



2023 BONUS AND LTIP TARGET SETTING TOOLKIT

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Setting performance targets, for both short and long-term incentives, is one of the key activities in the remuneration committee's annual cycle.

As with any decision for a remuneration committee, it is important that the targets are set in the context of the specific circumstances and needs of the business, rather than by simply following market norms. At the same time, it is only natural for remuneration committees to ask “How does this compare to what others do?” when making an informed judgment on target setting.

The purpose of this ‘toolkit’ is therefore to support remuneration committees and reward teams in this task by providing a range of market reference points on performance targets for profit metrics within both the annual bonus and long-term incentive of companies in the FTSE 100, FTSE 250, and FTSE Small Cap.

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