

Early insights from FTSE 250 Directors' Remuneration Report publications – 2026

By 14 April, 92 FTSE 250 companies had published their 2025 annual reports, representing 56% of index constituents*. This, the second update in our 2026 series, highlights the key trends emerging so far.

Policy changes

Sharp rise in new remuneration policies

Just under half of these companies are putting their remuneration policies to vote this AGM season (47%, up from 35% in 2025); almost all are in line with the normal 3-year cycle of reviews.

Meaningful number of structural redesigns

Almost a quarter of companies tabling new policies are proposing changes to **variable pay structure**, compared to only 10% in the FTSE 100. Six companies are proposing to introduce **hybrid plans**, offering a combination of restricted (RS) and performance shares (PS); two are proposing to switch from either PS or single variable plans to RSPs; and two are proposing stretch/ multiplier elements to their PSPs.

Generally modest increases to variable pay

Over 50% of companies introducing new policies are proposing to increase LTI opportunities, and **over 40%** of these also propose increasing bonus. These increases have not yet had an impact on median levels of variable pay opportunity, which remain at **150%** and **200%** of salary for bonus and LTI (for PSP only companies) respectively.

Evolving bonus deferral and ownership expectations

Over 55% of companies with new policies are reducing required bonus deferral once SOGs are met. Almost one-third of FTSE 250 companies now apply **tapered deferral** (up from 17% last year), typically reducing deferral to 50% of the standard level or removing it entirely.

Almost half of companies increasing LTI opportunities are also proposing to lift SOG requirements for one or more EDs; the median requirement for CEOs is aligned to median PSP levels at **2x salary**.

*excluding Investment Trusts and other companies with no Executive Directors

Implementation changes

We observe the following compared to last year:

- no change to median salary increases;
- slightly fewer companies raising bonus opportunities;
- slightly more companies increasing LTI opportunities;
- no material change in median bonus payouts;
- lower median PSP vesting outcomes;
- more applications of discretion to bonus outcomes, but fewer to LTIP vesting outcomes;
- continued growth in the proportion of companies increasing Chair and/or basic NED fees.

In addition to the median Chair and basic NED fee movements outlined below, just under 15% of companies have made significant (>20%) increases to other NED fees such as SID premia or committee chair/member fees.



Implementation for 2026

Base salary

Median salary increases for the wider workforce are broadly unchanged (3.2%, vs 3.3% in 2025). Around three-quarters of ED increases disclosed so far have been set in-line with or below those of the wider workforce.

Median ED salary increases:

3.0%

a little below the wider workforce

Annual bonus

13 / 2

No change to median bonus opportunity

14% of companies are increasing bonus opportunities; 2% are decreasing (one company in the context of a change of variable pay structure)

One company increasing bonus opportunities is doing so within previously approved policy limits, and twelve are increasing policy limits although one does not intend to use the additional headroom in 2026. Policy increases range from 10% to 75% of salary.

26% are reducing the level of mandatory deferral once share ownership guidelines have been met.

Long-term incentives (LTIs)

33 / 2

No change to median PSP only opportunity

36% of companies are increasing LTI opportunities; 2% are decreasing (one company in the context of a change of variable pay structure)

One third of those increasing LTI opportunities are also increasing annual bonus opportunities

Ten companies increasing LTI opportunities are doing so within previously approved policy limits, and twenty three are increasing policy limits although four of these do not intend to use the additional headroom in 2026. Policy increases range from 25% to 200% of salary.

Ten companies are modifying the structure of their LTIs. Most are introducing restricted shares, either stand-alone or alongside performance shares under a hybrid model, but two companies are introducing stretch/multiplier elements to their PSPs.

Share ownership guidelines (SOG)

Almost 12% of companies have introduced or increased their SOG requirements for one or more ED. Most have been in conjunction with a policy increase to LTI opportunities, although this has not yet led to an increase in the median level of SOG for FTSE 250 CEOs (currently 2x salary).

Chair and NED fees

Around 60% of companies have increased either their all-inclusive Chair and/or basic NED fee. Median levels of increase are unchanged from prior year, at 3.2% for Chairs and 3.0% for NEDs, in line with/below wider workforce increases respectively.

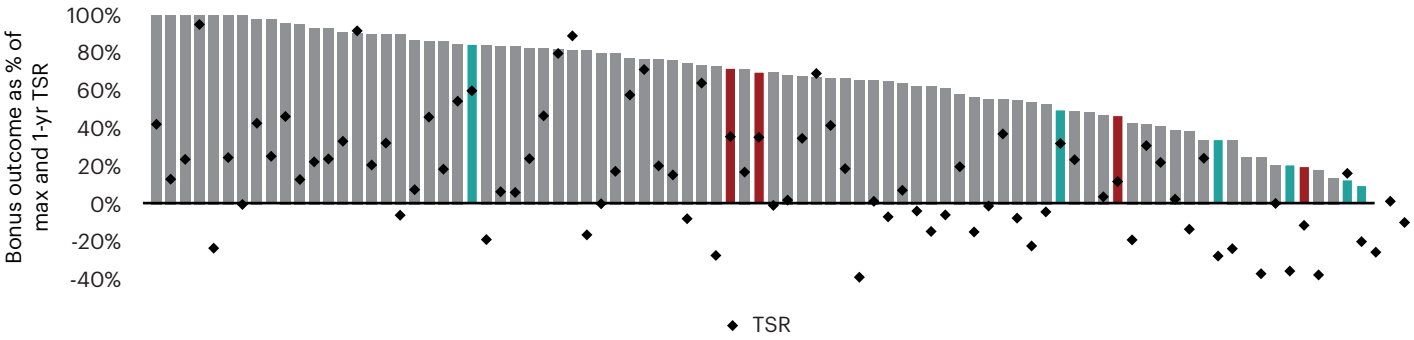
Incentive outcomes for 2025

Summary

- The median annual bonus payout is 68% of maximum
  - This is broadly in line with last year (70%) and longer-term median levels (c. 70% of maximum)
- PSP payouts vary more widely than annual bonus outcomes but the median so far is 51% of maximum
  - This is a little lower than last year (54%) and lower than longer-term median levels (c. 60% of maximum)
- Interventions have been more prevalent for annual bonus than PSP outcomes:
  - Bonuses were reduced at 9% of companies (2024/25: 7%)
  - Formulaic PSP outcomes were reduced at 1% of companies (2024/25: 3%)
  - Four companies increased the annual bonus payout (4% vs 2% in 2024/25) and two companies increased PSP vesting (2% vs 2% in 2024/25)

Annual bonus

FTSE 250 bonus outcomes as % of maximum versus TSR



Green bar – overall downwards discretion; **Red bar** - overall upwards discretion
TSR is measured point to point, 1 Jan 25 - 31 Dec 25

68% **Median bonus outcome, as % of maximum**

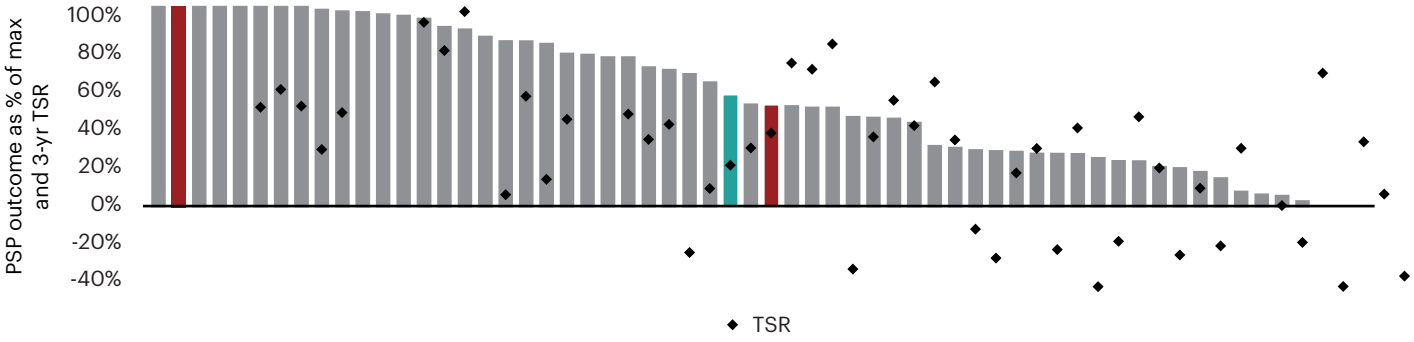
8 4

7 RemCos used their discretion to reduce formulaic outcomes (including 1 to 0%) and EDs at 1 company waived their entitlement to a bonus.

4 RemCos used their discretion to increase payouts beyond formulaic outcomes.

Long-term incentives

FTSE 250 PSP outcomes as % of maximum versus TSR



Green bar – overall downwards discretion; **Red bar** - overall upwards discretion
TSR is measured point to point, 1 Jan 23 - 31 Dec 25

51% **Median PSP outcome, as % of maximum**
5% of companies' PSPs lapsed entirely

1 2

1 RemCo used its discretion to reduce PSP vesting below the formulaic outcome. Separately, having considered performance in the round, another RemCo reduced the vesting of its RSP.

2 RemCos used their discretion to increase vesting beyond the formulaic outcome.

Further information

For more information on FTSE 250 market data and pay trends please contact your WTW contact or:

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This report includes data sourced from **WTW's Global Executive Compensation Analysis Team**. This report is based on the FTSE 250 as at 23 March 2026.

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