



# Early insights from FTSE 100 Directors' Remuneration Report publications – 2025

By 24 March, 50 FTSE 100 companies had published their 2024 annual report and accounts. Just under half (46%) of these are putting their remuneration policies to vote this AGM season (2024: 28%). This update, the first in our 2025 series, provides an analysis of key insights so far.

## Policy changes

Following on from the initial bold moves observed during the 2024 AGM season, and building on the updates to the [Investment Association \('IA'\) Principles of Remuneration](#) and [ISS Voting Policy Guidelines](#) in the final months of last year, there has been a continuation of atypical changes proposed: nine companies, which represent c. 40% of the 23 companies tabling a new policy for shareholder approval, are taking approaches that can broadly be categorised as follows:

- significant increases in pay opportunity (typically to long-term incentives (LTI), although also to bonus in some cases), of which:
  - increases to opportunity only [3 companies]; and
  - significant increases in opportunity *together with* changes to the structure of remuneration (for example, the introduction of alternative/portfolio of vehicles, typically the adoption of hybrid LTIs comprising a combination of restricted (RS) and performance shares (PS)) [5 companies];
- one company has changed to a hybrid structure with no increase to total remuneration.

Included in the category of changes to structure are companies that are reducing the proportion of required bonus deferral once share ownership guidelines (SOG) have been met [6 companies in total].

All but one company increasing LTI opportunities are also increasing the SOG requirement for one or all executive directors (ED). These increases have led to the median SOG for FTSE 100 CEOs increasing from 300% to 375% of salary, and this may rise further during the year if others follow this trend.

Most of the above companies are citing the need for global competitiveness as part of their rationale for proposing these changes. Discussions held during our [annual outreach exercise](#) at the end of last year suggest that many investors will be open minded on such proposals, at least in theory – but they will expect each company to give a compelling and well-articulated rationale for any changes. We will report back on the outcomes of the AGM season later in the year.

In response to the removal of the 2:1 variable pay cap in October 2023, three of the largest UK banks have proposed a rebalancing of their ED remuneration. This has included removing fixed pay allowances (typically reducing fixed pay by c. 50%) and increasing maximum bonus and LTI opportunities as a percentage of salary (typically by c. 500% of salary).

## Implementation changes

Although median increases are a little lower than last year, around a quarter of CEOs have received salary increases for 2025 above 6.0% and over half of these are  $\geq 15\%$ . This marks a noticeable change in direction following several post-pandemic years of no or low ED salary increases.

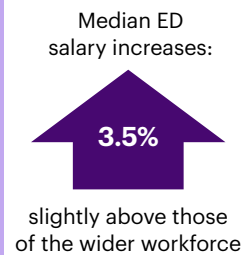
We also observe the following themes compared to last year:

- reduction in median salary increases for both all employees and EDs;
- increase in proportion of companies increasing both bonus and LTI opportunities;
- no change to median incentive opportunities;
- no significant change to incentive payouts;
- decrease in application of downwards discretion applied to formulaic bonus out-turns (albeit to more typical post-Covid levels, following exceptionally high levels last year);
- continued growth in the number of companies increasing Chair and/or NED fees on an annual basis.

## Implementation for 2025

### Base salary

Median salary increases for the wider workforce have reduced from 4.4% in 2024 to 3.3%. Around 40% of executive director (ED) increases disclosed so far have been set in-line with, and a further 38% above, those of the wider workforce.



### Annual bonus



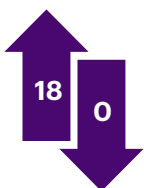
No change to median bonus opportunity

28% of companies have changed bonus opportunities: 26% have increased and 2% have decreased



14% are making changes to bonus deferral, all but one of which entail a reduction in the level of mandatory deferral once share ownership guidelines have been met; one company is changing from cliff to graded vesting of deferred bonus.

### Long-term incentives (LTIs)



No change to overall median LTI opportunity although, excluding RS and other vehicles, median PS opportunity has increased from 300% to 350% of salary

36% have increased LTI opportunities and none have decreased

44% of those increasing LTI opportunities (8 companies) have also increased annual bonus opportunities



Three companies increasing LTI opportunities are doing so within previously approved policy limits and fifteen are increasing policy limits. The range of increases is very wide, from 30% to 450% of salary.



Five companies are changing their LTI vehicle.

Three companies have introduced a RSP to run alongside their PSP; one has introduced an 'enhanced' or stretch element to its PSP; and one is switching from a RSP to a market-standard PSP.



Three large UK banks are re-balancing ED remuneration, following the removal of the 2:1 pay cap, i.e. removing fixed pay allowances and significantly increasing variable pay opportunities.

### Share ownership guidelines (SOG)

30% of companies have increased their SOG requirements for one or more ED. Most have been in conjunction with a policy increase to LTI opportunities. As a result of these increases, the median level of SOG for CEOs has increased from 3 to 3.75 times salary.

### Chair and NED fees

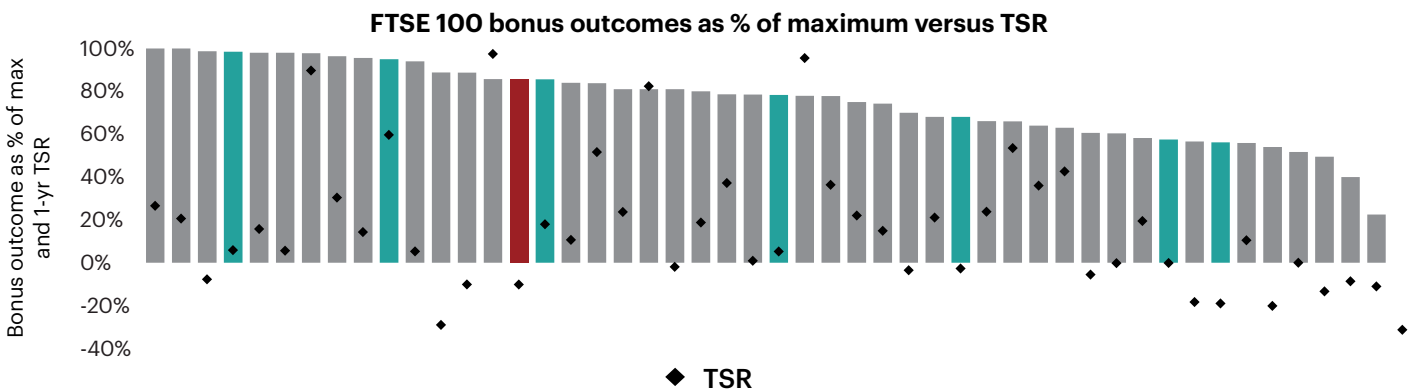
Over 60% of companies (similar to last year) have increased either their all-inclusive Chair and/or basic NED fee. Median levels of increase are 3.5% for Chairs (2024: 4.5%), in line with ED increases, and 3.3% for NEDs (2024: 4.0%), in line with wider workforce increases. Over 80% of companies (up from around 70% last year) making increases to Chair and/or NED fees this year are doing so for a second consecutive year.

## Incentive outcomes for 2024

### Summary

- The median annual bonus payout is 78% of maximum
  - This is in line with last year (77%) and higher than longer-term median levels (c. 70% of maximum)
- LTI payouts vary more widely than annual bonus outcomes but the median so far is 77% of maximum
  - This is in line with last year (77%) and higher than longer-term median levels (c. 65% of maximum)
- Interventions have been more prevalent for annual bonus than LTI outcomes:
  - Bonuses were reduced at 16% of companies; this marks a return to levels observed in recent, post-pandemic years after exceptionally high levels last year (2023/24: 25%)
  - Formulaic LTI outcomes were reduced at 8% of companies (2023/24: 5%)
  - One company increased the annual bonus payout (2% vs 1% in 2023/24) and one company increased LTI vesting (2% vs 1% in 2023/24)

### Annual bonus



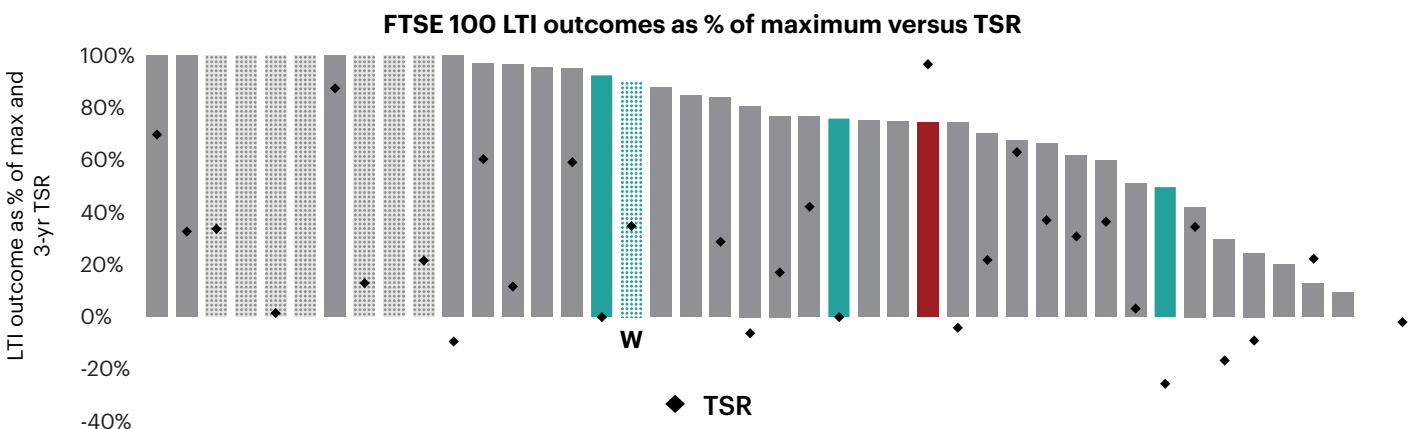
**Green bar** – overall downwards discretion; **Red bar** – overall upwards discretion  
 TSR is measured point to point, 1 Jan 24 - 31 Dec 24

**78%** Median bonus outcome, as % of maximum



7 RemCos used their discretion to reduce formulaic outcomes, and EDs at one companies waived their bonus entirely.  
 1 RemCo used its discretion to increase the payout beyond the formulaic outcome.

### Long-term incentives



**Green bar** – overall downwards discretion; **Red bar** – overall upwards discretion; **Patterned fill** – restricted share awards; **W** – windfall gains adjustment

TSR is measured point to point, 1 Jan 22 - 31 Dec 24

**77%** Median LTI outcome, as % of maximum  
 8% of companies' LTIs lapsed entirely (2023/24: 5%)



4 RemCos used their discretion to reduce vesting below formulaic outcomes.  
 1 RemCo used its discretion to increase vesting beyond the formulaic outcome.

#### Further information

For more information on FTSE 100 market data and pay trends please contact your WTW contact or:

#### Paul Townsend

+44 (0) 7989 210505

[paul.townsend@wtwco.com](mailto:paul.townsend@wtwco.com)

#### About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help you sharpen your strategy, enhance organisational resilience, motivate your workforce and maximise performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success — and provide perspective that moves you. Learn more at [wtwco.com](https://wtwco.com).

This report includes data sourced from **WTW's Global Executive Compensation Analysis Team**. This report is based on the FTSE 100 as at 1 April 2025.



[wtwco.com/social-media](https://wtwco.com/social-media)

Copyright © 2025 WTW. All rights reserved.

[wtwco.com](https://wtwco.com)

