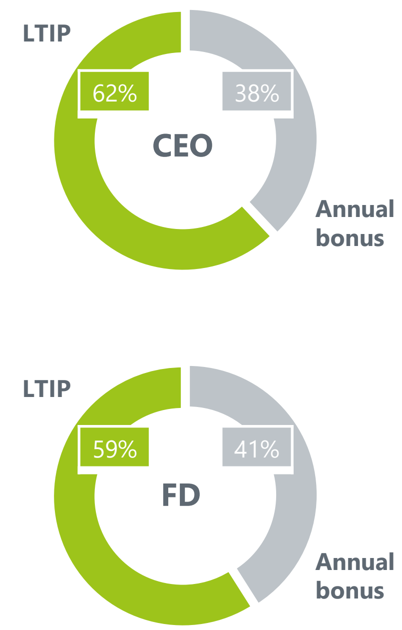
The median total variable pay opportunity for FTSE100 CEOs has increased to 525% of salary in FY25, up from 500% in FY24. For Finance Directors, the median opportunity has also risen, from 415% to 450% of salary year-on-year.

The highest variable pay opportunities are typically found in the energy, non-cyclical consumer, and communications sectors.

FY25 Total variable pay maximum opportunity, % salary

	CEO	FD
75th percentile	690%	555%
Median	**525%**	**450%**
25th percentile	450%	380%

Average variable pay mix, % of total



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Annual bonus structure

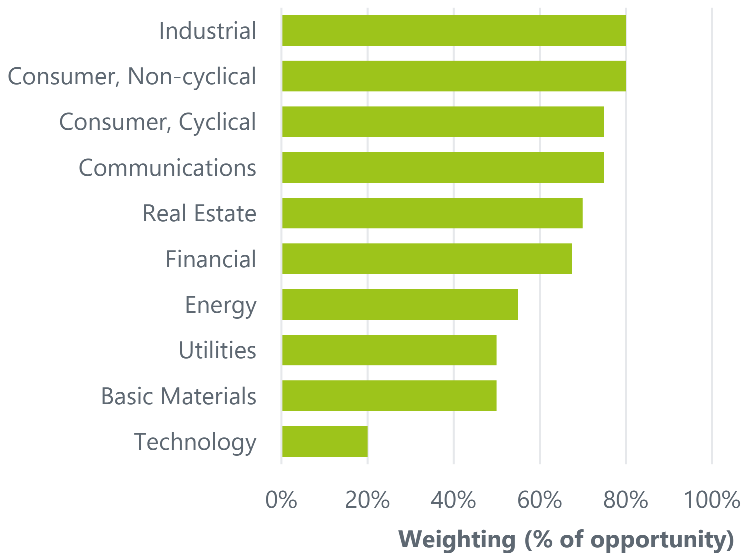
Measures and ranges

Financial measures typically account for 60% to 80% of annual bonus outcomes, with a median weighting of 70%. The remaining portion is generally linked to non-financial measures, often tied to strategic priorities or individual objectives.

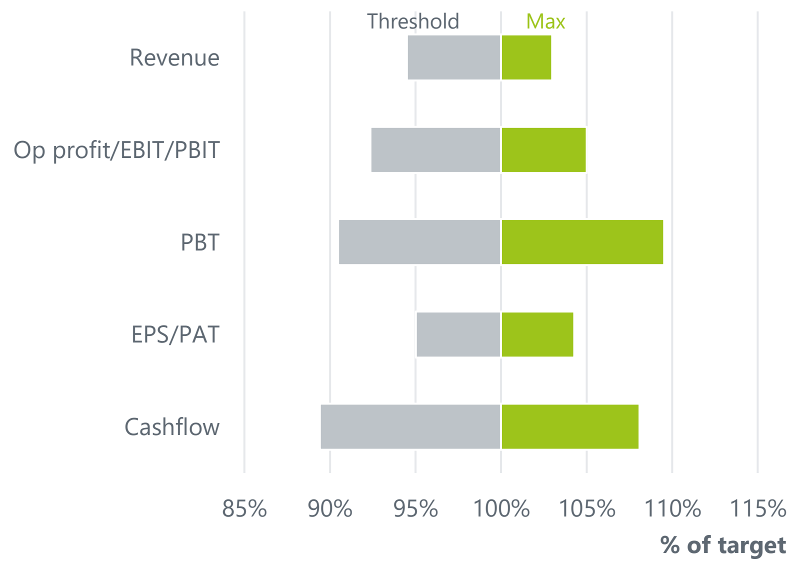
The industrial and non-cyclical consumer sectors tend to place the highest emphasis on financial metrics, while the lowest weightings are seen in the basic materials and technology sectors. 85% of companies incorporate ESG considerations into their incentive frameworks, either as dedicated metrics or integrated within strategic or personal objectives.

Bonus performance ranges vary depending on the type of measure, with the structure designed to reflect the inherent volatility of each metric. The chart below illustrates the typical performance ranges used by FTSE100 companies for bonuses paid in respect of the 2024 financial year, expressed as a percentage of target. For instance, operating profit commonly had a threshold–target–maximum range of 92%–100%–105% in 2024.

Weighting on financial measures



Typical performance range, by bonus measure



Annual bonus structure

Deferral

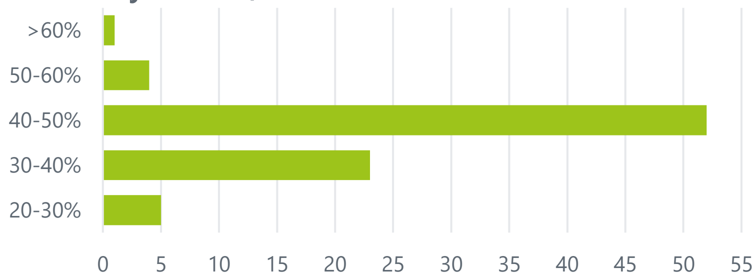
Mandatory bonus deferral is implemented by 97% of FTSE100 companies that operate a bonus scheme. The most common method involves deferring a fixed percentage of any bonus earned, accounting for 94% of deferral arrangements, with 50% being the typical deferral rate. The remaining 6% require deferral only on bonus amounts exceeding a certain threshold, usually 100% of salary.

28% of FTSE 100 companies link their deferral requirements to an executive's in-post shareholding level. This year, fourteen companies obtained shareholder approval at their AGMs to reduce the deferral percentage for executives who have met the required shareholding guideline. Approaches vary once the guideline is reached, in most cases, the deferral amount is halved. In 50% of instances, the deferral requirement is removed entirely once the guideline is achieved. One company has implemented a tiered structure, reducing the deferral to 25% of salary upon reaching 1x the guideline, and removing it altogether once the shareholding exceeds 2x the guideline.

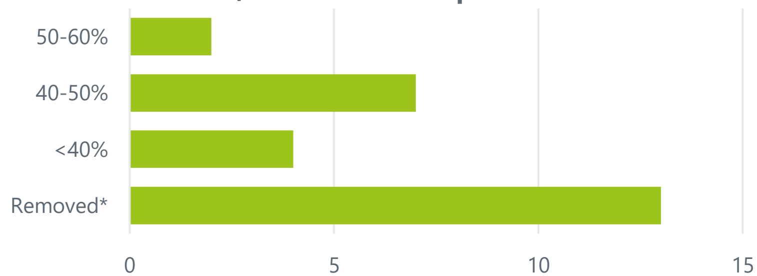
The predominant deferral schedule is cliff vesting after three years, used by 66% of plans. Other models include cliff vesting after two years (19%) and phased vesting over multiple years (10%).

Mandatory bonus deferral, prevalence

Mandatory deferral, % of earned bonus



Deferral reduction, % of deferral requirement



** Includes tiered approach*

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Annual bonus structure

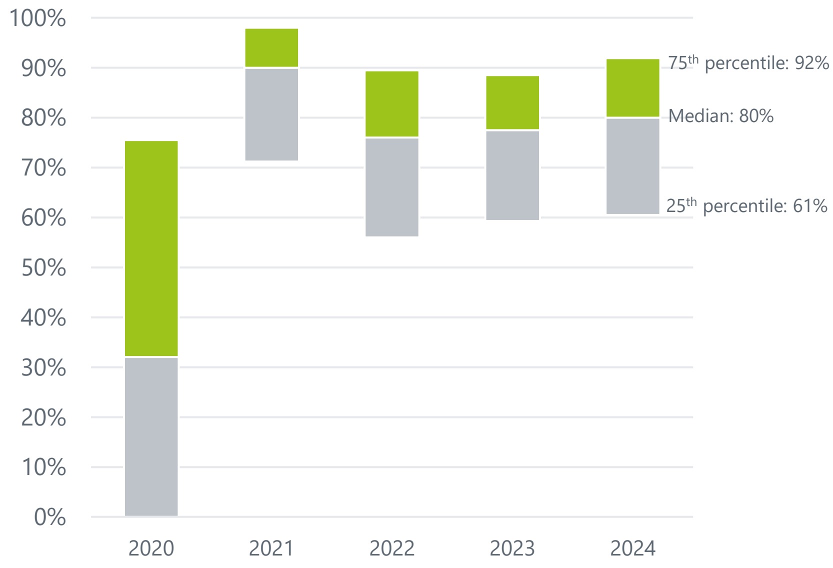
Outcomes

The median CEO bonus payout for the most recent financial year was 80% of the maximum, consistent with levels observed over the past few years.

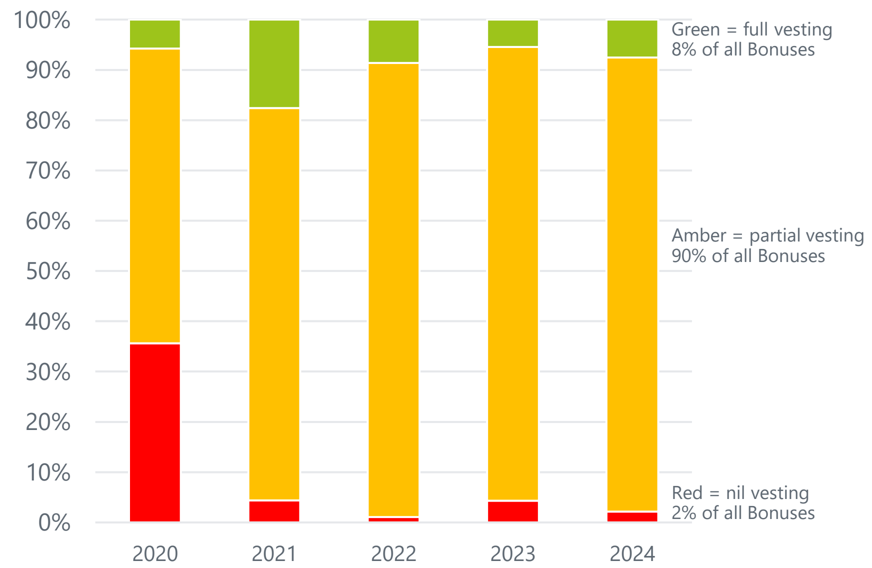
As shown in the chart on the right, only 2% of companies did not pay any bonus during the year, while 8% awarded the full bonus. Around 40% of FTSE100 companies reported lower bonus payouts in 2024 compared to 2023.

13% of companies applied downward discretion on bonuses in 2024, down from 23% in 2023. Common reasons for this included the occurrence of fatalities, to reflect broader business performance and wider shareholder experience, and risk management failures.

CEO actual bonus outcomes, % max



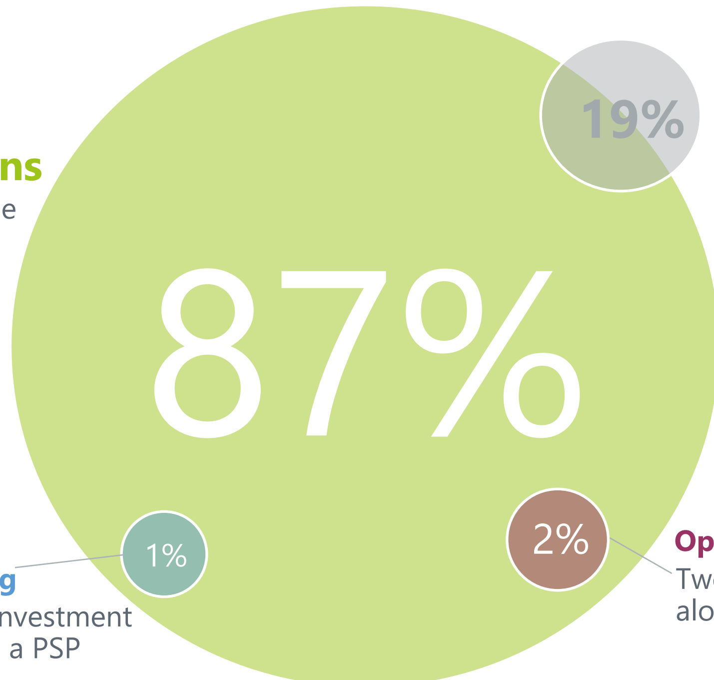
Bonus payout



Ellason FTSE100 Board Director remuneration

Long-term incentive structure

Performance share plans remain the most prevalent LTI vehicle across the FTSE100



Performance share plans

Performance share plans remain the predominant long-term incentive vehicle across the FTSE100, with 87% of companies using them for executive directors

Restricted stock plan

19% of companies (up from 14% in FY24) employ restricted stock plans with over half also operating in conjunction with a PSP

2% **Single integrated incentive**

2% of companies employ a single integrated incentive

Options

Two companies use options, alongside a PSP

Co-investment matching

One company offers co-investment matching plan, alongside a PSP

2% *No LTI plan in operation*

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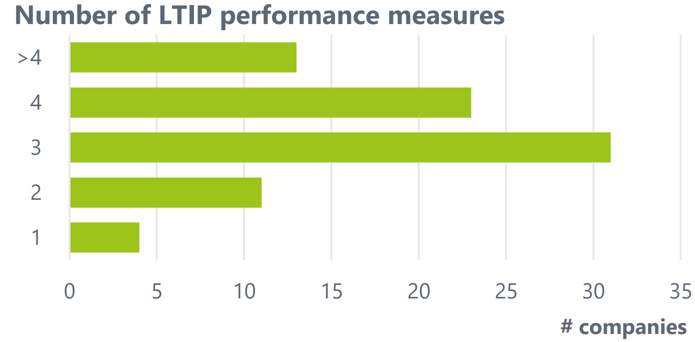
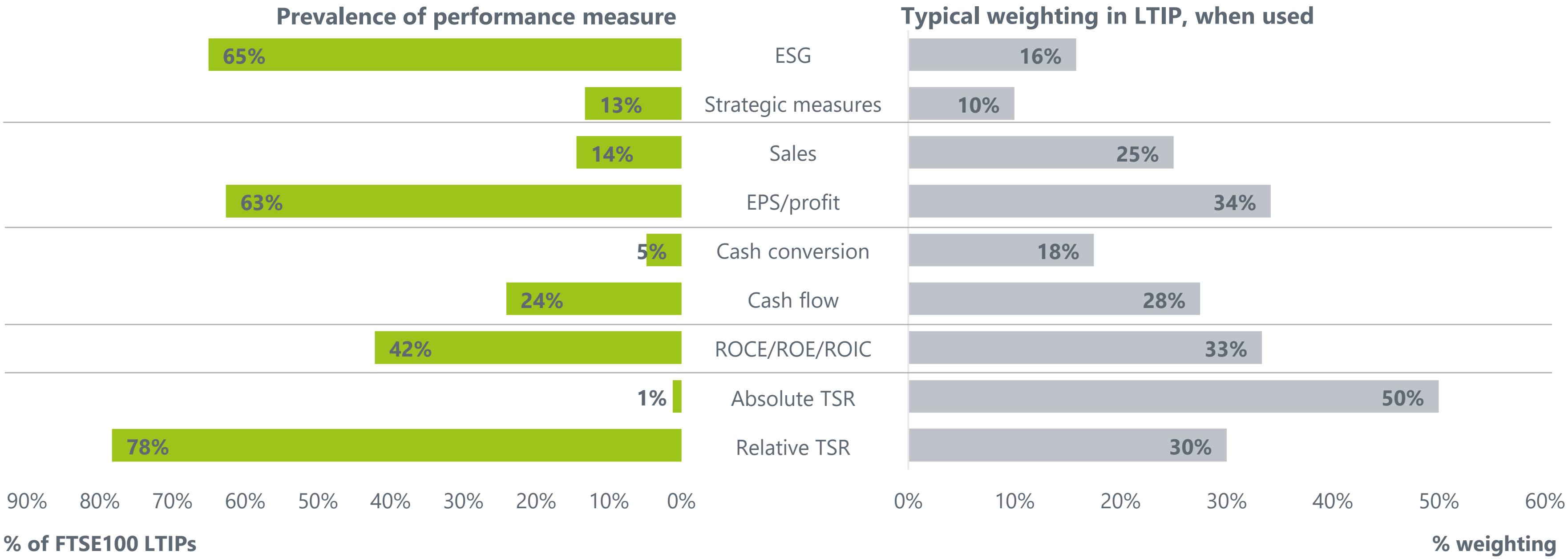
Long-term incentive structure

Performance measures

The most common LTIP performance period is three years, with only one company opting for a different timeframe, a four-year period paired with a shorter-than-usual one-year post-vesting holding requirement. Typically, companies set post-vesting holding periods to at least two years.

The primary LTIP performance metrics include Total Shareholder Return (generally measured on a relative rather than absolute basis), fully loaded profit and loss measures such as EPS, ESG criteria, cash generation, and return metrics like ROCE, ROIC, and ROE. Most companies employ three or more of these measures in their LTIPs.





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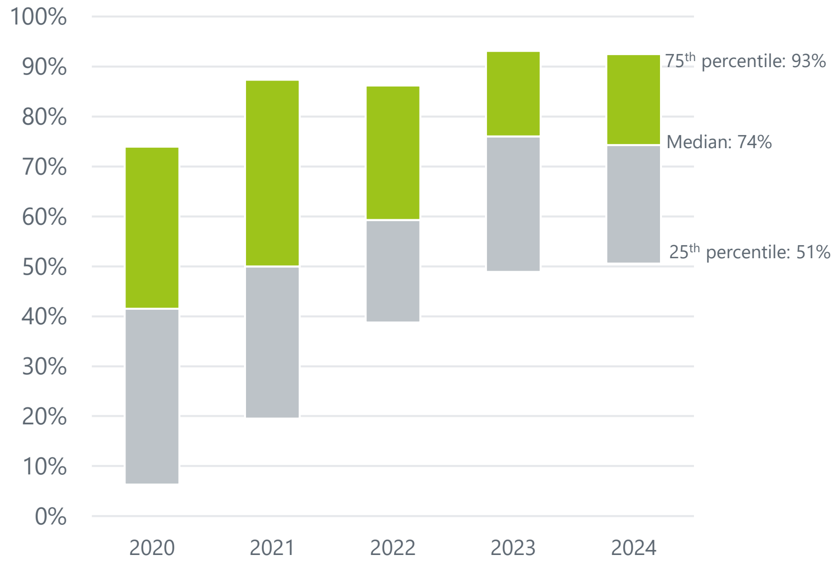
Long-term incentive structure
Outcomes

The median LTIP vesting outcome for performance periods ending in FY24 was 74% of the maximum, slightly down from 76% the previous year.

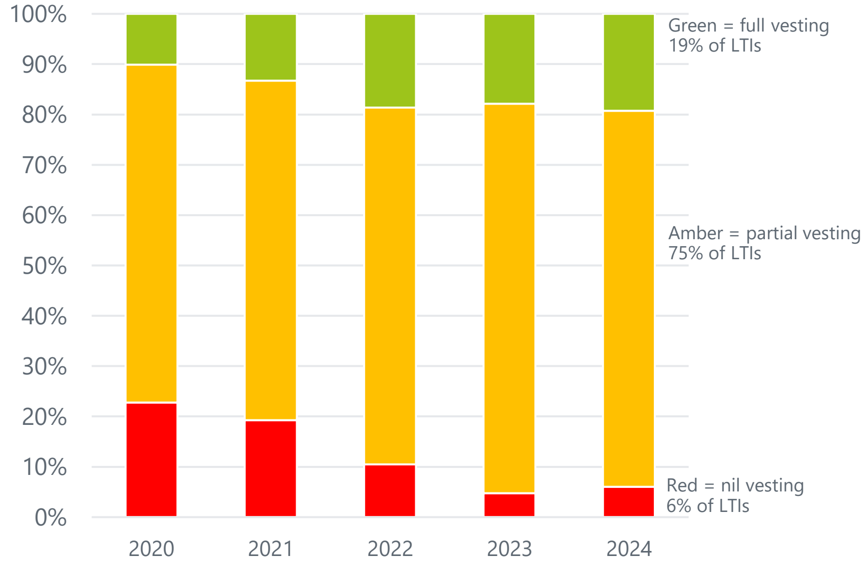
As shown in the chart to the right, 6% of companies reported no LTIP vesting, while 19% achieved full vesting. Around 40% of FTSE100 companies recorded higher LTIP outcomes in 2024 compared to 2023, with a slightly larger proportion (42%) reporting lower vesting results.

Discretionary adjustments to vesting were rare; three companies applied downward discretion, typically reflecting broader company performance, while one company applied upward discretion by removing an underpin to allow the TSR portion of the award to vest.

LTI vesting, % max



LTI vesting



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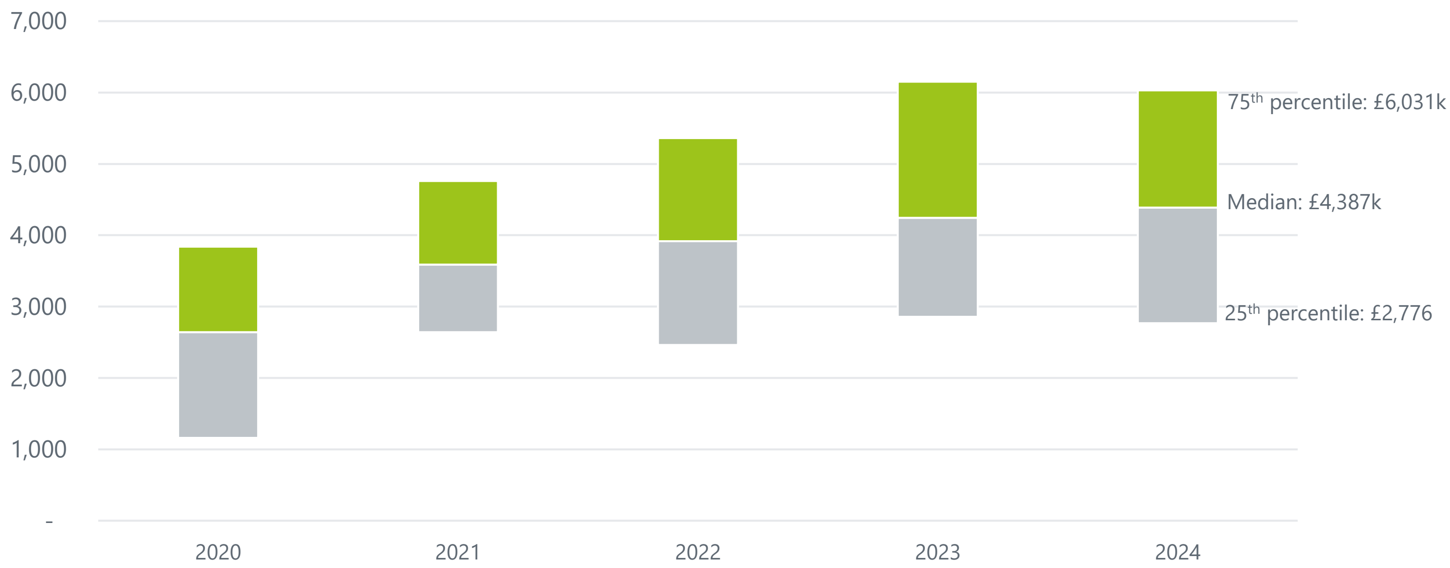
Total actual remuneration

An overview of 2024

The median actual total remuneration paid to a FTSE100 CEO was £4.4m in 2024 and has increased year-on-year since 2020. The highest paid FTSE100 CEO earned £14.7m.

57% of companies reported a higher CEO single figure in 2024 compared to 2023.

Actual total remuneration, CEO, £k



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CEO pay ratio

All FTSE100

2024 marked the sixth year that Main Market companies with more than 250 UK-based employees were required to report their CEO pay ratios. This ratio compares the CEO's total pay to that of the median employee. Across the FTSE100, the median CEO to median employee pay ratio was 70:1, down from 78:1 in 2023. The lowest reported median ratio was 13:1, while the highest reached 1,112:1, driven by a one-off incentive vesting during the year.

The majority of companies (67%) used methodology 'A' to calculate the ratio, which aligns with the preferred approach of HM Government and institutional investors. This method captures the 'single figure pay' for all full-time UK employees.

The CEO pay ratio regulations also require companies to disclose all-employee pay data. In 2024, the median total pay for a FTSE100 employee was £57,000, with a median salary of £47,700.

Additionally, 11% of FTSE100 companies voluntarily disclose a CEO 'salary ratio.'

Calculation methodology

	Description	Prevalence
A	Single figure pay calculated for ALL UK employees	67%
B	Single figure pay calculated for those relevant UK employees identified through the Gender Pay Gap analysis	26%
C	Single figure pay calculated for those relevant UK employees identified through any other means	7%

All FTSE100

	Total pay comparison		Salary comparison	
	CEO total pay ratio	Workforce total pay	(Reported) CEO salary ratio	Workforce salary
75th percentile	123:1	£74,565	25:1	£57,815
Median	**70:1**	**£57,000**	**23:1**	**£47,700**
25th percentile	47:1	£41,800	20:1	£36,225

CONTENTS

Ellason FTSE100 Board Director remuneration

Executive share ownership

In-post requirements

97% of companies have implemented shareholding requirements for their executive directors during their tenure. These requirements generally range from 200% to 500% of salary. The median shareholding expectation has increased to 400% of salary for CEOs and 300% for FDs, up from 350% and 275%, respectively, in 2024.

Nearly 50% of companies require executives to retain partial or full holdings of vested LTIP or deferred bonus awards until the shareholding target is achieved.

Nearly 60% of companies specify a timeframe, typically five years, for meeting the shareholding requirement.

Most companies set ownership targets as a percentage of salary. However, two companies define the requirement in terms of a fixed number of shares, which can reduce the need for additional share purchases during a declining market.

When shareholding requirements became standard practice around 15 years ago, they were typically set at levels achievable through vested LTIP awards within five years. Consequently, there is a relatively stable ratio between the shareholding requirement and the typical annual LTIP award at 1:1 for both CEOs and FDs.

Some major shareholders have suggested the holding requirement should be consistent with the total variable pay opportunity (i.e. annual bonus plus LTIP); in practice, the median ratio between the shareholding requirement and the CEO's total variable pay opportunity is 0.7:1 (FD: 0.8:1).

Shareholding requirement, % salary

	CEO	FD
75th percentile	500%	350%
Median	**400%**	**300%**
25th percentile	300%	200%

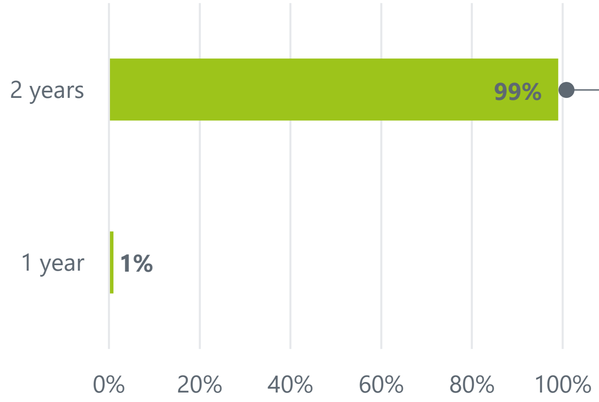
Executive share ownership
Post-termination requirements

All FTSE100 companies with in-post shareholding guidelines also implement post-termination shareholding requirements.

Almost all of these companies maintain the post-termination requirement for two years after an executive director's departure; one company apply it for one year only, and no companies currently extend it to three years (compared to one company in 2024). Among those with a two-year requirement, 87% keep the guideline at the same level as the in-post target throughout the period, while the remainder either reduce it to 50% after the first year or start at a lower level.

% of FTSE100 companies with post-termination executive shareholding requirements

Time period over which post-termination requirements extend (% of companies with requirements)



Level of post-term requirement relative to in-post requirement (% of companies with two-year periods)	
Same as in-post requirement, for entire period	87%
Same as in-post requirement for year one, then reduces by 50%	5%
Lower than in-post requirement from the start	8%

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Non-executive director fees

Board Chair fee and NED base fee

The median fees in the FTSE100 are £469k for Board Chairs and £81k for Non-Executive Directors (base fee). 2% of companies have a Deputy Chair role, with a median fee of £103k. Additional fees are commonly paid for extra responsibilities, most often to the chairs of the Audit and Remuneration Committees and the Senior Independent Director (SID).

Around 70% of companies increased the Board Chair's fee in the year, with a median rise of 3.0% (including cases with no increase). Similarly, 70% of FTSE100 companies raised the NED base fee, with a median increase of 2.8% (including zeros). One company disclosed a fee increase cap in its remuneration policy, set at c.6%.

Non-executive director fees

	Board chair	Deputy chair	NED base
75th percentile	£708k	n/a	£98k
Median	**£469k**	**£103k**	**£81k**
25th percentile	£389k	n/a	£75k

Shareholding requirements

28% of companies have set shareholding requirements for their non-executive directors, with the most common level of holding requirement being 100% of the base fee.

Additional fees on top of NED base fee

		Chair				Member				
	SID	Audit	Rem	ESG / CSR	Nom	Audit	Rem	ESG / CSR	Nom	Employee engagement
75th percentile	£38k	£39k	£37k	£40k	n/a	£25k	£20k	£22k	£16k	£21k
Median	**£22k**	**£27k**	**£26k**	**£28k**	**£15k**	**£17k**	**£17k**	**£16k**	**£15k**	**£15k**
25th percentile	£18k	£20k	£20k	£20k	n/a	£10k	£10k	£10k	£8k	£10k
Prevalence	*98%*	*100%*	*99%*	*52%*	*14%*	*55%*	*54%*	*37%*	*32%*	*33%*

About Ellason

Ellason provides independent advice and support to Boards on executive remuneration, board evaluation and all-employee reward.

Its senior consultants have significant experience in advising companies on executive pay strategy, and its client base includes a large number of listed and private companies. Ellason's aim is to be the leading and most trusted advisor to Remuneration Committees.

Our guiding principle is that advice on remuneration matters should be strategic as well as pragmatic and always supported by objective and independent analysis.

Our aim is to help companies develop executive pay structures which suit the economics of each company. Our starting point is to identify the ideal solution and then partner with our clients to refine this to ensure that it appropriately balances the perspectives of internal and external stakeholders.

Please do not hesitate contact us if you have any questions relating to this survey or other remuneration-related query.

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