

# CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE



“

**An intense year has seen the Board focus on navigating industry-wide challenges from Covid recovery, while charting a strong longer-term strategy, positioning easyJet to be an industry winner in the years ahead.”**

**Stephen Hester**  
Chairman

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## Introduction

I am pleased to introduce this report which describes the activities of your Board during the year, along with our governance arrangements.

This has been an important year for easyJet and its Board. The first half saw Covid-19 in full effect across Europe, with many travel restrictions and associated lack of flying. Resilience and financial strength were the overriding priorities. Quicker than many forecast, economies opened up in the spring and, across the industry in Europe, flying has returned very fast. The industry- and economy-wide challenges of managing the bounceback have been well publicised. The Board has been intensely focused on working with management to navigate this as well as possible for customers, employees and shareholders. At the same time, a two-year global 'hiatus' for Covid-19, with its associated existential challenge for aviation, required a careful re-engagement this year with questions of easyJet's strategic positioning going forward. The Board spent considerable time on this, reviewing our purpose and strategic aspiration, the roadmap and tools to achieve it and confirming our belief that easyJet is well-positioned to be an industry winner in the years ahead. All of these considerations have been underpinned by our commitment to the highest standards of corporate governance and a range of other vital initiatives, not least relating to sustainability on which major steps forward were also accomplished.

## Activities in the year Strategy and purpose

The Board allocated a significant amount of time to reviewing the strategic priorities in the year, undertaking an iterative approach in order to explore the risks and opportunities in detail and ensure that our purpose and ambition were aligned. This included in-depth discussions over the course of several meetings on topics such as growth, cost, revenue and customers.

As a result of this process, the Board articulated the refreshed purpose statement, 'Making low-cost travel easy', and the targeted destination of being 'Europe's most loved airline – winning for our customers, shareholders and people'. Further information is set out on pages 4 to 7. The Board continues to keep the strategy under review and will monitor how the purpose and destination are delivered.

## Fleet

At the same time as these strategic discussions were taking place, the Board reviewed the longer-term fleet requirements. In June, we announced that we had reached agreement with Airbus to supply 56 A320neo aircraft for delivery between FY26 and FY29 and to convert 18 A320neo aircraft for delivery between FY24 and FY27 into the larger A321neo aircraft. The transaction firmed up the order book with Airbus and secured a number of other benefits, continuing the fleet refresh as older aircraft leave the business. Although the transaction was already envisaged when shareholders approved the 2013 Airbus Agreement,

in view of its size, it was conditional on shareholder approval. The Board believes the aircraft purchase will support positive returns for the business and the delivery of our strategic objectives, and we were pleased with the strong support shown by shareholders in approving the transaction. The Board continues to keep the fleet plan under regular review.

### Operational performance

Delivering a safe and reliable operation for our customers is easyJet's highest priority. While there was positive news in January with the decision by the UK government to remove pre-departure testing, which saw a step change in bookings, the increased travel restrictions introduced across Europe at the end of the first quarter in response to the Omicron variant paused this momentum. In spite of this, we reduced our losses over the first half, and the pent-up demand provided for a strong and sustained recovery in trading from April onwards.

Given the unprecedented ramp-up, the aviation industry across Europe experienced operational issues in the second half, including staff shortages in ground-handling and at airports, supply chain issues and air traffic control delays. The very tight labour market for the whole ecosystem including crew, compounded by increased ID check times, reduced planned resilience further. This resulted in delays and cancellations and two of our largest airports, London Gatwick and Amsterdam Schiphol, introduced flight caps. We took decisive action in response, proactively consolidating a number of flights across affected airports and revising the schedule to build additional resilience. The Board has been mindful of the impact that this disruption has had on all of our stakeholders, including customers and our own people. We were pleased that as a result of the actions we took the operation stabilised, with a majority of customers able to rebook on alternative flights and CSAT increasing among those travelling during the summer. However, we also recognise that all parties, including easyJet, must aspire to do better in the coming year.

### Sustainability and climate change

Sustainability, including the impact of climate change, has featured heavily on the Board agenda during the year. In 2019, easyJet led the aviation industry in

launching its Sustainability Strategy and in November 2021, we joined the Race to Zero campaign through which we committed to set an interim science-based target to reach 35% carbon reduction by 2035, as well as reach net zero emissions by 2050.

The Board reviewed sustainability matters, including the pathway to net zero which is explained in detail on pages 12 and 13, on multiple occasions during the year prior to its launch in September 2022.

### People and culture

The Board is always keen to understand and respond to the views, concerns and challenges of our people. Last year the Board took the opportunity to review the approach to bringing the employee voice into the boardroom, and our four Employee Representative Directors regularly updated the Board on their discussions. You can read more about this on page 27.

Further details on the Board's activity during the year can be found on pages 86 to 87.

### Board composition

The Nominations Committee keeps the balance of skills, knowledge and experience on the Board under regular review and is mindful of the best practice requirements under the UK Corporate Governance Code 2018 (the 'Code' or '2018 Code'). During the year, the Nominations Committee conducted a thorough search for three new Non-Executive Directors, following which Ryanne van der Eijk, Harald Eisenächer and Dr Detlef Trefzger were appointed to the Board with effect from 1 September 2022. They bring extensive airline and travel industry experience to the Board's deliberations, with a focus on operations and logistics, customer experience, digital and data, combined with a European outlook, as we are mindful that 50% of our activities are in continental Europe.

Nick Leeder stepped down from the Board on 30 September 2022, following his relocation to Singapore. Andreas Bierwirth and Julie Southern have decided not to seek re-election at the Company's next Annual General Meeting; Andreas, in line with corporate governance best practice, having served for nearly nine years, and Julie having been appointed Chair designate at RWS Holdings plc. Further

details can be found on pages 94 to 96. As noted in my introduction to the Annual Report, we are grateful to Nick, Andreas and Julie for their significant contributions.

The Board is in the process of recruiting a new Senior Independent Director, and expects to meet the increased best practice guidelines for gender diversity when this appointment is finalised. The Board continues to meet best practice guidelines for ethnic diversity.

All new Board members participate in a comprehensive induction programme. Information on the induction programme can be found on page 91.

### Board performance

The Board undertakes a formal evaluation of its own performance, and that of its Committees and individual Directors, every year. The evaluation is externally facilitated every three years in accordance with the Code. As the 2021 Board evaluation was undertaken externally, an internal evaluation was undertaken during 2022. I am pleased that the Board was found to operate effectively. Details of the process followed, the outcomes and the proposed actions can be found on pages 92 to 93.

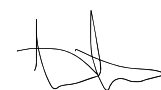
### Stakeholders

The Board takes account of the impact of its decisions on all our stakeholders, be they customers, employees, suppliers, shareholders, the communities we operate in or regulators, while taking steps to secure the Group's longer-term success.

Details of how we have engaged with all our stakeholders to understand their views can be found on pages 26 to 29.

A statement on how the Directors have had regard to the matters set out in section 172 of the Companies Act 2006 can be found on page 27.

The following pages set out details of the composition of our Board, its corporate governance arrangements, processes and activities during the year, as well as reports from each of the Board's Committees, and I hope it provides a useful insight.



**Stephen Hester**  
Chairman

# AN EXPERIENCED BOARD



**Stephen Hester**  
Chairman

**Nationality:**  
British

**Appointed:**  
September 2021

**Contribution to the Board:**

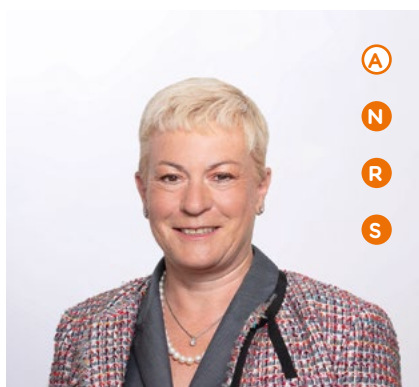
- Strategic and successful leader with more than 35 years of wide-ranging business experience, including significant experience leading major international businesses in regulated industries.
- Brings strong track record of value creation and listed company experience to the Board.

**Experience**

Stephen served as a Chief Executive of RSA Insurance Group plc from February 2014 to May 2021, and prior to this as Chief Executive of Royal Bank of Scotland Group, Chief Executive of British Land plc and Chief Operating Officer of Abbey National plc, as well as holding a number of senior executive roles at Credit Suisse First Boston in London and New York. He has also held senior non-executive positions as deputy chairman of Northern Rock and Senior Independent Director of Centrica plc. Stephen holds a BA (Hons) in Politics, Philosophy and Economics from Oxford University.

**Current external appointments**

Lead Independent Director of Kyndryl Holdings, Inc. and Chairman of Nordea Bank Abp.



**Julie Southern**  
Senior Independent Non-Executive Director

**Nationality:**  
British

**Appointed:**  
August 2018

**Contribution to the Board:**

- In-depth commercial and financial expertise from a varied executive and non-executive career, including in aviation.
- Extensive experience in finance-oriented roles, making her ideally suited for her role as Chair of the Audit Committee.

**Experience**

Julie served as Chief Commercial Officer of Virgin Atlantic Limited from 2010 to 2013, and prior to this was Chief Financial Officer of Virgin Atlantic Limited for 10 years. Julie was previously Group Finance Director at Porsche Cars Great Britain and Finance and Operations Director at WH Smith – HJ Chapman & Co. Ltd. She was previously a Non-Executive Director of Stagecoach Group plc, Gategroup AG, Cineworld plc and DFS Furniture plc. Julie holds a BA (Hons) in Economics from the University of Cambridge and is a qualified chartered accountant.

**Current external appointments**

Non-Executive Director and Chair Designate of RWS Holdings plc, Non-Executive Director and Chair of the Audit Committees of Rentokil Initial plc, NXP Semi-Conductors N.V., and Ocado Group plc.



**Johan Lundgren**  
Chief Executive Officer

**Nationality:**  
Swedish

**Appointed:**  
December 2017

**Contribution to the Board:**

- Proven experience in European travel with more than 30 years' experience in the travel industry.
- Experienced leader who is strategic yet operationally focused, having designed and implemented a number of easyJet's key strategic initiatives since his appointment, including the relaunch of easyJet holidays, our Sustainability Strategy and our pathway to net zero emissions which demonstrates his desire to lead the decarbonisation of aviation.

**Experience**

Prior to joining easyJet, Johan was the Group Deputy Chief Executive Officer and Chief Executive Officer of Mainstream Tourism at TUI AG. He was the Managing Director for the Northern Region at TUI Travel plc from 2007 until 2011. From 2003 until 2007, he was the Managing Director and Chief Executive Officer of TUI Nordic. Johan led MyTravel's businesses out of Canada and Sweden between 1999 and 2003, prior to which he was Managing Director of Always Tour Operations from 1996.

**Current external appointments**

Senior Adviser, Blackstone (private equity group).

**Board Committees key**

- Committee Chair
- **A** Audit Committee
- **F** Finance Committee
- **N** Nominations Committee
- **R** Remuneration Committee
- **S** Safety Committee



**Kenton Jarvis**  
Chief Financial Officer

**Nationality:**

British

**Appointed:**

February 2021

**Contribution to the Board:**

- Brings extensive experience of the travel and aviation sector to the Board having held senior group and divisional finance roles at TUI and Airtours Holidays.

**Experience**

Before joining easyJet, Kenton was previously CEO of Aviation, and Business Improvement Director – Markets, at TUI Group, having held a number of senior group and divisional finance roles at TUI since 2003. Kenton holds a BSc (Hons) in Biochemistry from the University of Manchester. Before joining TUI, Kenton was the Finance Director of Airtours Holidays and held a number of commercial finance roles at Adidas, prior to which he qualified as a chartered accountant with PwC.

**Current external appointments**

None.



**Dr Andreas Bierwirth**  
Independent Non-Executive Director

**Nationality:**

German

**Appointed:**

July 2014

**Contribution to the Board:**

- Brings a valuable European perspective to Board deliberations.
- Active commercial pilot which, combined with his experience as an executive at Germanwings, means he brings considerable airline experience to the Board and to his role as Chair of the Safety Committee.
- Andreas is also one of the Board's nominated Employee Representative Directors.

**Experience**

Andreas previously served as Chief Executive Officer of Magenta Telekom (formerly T-Mobile Austria), and as a Director and Chief Commercial Officer at Austrian Airlines AG. Andreas also served as Vice President of Marketing at Deutsche Lufthansa AG (Frankfurt) and Chairman of the Supervisory Board at T-Mobile Polska SA. Prior to this, Andreas was Deputy Managing Director and later Managing Director at Germanwings.

**Current external appointments**

Chief Retail Officer of Erste Group Bank AG and Chairman of the Supervisory Board of Do&Co AG.



**Catherine Bradley CBE**  
Independent Non-Executive Director

**Nationality:**

French and British

**Appointed:**

January 2020

**Contribution to the Board:**

- Extensive financial expertise gained across senior finance roles in investment banking and M&A over 33 years, along with an in-depth understanding of corporate governance and regulatory matters.
- Her experience in financial and capital markets makes her ideally suited as Finance Committee Chair.
- Catherine is also one of the Board's nominated Employee Representative Directors.

**Experience**

Catherine began her career with Merrill Lynch in the US and finished the executive phase of her career as Head of Advisory Global Markets with Societe Generale in Asia. Catherine then served as a Non-Executive Director of the UK Financial Conduct Authority and Chair of its Audit Committee from 2014 to July 2020, and of WS Atkins plc from 2015 until its delisting in 2017. Catherine was also a member of the Supervisory Board and Chair of the Finance and Audit Committee of Peugeot S.A. from 2016 to 2021. Catherine graduated from HEC Paris with a major in Finance and International Economics.

**Current external appointments**

Senior Independent Director of Kingfisher plc. Non-Executive Director of Johnson Electric Holdings Limited and a Non-Executive Director of abrdn plc and Chair of their Audit Committee.

**Board Committees key**

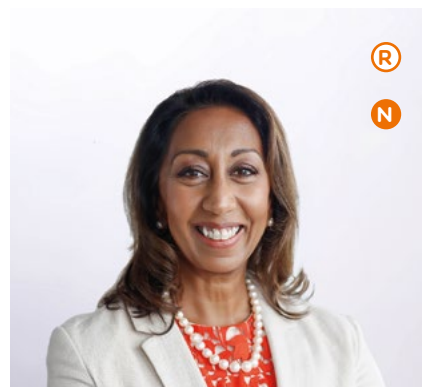
- Committee Chair
- A Audit Committee
- F Finance Committee
- N Nominations Committee
- R Remuneration Committee
- S Safety Committee



**Ryanne van der Eijk**  
Independent Non-Executive Director



**Harald Eisenächer**  
Independent Non-Executive Director



**Moni Mannings**  
Independent Non-Executive Director

**Nationality:** Dutch  
**Appointed:** September 2022

**Contribution to the Board:**

- Brings in-depth airline and customer services experience, along with a valuable European perspective to Board deliberations.
- Ryanne is one of the Board's nominated Employee Representative Directors.

**Nationality:** German  
**Appointed:** September 2022

**Contribution to the Board:**

- Brings extensive travel and aviation sector experience as well as a deep knowledge of digital and data driven businesses, combined with a European outlook.

**Nationality:** British  
**Appointed:** August 2020

**Contribution to the Board:**

- Experienced non-executive who brings extensive legal and corporate finance experience to the Board.
- Deep knowledge of executive remuneration as an experienced Remuneration Committee Chair means she is well placed as Chair of the Remuneration Committee.
- Moni is also one of the Board's nominated Employee Representative Directors.

**Experience**

Ryanne has extensive airline operations and customer service experience, having had a 20-year career with KLM, her last role being as Chief Experience Officer. Her previous senior executive appointments also include Chief Operating Officer for Dubai Airports and Chief Experience Officer for Ras Al Khaimah Economic Zone in the UAE.

**Current external appointments**

Chief Operating Officer of Mentaal Beter and Chair of Advisory Board, Child Protection Research Centre, UAE.

**Experience**

Harald brings significant experience of the travel and aviation industry, having held senior executive positions with Lufthansa and Sabre Travel Network. He most recently served as Chief Commercial Officer for Infare, the leading provider of competitor air travel data based in Denmark. He has previously held senior positions with Deutsche Telekom, eBay and Hoechst and served as a non-executive director of Groz-Beckert SE (2007 to 2021) and Ifolor AG (2013 to 2019).

**Current external appointments**

Member of the Supervisory Board of Infare A/S and Advisory Board of Solytic GmbH.

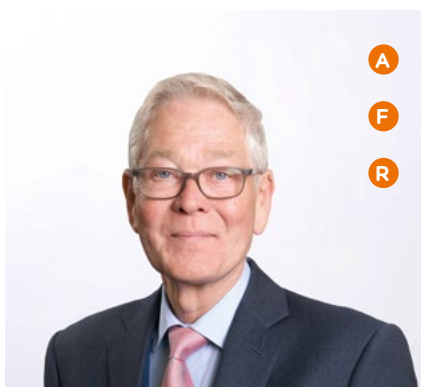
**Experience**

From 2000 until 2016, Moni was a Partner and Head of the International Banking and Finance Division of Olswang LLP, before which she held senior positions with Dewey & LeBoeuf LLP, Simmons & Simmons and Clifford Chance LLP. Until 2017, Moni was Chief Operating Officer of Aistemos Limited. Moni has also held a number of non-executive positions, including as a Board member of the Solicitors Regulation Authority (chairing its Equality, Diversity and Inclusion Committee) and at Cranfield University. Moni has also served as a Non-Executive Director of Polypipe Group plc (2014 to 2019), Dairy Crest Group plc (2017 until their acquisition and delisting in 2019) and Breedon Group plc (2019 to 2021).

**Current external appointments**

Non-Executive Director of Hargreaves Lansdown plc and Investec Bank plc, Non-Executive Director and Chair of the Remuneration Committee of Cazoo Group Ltd.





**David Robbie**  
Independent Non-Executive Director

**Nationality:** British  
**Appointed:** November 2020

**Contribution to the Board:**

- Brings strong financial, risk management and corporate finance experience to the Board.
- His international and strategic outlook, combined with over 20 years serving as a director on FTSE boards, provides a valuable perspective in Board and Committee discussions.

**Experience**

David was Finance Director of Rexam plc from 2005 until 2016. Prior to his role at Rexam, David served in senior finance roles at Invensys plc before becoming Group Finance Director at CMG plc in 2000 and then Chief Financial Officer at Royal P&O Nedlloyd N.V. in 2004. He served as interim Chairman, Senior Independent Director and Chair of the Audit Committee of FirstGroup plc from 2018 to 2021, and Non-Executive Director and Chair of the Audit Committee for the BBC between 2006 and 2010. David qualified as a chartered accountant at KPMG and holds an MA in English Literature from St. Andrew's University.

**Current external appointments**

Senior Independent Director and Chair of the Audit Committee at DS Smith plc.



**Dr Detlef Trefzger**  
Independent Non-Executive Director

**Nationality:** German  
**Appointed:** September 2022

**Contribution to the Board:**

- Brings recent and in-depth experience of global logistics and commercial strategy, along with a European outlook.
- Broad experience of technology enabled and data supported business transformation.

**Experience**

Detlef brings significant transportation and logistics experience, having served as Chief Executive Officer of Kuehne + Nagel International AG, the global transport and logistics company based in Switzerland, from March 2013 to July 2022. Prior to this he held senior positions with DB Schenker and Roland Berger.

**Current external appointments**

Non-Executive Director of Accelleron Industries AG, Founder and Chair of Larix Equity AG.

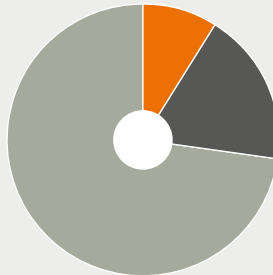
**Changes to the Board during the year and up to 29 November 2022**

- Rianne van der Eijk, Harald Eisenächer and Dr Detlef Trefzger were appointed with effect from 1 September 2022.
- Nick Leeder stepped down on 30 September 2022.

## BOARD COMPOSITION

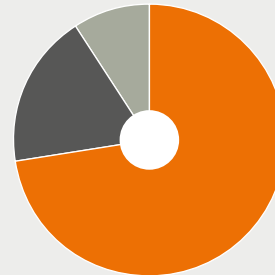
The Board continues to meet best practice guidelines for independence and ethnic diversity and keeps the balance of skill, knowledge and experience on the Board under regular review.

**Independence**



- Chairman: 1
- Executive: 2
- Non-Executive Directors: 8

**Tenure**



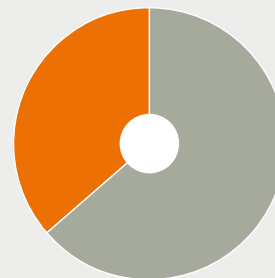
- 0-3 years: 8
- 3-6 years: 2
- 6-9 years: 1

**Ethnicity**



- White: 10
- Asian: 1

**Gender**



- Male: 7
- Female: 4

## SKILLS AND EXPERIENCE

	Airline/Travel	Finance	Strategy	Safety/ Sustainability	Commercial/ Consumer	Digital/Marketing	Ex CEO/CFO
<b>Stephen Hester</b>		●	●	●	●	●	●
<b>Johan Lundgren</b>	●	●	●	●	●		
<b>Kenton Jarvis</b>	●	●	●		●		
<b>Catherine Bradley CBE</b>		●		●	●		
<b>Dr Andreas Bierwirth</b>	●		●	●	●	●	●
<b>Ryanne van der Eijk</b>	●		●	●	●	●	
<b>Harald Eisenächer</b>	●		●		●	●	
<b>Moni Mannings</b>					●		
<b>David Robbie</b>		●	●		●		●
<b>Julie Southern</b>	●	●	●	●	●		●
<b>Dr Detlef Trefzger</b>	●		●	●	●		●

# A FOCUSED MANAGEMENT TEAM



**Ella Bennett**  
Group People Director

**Nationality:**

British

**Appointed:**

May 2018

**Key areas of expertise:**

- People, reward and digital transformation.

**Experience**

Ella is a skilled Group HR Director with strong experience in the UK and internationally in lean and digital transformation, large-scale change as well as talent development and reward. Ella joined easyJet from Sainsbury's Argos, where she led the integration of their non-food business to create a multi-product, multi-channel business with fast delivery networks. Ella was also Group HR Director at Home Retail Group, leading the people aspects of Argos' digital transformation. Prior to this she was a member of the executive management team at Fujitsu. She holds a BA (Hons) degree in English Literature from the University of Bristol and Master's degree from the University of London.



**Robert Birge**  
Chief Customer & Marketing Officer

**Nationality:**

American

**Appointed:**

August 2022

**Key areas of expertise:**

- Customer, marketing.

**Experience**

Robert is a highly experienced consumer marketing and general management leader with a track record of driving growth, building brands and leading winning teams across ecommerce, travel, online apparel, wireless and consumer goods for both large companies and start-ups. Before joining easyJet, Robert was Chief Growth Officer at ASOS in a role that encompassed marketing, end-to-end customer experience, data insight and media publishing, increasing revenue growth from 13% in 2019 to 21% in 2021. Previously Robert spent six years as CMO at KAYAK, establishing it as a leader in the travel industry, leading to public listing. He was also part of the original start-up team that created US online travel agency Orbitz.



**Stuart Birrell**  
Chief Data & Information Officer

**Nationality:**

British

**Appointed:**

November 2020

**Key areas of expertise:**

- Data and information technology.

**Experience**

Stuart spent five years as Director and Chief Information Officer at Heathrow Airport Ltd before joining easyJet. He previously held the role of CIO at Formula 1's McLaren Technology Group where he worked in the high-performance environment building a team of in-house experts and specialist suppliers. Prior to that he spent three years at Gatwick Airport where he successfully separated the airport systems from BAA and brought improvements to complex IT foundations and transformation processes. Stuart brings with him significant experience and expertise in IT security, cloud-based solutions, big data sets and technology to support business expansion.





**Maaïke de Bie**  
Group General Counsel &  
Company Secretary

**Nationality:** Dutch and British  
**Appointed:** June 2019

**Key areas of expertise:**

- Legal, compliance and regulatory.

**Experience**

Maaïke is an experienced international lawyer with over 25 years' practical experience in a variety of sectors. Maaïke joined easyJet in June 2019 from Royal Mail plc where she was Group General Counsel, accountable for all legal, compliance, claims management, security and information governance matters. Prior to Royal Mail, Maaïke was a Legal Director and part of the governance body of EY LLP. Maaïke also spent six years with General Electric, five years as General Counsel for one of its Capital companies in EMEA and then promoted into the HQ office of GE Capital in Europe to lead the improvement of enterprise risk management and corporate governance across EMEA. She has also held senior international legal positions at the European Bank for Reconstruction and Development LLP in London and White & Case LLP in New York. She obtained her legal degrees in the Netherlands (in Amsterdam) and Canada (McGill in Montreal) and is qualified to practise as a solicitor in both New York and the UK. Maaïke is also a trustee for Blueprint for Better Business which is an independent charity that helps business be inspired and guided by a purpose that respects people and contributes to a better society.



**Sophie Dekkers**  
Chief Commercial Officer

**Nationality:** British  
**Appointed:** December 2020

**Key areas of expertise:**

- Aviation and strategy.

**Experience**

Before joining the Airline Management Board, Sophie held the role of Customer Director for easyJet. Prior to this she was Director of Scheduling for the airline, implementing systems and process improvements. She has also led easyJet in the UK as Country Director for five years, where she was responsible for driving the airline's commercial success and strategic direction in the UK as well as representing aviation at both House of Lords and House of Commons Select Committees. Previous roles in the airline include Head of Change Management and Customer Insight, with a background in customer insight, working with a range of brands from Jaguar Land Rover to Mars, Unilever and Vodafone. Sophie was also Non-Executive Director for Airport Co-ordination Limited from 2017 to 2021 and sat on their Remuneration and Nomination Committees. Sophie is easyJet's business lead on diversity and inclusion, a qualified MindGym coach, business mentor, and a founding member of easyJet's Women's Network.



**Thomas Haagenen**  
Group Markets Director

**Nationality:** Danish  
**Appointed:** May 2018

**Key areas of expertise:**

- Commercial and operations management.

**Experience**

Thomas has over 20 years' experience in operations management built in a variety of roles across Europe. Danish, born and educated in Switzerland, Thomas began his career with Tetra Pak, working his way up to Regional Manager of the East Med where he developed and succeeded in implementing ambitious growth and profitability improvement plans. Since joining easyJet in 2008 Thomas has significantly grown the Swiss market, developed easyJet's market entry strategy for Germany and developed the business traveller segment in Northern Europe. Most recently he was appointed Managing Director of easyJet Europe, establishing the Company's Austrian AOC, a key part of its Brexit migration plan, and managed the transition of 100 aircraft to easyJet Europe. Thomas holds a degree in Business Administration with a focus on management and marketing from University of Lausanne.



**David Morgan**  
Chief Operating Officer

**Nationality:**

British

**Appointed:**

July 2022

**Key areas of expertise:**

- Flight operations.

**Experience**

David joined easyJet in September 2016 as the airline's Chief Pilot, and in December 2017 took up the position of Director of Flight Operations, taking responsibility for the safe and efficient operation of the airline's flights across Europe. David previously served as interim COO in 2019, when he oversaw operations across the airline and delivered significant improvements in operational performance. David and his operations team focus on safe, efficient and sustainable operations in an increasingly complex and challenging environment. Prior to joining the airline David was Chief Flight Operations Officer at Wizz Air. His long career in aviation has taken him around the world including Australia and the Middle East. He is a graduate of the Royal Military Academy, Sandhurst.



**Garry Wilson**  
Chief Executive Officer, easyJet holidays

**Nationality:**

British

**Appointed:**

November 2018

**Key areas of expertise:**

- Travel, business transformation and global markets.

**Experience**

Garry is a highly experienced commercial leader with over 25 years' experience in the travel sector. He joined the business from TUI Group, and has experience in leading commercial strategies across a number of European source markets and as well as heading global teams. Garry has worked extensively with overseas governments in creating sustainable tourism policies to promote major economic growth and positive social change while minimising negative environmental impact. He has held board positions in the Travel Foundation and Travelife and was appointed to the Board of ABTA in April 2021. He holds a BCom (Hons) degree in Business Management and Languages from the University of Edinburgh.



**Johan Lundgren**  
Chief Executive Officer

See Board of Directors' profiles on page 74.



**Kenton Jarvis**  
Chief Financial Officer

See Board of Directors' profiles on page 75

**Changes to the Airline Management Board during the year and up to 29 November 2022:**

- David Morgan was appointed interim Chief Operating Officer on 1 July 2022, replacing Peter Bellew, and was subsequently made permanent COO.
- Robert Birge was appointed Chief Customer & Marketing Officer on 15 August 2022.

# GOVERNANCE FRAMEWORK

## SHAREHOLDERS

### CHAIRMAN

The Chairman is responsible for the leadership of the plc Board and for ensuring that it operates effectively through productive debate and challenge.

### THE BOARD

The Board is responsible for providing leadership to the Group. It does this by setting strategic priorities and overseeing their delivery in a way that is aligned with easyJet's culture and enables sustainable long-term growth, while maintaining a balanced approach to risk within a framework of effective controls and taking into account the interests of a diverse range of stakeholders. The Board is also responsible for environmental, social and governance matters. There are certain matters which are reserved for the Board's decision.

[Biographies on pages 74](#)

[Strategic priorities on pages 6](#)

[Engagement with stakeholders on pages 26](#)

[Activity in the year on pages 86](#)

### BOARD COMMITTEES

The terms of reference of each Committee are documented and agreed by the Board. The committees' terms of reference are reviewed annually and are available in the Governance section of easyJet's corporate website at <https://corporate.easyjet.com>. The key responsibilities of each Committee are set out below.

#### NOMINATIONS COMMITTEE

To evaluate the balance of skills, knowledge, experience and diversity on the Board, and keep the composition, structure and size of the Board and its Committees under regular review.

To provide succession planning for senior executives and the Board, leading the process for all Board appointments.

To oversee the Board elements of the Diversity & Inclusion Policy and monitor Group-wide initiatives.

#### FINANCE COMMITTEE

To review and monitor the Group's treasury policies, treasury operations and funding activities, along with the associated risks.

To provide approvals in relation to fuel and currency hedging, swaps, letters of credit and guarantees.

#### AUDIT COMMITTEE

To monitor the integrity of the Group's financial and narrative reporting, and the adequacy and effectiveness of the systems for risk management and internal control.

To monitor the effectiveness and independence of the internal and external auditors.

#### SAFETY COMMITTEE

To examine specific safety issues as requested by the Board or any member of the Committee.

To receive, examine and monitor reports on actions taken by departments.

To review and monitor the implementation of easyJet's annual safety plan.

#### REMUNERATION COMMITTEE

To set remuneration for all Executive Directors, the Chairman and the AMB, including pension rights and any compensation payments.

To oversee remuneration and workforce policies and practices and take these into account when setting the policy for Directors' remuneration.

 [Committee report on pages 94 to 96](#)

 [Committee report on page 97](#)

 [Committee report on pages 98 to 103](#)

 [Committee report on pages 104 to 105](#)

 [Committee report on pages 106 to 121](#)

### CHIEF EXECUTIVE

Responsible for the day-to-day running of the Group's business and performance, and the development and implementation of strategy.

### AIRLINE MANAGEMENT BOARD (AMB)

Led by the Chief Executive, the AMB members are collectively responsible for driving the performance of the Group against strategic KPIs and managing the allocation of central funds and capital.

## THE BOARD

### Chairman – Stephen Hester

- Responsible for leadership of the Board and ensuring effectiveness in all aspects of its role.
- Responsible for setting the Board's agenda and ensuring adequate time is available for discussion of all agenda items, including strategic issues.
- Responsible for encouraging and facilitating active engagement by and between all Directors, ensuring a culture of openness is maintained and drawing on each of their extensive skills, knowledge and experience.
- Ensures effective engagement between the Board, its shareholders and key stakeholders.

### Chief Executive Officer – Johan Lundgren

- Responsible for recommending the Group's strategy to the Board and for delivering the strategy once approved.
- Together with the Chief Financial Officer, monitors the Group's operating and financial results and directs the day-to-day business of the Group.
- Responsible for recruitment, leadership and development of the Group's executive management team below Board level.
- Keeps the Chair and the Board apprised of important and strategic issues facing the Group.

### Senior Independent Director – Julie Southern

- Acts as a sounding board for the Chairman and as an intermediary for the other Directors when necessary.
- Responsible for addressing shareholders' concerns that have not been resolved through the normal channels of communication with the Chairman, Chief Executive or Chief Financial Officer.
- Responsible for evaluating the performance of the Chairman in consultation with the other Non-Executive Directors.

### Chief Financial Officer – Kenton Jarvis

- Supports the Chief Executive Officer in developing and implementing strategy.
- Provides financial leadership to the Group and alignment between the Group's business and financial strategy, including developing the Group's annual budget prior to the formal agreement of the Board.

### Non-Executive Directors

- Provide an external perspective, sound judgement and objectivity to the Board's deliberations and decision making.
- Use their diverse range of skills and expertise to support and constructively challenge the Executive Directors, and monitor and scrutinise the Group's performance against agreed goals and objectives.
- Responsible for determining appropriate levels of executive remuneration, appointing and removing Executive Directors, and succession planning through their membership of the Remuneration and Nominations Committees.
- Review the integrity of financial reporting and that financial controls and systems of risk management are robust.

### Employee Representative Directors – Andreas Bierwirth, Catherine Bradley, Moni Mannings, Ryanne van der Eijk

- Provide the mechanism for the Board to engage with the workforce in line with the Code.
- Responsible for meeting the Company's European Works Council (EWC) and Management & Administration Consultative Group ('MACG') at least once a year, and other works councils on a periodic basis, along with other informal engagement.
- Provide regular updates to the Board to ensure employee voice is clearly reflected in the boardroom.

### Company Secretary – Maaïke de Bie

- Supports and works closely with the Chairman, the Chief Executive Officer and the chairs of the Board committees in setting agendas for meetings of the Board and its committees.
- Supports the provision of accurate, timely and clear information flows to and from the Board and the Board committees, and between Directors and senior management in order to ensure that the Board has the information and resources it needs in order to function effectively.
- Supports the Chairman in designing and delivering Directors' induction programmes and the Board and Committee performance evaluations.
- Advises the Board on corporate governance matters and Board procedures and is responsible for administering the Share Dealing Code and the AGM.

# OUR GOVERNANCE

## Principles of the UK Corporate Governance Code

<b>1</b>	Board leadership and company purpose	84
<b>2</b>	Division of responsibilities	89
<b>3</b>	Composition, succession and evaluation	90
<b>4</b>	Audit, risk and internal control (Audit Committee report)	98
<b>5</b>	Remuneration (Remuneration Committee report)	106

easyJet follows the principles of the 2018 Code which sets out the standards of good practice in relation to how a company should be directed and governed. The full text of the Code is available at [www.frc.org.uk](http://www.frc.org.uk). The Board is pleased to confirm that the Company has applied the Principles of the Code and complied with all the Provisions of the Code throughout the year. Our compliance with key areas of the Code is summarised in this section, together with cross references, where applicable, to the relevant sections of this report where more information can be found (together with the Directors' Remuneration Report on pages 106 to 121 and the Directors' Report on pages 122 to 125).

## 1 Board leadership and company purpose

### Role of the Board

The Board is collectively responsible for promoting the long-term sustainable success of the Group, generating value for shareholders as a whole and contributing to wider society by fulfilling its purpose. In exercising this responsibility, the Board takes into account all relevant stakeholders including customers, employees, suppliers, shareholders, the communities we operate in, regulators and governments, and the effect of the activities of the Group on the environment. The Board provides effective leadership by setting the strategic priorities of the Group and overseeing management's execution of the strategy in a way that enables sustainable long-term growth, while maintaining a balanced approach to risk within a framework of prudent and effective controls. Our robust governance framework is also instrumental in ensuring our strategy is delivered successfully. Our governance framework is summarised on page 82.

### Our purpose

During the year the Board allocated a significant amount of time to review the strategic priorities in the year along with easyJet's purpose and aspiration. As a result of this process, the Board articulated the refreshed purpose statement, 'Making low-cost travel easy'. Our refreshed purpose explains why we exist and guides our decision making. We want to make low-cost travel a positive and hassle-free experience and aim to provide simple, convenient travel at a competitive price.

We seek to deliver this purpose through our strategy, by leveraging the low-cost airline business model and combining this with network and service differentiation, as well as introducing strategic objectives that help us achieve our destination, which is to be 'Europe's most loved airline – winning for our customers, shareholders and people'. Further information is set out on pages 20 to 21.

Further information on the way that easyJet uses its resources to fulfil this purpose and create sustainable value is set out in our business model on page 8.

### Our stakeholders

As set out in the Code, the Board recognises the importance of identifying its key stakeholders and understanding their perspectives. Through regular dialogue and communication, the Board is mindful of all stakeholders when planning or making decisions of strategic significance.

The Board has continued to utilise the employee voice mechanism which was reviewed in the previous financial year and set out in the 2021 Annual Report. The four Employee Representative Directors have met individually with the Company's European Works Council ('EWC') and Management & Administration Consultative Group ('MACG') and other works councils on a periodic basis, as well as informal engagement where possible.

Details of engagement with our stakeholders are set out on pages 26 to 29 and in the summary of the Board's activity in the year on pages 86 to 87.

An example of how the Board considered stakeholders in its decision making is described on page 85.

## CASE STUDY: STAKEHOLDERS IN DECISION MAKING

### Decision:

Aircraft Purchase: 56 Airbus A320neo family aircraft and conversion of 18 A320neo family aircraft to 18 A321neo aircraft with related CFM engine arrangements.

### Stakeholders:

Investors, suppliers, customers, community.

### Rationale:

The transaction sought to firm up easyJet's order book with Airbus through to 2028, continuing the Company's fleet refresh as the 156-seat A319s and older A320s (180 and 186-seat) were leaving the business to be replaced with new A320 (186-seat) and A321neo (235-seat) aircraft ('Aircraft Purchase'). The Board believed the Aircraft Purchase would support the delivery of easyJet's strategic objectives and help build strong shareholder returns with the following rationale:

- **Secured certainty of aircraft supply:** Airbus delivery slots are increasingly scarce, with no slots being available until 2027. By securing delivery slots with the transaction, easyJet would secure deliveries between FY26 and FY29 to replace aircraft leaving the fleet.
- **Maintains operational scale:** The new aircraft will be used to replace older aircraft as they reach the end of their useful life. These aircraft will become economically unviable for our high-intensity low-cost operation and will need replacement if easyJet was to maintain the current scale of its business.
- **Agreement:** The new aircraft will be purchased under the 2013 Agreement, meaning the Company will continue to benefit from the highly competitive pricing and flexibility rights in this agreement. The aircraft are priced very substantially below the Airbus list price, and benefit from attractive price escalation protection. In addition, the Aircraft Purchase continues to offer flexibility with respect to delivery dates and the ability to convert A320neo aircraft to A321neo aircraft.
- **New generation technology:** The new aircraft will deliver between a 15% and 25% unit cost fuel-efficiency improvement (depending on which aircraft they replace). This will significantly reduce easyJet's fuel costs and therefore improve its overall cost base. It will also reduce the costs of compliance with various environmental regulations. The costs of carbon emissions will increase significantly over the next few years, and increased fuel efficiency will lead to a proportional reduction in carbon emissions.
- **Increased aircraft gauge:** The new aircraft will also facilitate further up-gauging of the fleet, increasing the average seat count per aircraft. This will result in further improvements in cost efficiency, with the cost of each flight spread across a greater number of passengers. The A321neo is a highly cost-efficient aircraft, well suited to higher demand or longer sector length parts of the Company's network.
- **Sustainability:** The new aircraft are aligned with easyJet's Sustainability Strategy, with the adoption of the more efficient new technology aircraft being a core component of easyJet's path to net zero emissions. Alongside this, the new aircraft are significantly quieter, with half the noise footprint of the older aircraft they are replacing.

### Consideration of stakeholders and the factors under s.172:

- **The Board considered that the Aircraft Purchase was likely to promote the success of the Company in the long term:** The Company's ability to maintain desirable slots and sustain its route network depends on the timely delivery of aircraft.

Given constraints on Airbus delivery slots, if the Aircraft Purchase had not been completed, easyJet would not have a secure supply of aircraft between FY26 and FY29 and would therefore need to either decrease its fleet size or source alternative new generation aircraft with higher ownership costs. If easyJet had to source aircraft from the secondary market, it would require easyJet to use older technology, increasing exposure to fluctuating fuel prices and carbon-related taxes and easyJet would be competitively disadvantaged relative to the more modern fleets operated by its competitors. easyJet would also be delayed in achieving its sustainability and net zero emissions objectives. Additionally, the Board considered the longer-term funding requirements, noting that the Aircraft Purchase would be financed over a number of years through a combination of easyJet's internal resources, cash flow, sale and leaseback transactions and debt.

- **The transaction also helped to foster the Company's business relationships with suppliers, customers and others, and takes account of the Company's impact on communities and the environment:** The Board noted that customers would benefit from the Company investing in new technology in order to maintain a reliable and efficient fleet, helping to protect the cost base due to the new aircraft delivering unit cost fuel efficiency improvements. The reduction in fuel costs and costs of compliance with various environmental regulations would therefore help mitigate any increase to the cost base.

Additionally, the Board was mindful that the new aircraft are aligned with its Sustainability Strategy, which customers and investors are increasingly engaged with, and the adoption of more efficient new technology aircraft was a core component of the path to net zero emissions. Alongside this, the new aircraft are significantly quieter than the aircraft they replace.

The Board also considered that Airbus and CFM, as suppliers, would have certainty from the transaction by having clarity over the commitments under the remainder of the contract with easyJet committing to aircraft and engine delivery slots. They would therefore be able to undertake their own strategic and long-term planning as a result.

- **The transaction was conducted with an appropriate governance framework, maintaining the Company's reputation for high standards of business conduct:** A cross functional working group was established to ensure the transaction was undertaken with appropriate governance and regulatory oversight and engaged its sponsor and legal advisers to ensure they were appropriately advised.
- **Shareholders were able to vote on the transaction:** The Aircraft Purchase constituted a Class 1 transaction under the Listing Rules, and was therefore conditional on shareholder approval at a general meeting. In advance of the general meeting, the Company's major shareholders were consulted to ensure they had the opportunity to discuss the transaction with management. All shareholders were also able to submit questions on the transaction in advance of, and during, the general meeting.

### Outcome

The Board approved the transaction and put it to shareholders for approval at a General Meeting held on 20 July 2022. The transaction was subsequently approved with 99.95% of votes received in favour.



### Our activity in the year

The Board meets regularly and held 11 scheduled meetings and two ad hoc meetings during the year. Each Board meeting follows a carefully tailored agenda agreed in advance by the Chairman, Chief Executive Officer and Company Secretary. A typical meeting will comprise: an Operations & Trading update, which includes reports from the CEO and CFO, updates on current trading and operations, a safety update, and periodic investor relations updates; a Strategic Matters update which allows for 'deep dives' into

areas of particular strategic importance; and a Governance update for matters requiring review and approval. The Board also receives regular reports from the Chairs of the Safety, Nominations, Audit, Finance and Remuneration Committees. Some, but not all, of the main activities of the Board during the year are highlighted below.

The Board actively seeks engagement with investors and major institutional shareholders and shareholder representative bodies. Understanding the views of our shareholders, and acting fairly

between them, has been a priority for the Board during the year. The Chairman, CEO and CFO have updated the Board on the opinions of investors regularly and the views of shareholders and market perceptions are also communicated to the Board via presentations from the Director of Investor Relations at least every quarter, and engagement with the brokers and other advisers.

## Q1

### November

#### Board activity

- Discussion of Board evaluation outcomes
- Budget
- Sustainability and net zero
- Full-year results
- Annual Report and Accounts, including principal and emerging risks, risk appetite, going concern and viability
- Inflight retail relaunch update and approval of related contracts
- Investor relations update
- Safety update: Summer 22 ramp-up

#### Stakeholder engagement and section 172 considerations

- Investor engagement around full-year results and Annual Report and Accounts, and with regulators and governments
- Development of new inflight retail offering for customers using different suppliers and operating model for crew, with improved regionalisation for customers
- Discussions with safety regulators and governments around post-pandemic ramp-up

### December

- Review of the Board forward agenda to ensure appropriate time allocated to Strategy, Customer, Brand, ESG, People and Risk
- Strategy: deep dive on historical position
- Approval of Annual General Meeting matters including new Restricted Share Plan proposal, Director re-elections, Notice of Meeting
- Employee Representative Director (ERD) update

- Consideration of stakeholders and long-term strategic priorities
- Assessment of resolutions to be put to the AGM in the interests of the Company and investors
- Remuneration Committee consultation with investors and voting bodies on remuneration arrangements and proposed Restricted Share Plan
- Engagement by ERD with Employee Works Council in France

## Q2

### January

#### Board activity

- Impact of Omicron
- Budget review
- Q1 Trading Statement

#### Stakeholder engagement and section 172 considerations

- Investor engagement around first quarter trading update and pre-AGM
- Consideration of the impact of Omicron on customers, employees and investors, and related actions

### February

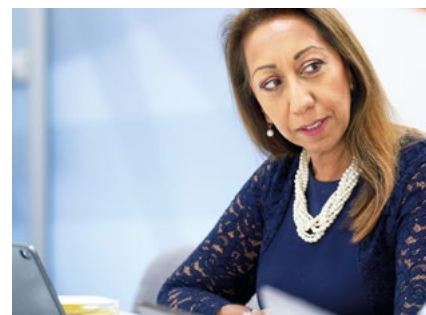
- Annual General Meeting
- Investor relations update
- Strategy: deep dives on growth and cost
- EMTN increase and refresh
- ERD update

- Investor engagement around AGM
- Consideration of stakeholders and long-term strategic priorities
- Engagement by ERD with Portuguese Works Council

### March

- Current affairs update: Ukraine
- Sustainability and net zero
- Fleet plans
- Strategy: deep dives on revenue, customers and purpose/ambition
- Approval of Tax Strategy
- Approval of Modern Slavery statement
- ERD update

- Consideration of impact of Ukraine situation relative to the Company
- Discussion of longer-term strategy relating to customers and purpose
- Consideration of multiple stakeholders in reviewing tax strategy
- Consideration of employees and supply chain relating to preventing Modern Slavery
- Engagement by ERDs with the UK's M&A Consultative Group (MACG) and Flight Operations Leadership team



## Q3

### April

#### Board activity

- Review of trading update for six months ending 31 March 2022

#### Stakeholder engagement and section 172 considerations

- Investor engagement around trading update and post-AGM matters

### May

- Investor relations update
- People and industrial relations update
- Operations and disruption remedial actions: Summer 22
- Review of principal risks at half year
- Half-year results
- Fleet plans
- Strategy: summary, purpose articulation and forward look
- IT project updates
- Annual review of delegated authorities
- Post-AGM engagement with investors

- Investor engagement around half-year results and AGM matters in relation to significant votes against received (described further on page 88)
- Customer, investor, supplier and regulator/government considerations around operational disruption
- Consideration of long-term strategy and purpose

### June

- Fleet plans and approval of Airbus transaction including related General Meeting.
- Operations and disruption remedial actions: Summer 22
- People and industrial relations update

- Consideration of stakeholders in approving the Aircraft Purchase (described further on page 85).
- Customer, investor, supplier and regulator/government considerations around operational disruption

## Q4

### July

#### Board activity

- Investor relations update
- Review of easyJet holidays performance and strategy
- Strategy: alternative scenarios
- Sustainability and net zero

#### Stakeholder engagement and section 172 considerations

- General Meeting to approve Aircraft Purchase and related investor engagement
- Consideration of long-term strategy in different economic scenarios
- Discussion of stakeholders in context of net zero plans

### August

- Strategy: alternative scenarios
- Sustainability and net zero
- Operations and disruption: Summer 22
- Board composition and balance of skills and experience, including the appointment of new Non-Executive Directors and related Committee changes
- ERD update

- Consideration of long-term strategy in different economic scenarios
- Consideration of longer-term net zero plans and stakeholder impact
- Customer, investor, supplier and regulator/government considerations around operational disruption
- Engagement by ERD with Engineering & Maintenance employees

### September

- Board evaluation
- Sustainability and net zero
- FY23 Budget

- Investor engagement around third quarter trading update
- Launch of net zero pathway and feedback from stakeholders

### Our culture and values

easyJet has a unique culture, which is open, positive and collaborative, and is embodied as the 'Orange Spirit'. The Board seeks to ensure these values are integrated into its decision making and that the policies and procedures put in place maintain this culture. Where policies, practices or behaviour are not aligned with the Company's purpose, values or strategy, the Board and management seek to ensure that appropriate action is taken.

Our culture is underpinned by the values and behaviours we call 'Our Promise':

- **Safety at our heart:** Safety is our number one priority. It runs through everything we do and is everyone's responsibility.
- **Always challenging cost:** We're always challenging costs and strive to be highly efficient in how we work. We continually innovate, aim for simplicity and invest where it matters the most. We may not always be the lowest cost but we always deliver the best value for our customers.
- **Making a positive difference:** We're passionate about making a meaningful difference for our planet, communities and people. Sustainability is important to us and we're creating a positive impact today and taking action to pioneer a sustainable future for travel.
- **Always warm and welcoming:** We are the warm and welcoming low-cost

airline. We strive to create a hassle-free travel experience. We build trust with our customers by being fair and transparent and we consistently deliver the friendly service we are known for.

- **Living the Orange Spirit:** We're proud easyJetters. We can be ourselves and challenge the status quo so that we fly high. We bring passion and energy, working together to do the right thing for our customers and each other.

### How the Board monitors culture

The Board believes culture should be a subject of continuous focus and not just in the time of crisis. As well as aiming to lead by example, it used a number of methods to understand and monitor the Company's culture during the year:

- **Employee engagement:** The four Employee Representative Directors update the Board regularly on their discussions and the key themes raised in their meetings with employees. Employee surveys carried out throughout the year also help identify key areas where employees feel that the reality diverges from the stated culture.
- **External benchmarks:** Such as Glassdoor ratings.
- **Compliance with policies and procedures:** With the assistance of its Committees, the Board oversees the effectiveness of a number of Company policies in relation to Modern Slavery, Digital Safety (including data

protection and cyber security), and Inclusion and Diversity.

- **Whistleblowing:** The 'Speak Up, Speak Out' (SUSO) whistleblowing arrangements ensure that incidents can be openly reported and areas of concern addressed, monitored and mitigated as required. The Audit Committee regularly reviews reports on the operation and efficacy of the SUSO policy and updates the Board, which considers incidents and their outcome, on an anonymous basis, in line with the Code. In the year whistleblowing featured regularly on the Board's agenda through Audit Committee updates reporting on significant matters, which allowed the Board to regularly review the adequacy of the whistleblowing policy in line with its requirement to do so under the Code.
- **Health and safety:** easyJet has a safety policy that promotes a 'just culture' within the airline, to ensure that any incidents are openly reported without negative repercussions for individuals. The Board's Safety Committee regularly reviews internal and external safety incidents (including near misses) and risks to ensure appropriate mitigations are in place and any trends identified, which are then reported to the Board.

### 2022 Annual General Meeting

The Annual General Meeting (AGM) allows shareholders the opportunity to communicate directly with the Board. Shareholders are given the opportunity to raise issues formally at the AGM or informally with Directors after the meeting. All Directors attend the AGM where possible and the Chairs of the Committees are available to answer questions. The Company's 2022 AGM was held on 10 February 2022, and shareholders had the opportunity to ask questions in advance of the meeting or during the meeting, in person and electronically.

All resolutions put to the meeting were passed, however the Board noted that Resolution 2 (Remuneration Policy), Resolution 15 (Political Donations), Resolution 16 (Authority to Allot Shares) and Resolution 17 (Restricted Share Plan) received less than 80% in favour. In accordance with the Code, the Board continued its engagement with shareholders to discuss their concerns on the resolutions. Engagement with shareholders throughout the year was carried out by the Chair and Committee chairs where appropriate, as well as the executive directors.

### Resolutions 2 and 17

In advance of the AGM, the Remuneration Committee undertook a thorough review of remuneration arrangements, including extensively consulting with major shareholders and employee representatives. As a result of that consultation the Committee noted that the majority of shareholders were supportive of the revised Remuneration Policy, but also reflected on the views of those shareholders who had different expectations on award levels, vesting periods and underpins. Certain amendments were made to the proposals to reflect feedback. The Committee concluded that on balance, replacing the Long Term Incentive Plan with a Restricted Share Plan and the structure proposed was the best approach for the Company going forward. While the Committee understood the rationale for certain shareholders voting against the resolutions, it contacted them again following the AGM and offered further engagement on the Company's approach to remuneration. The Board continues to believe that the updated Remuneration Policy not only supports long-term strategic decision making and

helps retain and motivate management to drive the performance of the business as we continue to recover from the pandemic, but also supports the longer-term performance of the business including delivering sustainable shareholder value.

### Resolutions 15 and 16

Resolution 15 sought authority for the Company to make political donations and incur political expenditure. The definitions of political donations and political expenditure used in the Companies Act 2006 are very wide. In line with UK market practice, the authority under Resolution 15 is therefore sought only as a precautionary measure to ensure that easyJet and its subsidiaries do not inadvertently breach the relevant provisions of the legislation. The Company does not make and does not intend to make political donations or to incur political expenditure. Resolution 16 sought a routine authority to allot shares in accordance with the Investment Association share capital management guidelines. The Directors do not have any present intention to exercise this authority, however they consider it appropriate to maintain the flexibility that this authority provides.

Since the AGM we have engaged with shareholders and provided the opportunity for them to raise any issues concerning the above resolutions. We are aware that some institutional investors, including those outside the UK, have policies that mean they do not support allotment authorities at the level sought at the AGM. We also note that certain shareholders did not feel they could support further allotment authorities following the Company's rights issue. However we note that the level of allotment authority continues to be supported by the majority of our shareholders and is in line with the Investment Association's share capital management guidelines applicable to UK listed companies.

A circular for the Company's next AGM, comprising a letter from the Chairman, Notice of Meeting and explanatory notes on the resolutions proposed, will be issued separately at the appropriate time and will also be published on easyJet's corporate website at <https://corporate.easyjet.com/> investors.

## 2 Division of responsibilities

### Independence

The Board consists of 11 Directors – the Chairman, two Executive Directors and eight independent Non-Executive Directors. Over half of our Board (excluding the Chairman) are Independent Non-Executive Directors and the composition of all Board Committees complies with the Code. Additionally, the Chairman was considered independent on appointment. More information about the Board members is available on pages 74 to 77.

The independence of the Non-Executive Directors is considered by the Board and reviewed on an annual basis. The Board considers factors such as length of tenure and relationships or circumstances that are likely to affect, or appear to affect, the Directors' judgement, in determining whether they remain independent. Non-Executive Directors do not participate in any of the Group's share option or bonus schemes. The Non-Executive Directors together with the Chairman meet regularly without any Executive Directors being present.

Following this year's Board effectiveness review, the Board concluded that all of the Non-Executive Directors continue to remain independent in character and judgement and are free from any business or other relationships that could materially affect the exercise of their judgement. The Board and Nominations Committee also review Committee membership annually to ensure that undue reliance is not placed on any individual.



### Roles

The Board has a formal schedule of matters reserved for its decision. Certain governance responsibilities have been delegated by the Board to Board Committees, to ensure that there is independent oversight of internal control and risk management and to assist the Board with carrying out its responsibilities. The Board Committees comprise Independent Non-Executive Directors and, in some cases, the Chairman. Each individual Committee Chair reports to the Board on matters discussed at Committee meetings and highlights any significant issue that requires Board attention. For a summary of the roles of each Committee see the governance framework on page 82. The matters reserved for the Board and the terms of reference of the Board Committees are available in the Governance section of easyJet's corporate website at <https://corporate.easyjet.com>.

The roles of Chairman and Chief Executive are set out in writing, clearly defined and approved by the Board. These are also available on easyJet's corporate website at <https://corporate.easyjet.com>.

Further information on each of the Board members' roles is set out on page 83.

### Board attendance

A summary of the Board's key activities during the year is set out on pages 86 to 87. The Directors' attendance at the Board and Committee meetings held during the year can be found on page 90. In addition to the regular Board meetings, and to provide opportunities for the Board to engage with senior management to discuss key elements of the business, a number of Board dinners and lunches were held.

The core activities of the Board and its Committees are covered in scheduled meetings held during the year. Additional ad hoc meetings are also held to consider and decide matters outside of the scheduled meetings. Non-Executive Directors are encouraged to communicate directly with each other and senior management between Board meetings.

Directors are encouraged and invited to attend all Board and Committee meetings, but in certain circumstances meetings are called at short notice and, due to prior business commitments and time differences, Directors may not always be able to attend.

Even if a Director is unable to attend a meeting because of exceptional circumstances, they continue to receive the papers in advance of the meeting and have the opportunity to discuss with the relevant Chair or the Company Secretary any matters on the agenda which they wish to raise. Feedback is provided to the Directors not able to attend on the decisions taken at the meeting.

In addition, and in line with the Code, the Chairman holds meetings with the Non-Executive Directors without the Executive Directors present. There is a standing agenda item at the end of each Board meeting for the Non-Executive Directors to meet without the Executive Directors.

For further information regarding when Board members joined or stepped down from Committees during the financial year, please refer to the 'Committee changes' sections in the relevant Committee reports (pages 94 to 121).



## Meeting attendance

	Board (scheduled)	Board (ad hoc)	Audit	Finance	Nominations	Remuneration	Safety
<b>Number of meetings</b>	11	2	5	5	6	6	4
<b>Executive Directors</b>							
Johan Lundgren	11/11	2/2	–	–	–	–	–
Kenton Jarvis	11/11	2/2	–	–	–	–	–
<b>Non-Executive Directors</b>							
John Barton <sup>1</sup>	1/1	–	–	–	1/1	–	–
Stephen Hester	11/11	2/2	–	–	6/6	–	–
Catherine Bradley CBE	11/11	2/2	5/5	5/5	6/6	–	–
Dr Andreas Bierwirth <sup>4</sup>	11/11	0/2	–	4/5	–	–	4/4
Ryanne van der Eijk <sup>2</sup>	1/1	–	–	–	–	–	–
Harald Eisenächer <sup>2</sup>	1/1	–	–	1/1	–	–	–
Nick Leeder <sup>3,4</sup>	11/11	1/2	–	–	5/6	–	4/4
Moni Mannings <sup>5</sup>	11/11	2/2	–	–	1/1	6/6	–
David Robbie	11/11	2/2	5/5	5/5	–	6/6	–
Julie Southern	11/11	2/2	5/5	–	6/6	6/6	4/4
Dr Detlef Trefzger <sup>2</sup>	1/1	–	1/1	–	–	–	–

### Notes:

1. John Barton stepped down from the Board on 1 December 2021.
2. Ryanne van der Eijk, Harald Eisenächer and Dr Detlef Trefzger were appointed to the Board on 1 September 2022.
3. Nick Leeder stepped down from the Board on 30 September 2022.
4. Absences were due to meetings being arranged at short notice or unavoidable prior commitments. Directors who are unable to attend meetings continue to receive the papers in advance of the meeting and have the opportunity to discuss with the relevant Chair or the Company Secretary. Feedback is provided on the decisions taken at the meeting.
5. Moni Mannings joined the Nominations Committee on 1 September 2022.

## Time commitment and external appointments

The expected time commitment of the Chairman and Non-Executive Directors is agreed and set out in writing in the Letter of Appointment, standard terms and conditions of which are available in the Governance section of easyJet's corporate website at <https://corporate.easyjet.com>. The Board has considered the individual Directors' attendance, their contribution, and their external appointments, and is satisfied that each of the Directors is able to allocate sufficient time to the Group to discharge his or her responsibilities effectively. As evidenced by the attendance table above, the attendance remained high and demonstrates the Directors' ability to devote sufficient time to their role.

Executive Directors and the AMB are permitted to take up non-executive positions on the Board of one other listed company as long as this is not deemed to interfere with the business of the Group.

In line with the Code, Directors are required to seek Board approval prior to taking on any additional significant external appointments and the following were approved during the year in line with this requirement:

- Catherine Bradley's appointment as a Non-Executive Director of abrdrn plc.
- Stephen Hester's appointment to Nordea Bank Abp and Kyndryl Holdings Inc.
- Julie Southern's appointment as Chair Designate of RWS Holdings plc.

Prior to these appointments, the Board considered the time required, including whether the role would impact the Director's ability to devote sufficient time to their current role, and concluded that the appointments would not interfere with their roles with the Company.

The Board is comfortable that all Directors continue to devote sufficient time to discharge their duties, as can be seen in the high attendance rates set out in the table above.

### Information and support

All members of the Board are supplied with appropriate, clear and accurate information in a timely manner covering matters which are to be considered at forthcoming Board or Committee meetings. The papers for each meeting are made available via an electronic Board portal along with supporting and reference material at least one week in advance of the meeting to allow for sufficient time for detailed review and consideration prior to the meetings.

The Company Secretary acts as the Secretary of the Board and its committees and attends all meetings. The Company Secretary is responsible for advising the Board on all governance matters and ensuring that Board procedures are complied with. Where Directors deem it necessary to seek independent legal advice about the performance of their duties with the Group, they are entitled to do so at the Group's expense.

The Chairman and Chief Executive Officer meet regularly to discuss the current environment and its impact on the business of the Company. The Chairman regularly visits different bases across Europe and the Board as a whole aims to visit the Group operations at least annually to meet and engage with the local team and to ensure better understanding of the business.

## 3 Composition, succession and evaluation

The Nominations Committee leads the process for appointments to the Board and ensures plans are in place for the orderly succession to both Board and senior management.

### Appointments to the Board

The Board ensures that appointments are made on merit against objective criteria to ensure Non-Executive Directors can apply their wider business skills, knowledge and experience to the oversight of the Group, and provide input and challenge in the boardroom to assist in the development and execution of the Board's strategy. Similarly, Executive Director appointments are made to ensure the effective formulation and implementation of the Group's strategy.

The Nominations Committee, on behalf of the Board, reviews the skills of Board members at least annually, identifying any areas of skills, experience and knowledge that can be strengthened further. Due consideration is given to all aspects of diversity, including gender, social and ethnic backgrounds and personal strengths. All Director appointments are made by the Board and are subject to a formal, rigorous and transparent process.

A number of changes to the composition of the Board and its Committees were made during the year. In making these changes, the Nominations Committee and Board took into account various considerations including Board diversity, independence and the combination of skills, knowledge and experience of the Directors:

- Harald Eisenächer was appointed to the Board and as a member of the Remuneration Committee with effect from 1 September 2022.
- Ryanne van der Eijk was appointed to the Board and as a member of Safety Committee with effect from 1 September 2022.
- Dr Detlef Trefzger was appointed to the Board and as a member of the Audit Committee and Safety Committee with effect from 1 September 2022.
- Moni Mannings became a member of the Nominations Committee with effect from 1 September 2022.

- Nick Leeder stepped down from the Board on 30 September 2022 due to his relocation to Singapore.

In addition to the above changes, Andreas Bierwirth will not be seeking re-election at the Company's next AGM in 2023 after nearly nine years on the Board and in line with corporate governance best practice.

Julie Southern has also indicated she will not be seeking re-election at the Company's next AGM following her appointment as Chair Designate of RWS Holdings plc. The Board has therefore commenced the recruitment process for a new Senior Independent Director.

The activities of the Nominations Committee, Board appointments and induction, succession planning and a description of the Board's policy on diversity, inclusion and wellbeing are set out in the Nominations Committee report on pages 94 to 96.

## INDUCTION PROGRAMME 2022

Ryanne van der Eijk, Harald Eisenächer and Dr Detlef Trefzger, who were appointed during the year, are following a tailored induction programme covering a range of key areas of the business, a sample of which is given below. They were given a Board induction pack containing Company and Board information to assist with building an understanding of the nature of the Group, its business, markets and people, and to provide an understanding of the Group's main relationships. The pack included information to help facilitate a thorough understanding of the role of a Director and the framework within which the Board operates. In addition, they are meeting with key colleagues across the business to better understand the areas of the business.

### Safety and operations

- Attended a session hosted by the Director of Safety, Security & Compliance which included briefings on the regulatory framework, safety management system, AOC structures, safety governance, compliance monitoring and current risks and priorities.
- Met with the Interim Chief Operating Officer to discuss the Summer 22 readiness programme framework.

### Governance, legal and remuneration

- Attended a briefing session with the Group People Director and Director of Reward to discuss easyJet's approach to reward and our remuneration policy.
- Attended a briefing session with the Group People Director to discuss easyJet's five-year People Strategy, our inclusion and wellness strategy and industrial relations landscape.
- Meeting with the Chair of the Remuneration Committee to understand the remuneration framework and received a brief introduction to the work of the Remuneration Committee.
- Meeting with the Group General Counsel & Company Secretary to discuss and understand the Board and Committee procedures, compliance with the Market Abuse Regulations, legal risk, and EU261 amongst other matters.

- Meeting with the Chief Information Security Officer to discuss cyber risk and the digital safety programme.

### Finance and audit

- Attended briefing sessions on easyJet's trading performance, budget, cash burn, liquidity forecast, cost efficiency programme and financial controls with the Director of Financial Planning & Analysis.
- Attended a briefing session with the Director of Risk & Assurance to understand easyJet's risk management framework and internal audit structure.
- Met with the Chair of the Audit Committee to understand the role of the Committee.

### Board and senior management

- Met separately with the Chairman and Senior Independent Director to understand the role of the Board and the individual contribution required.
- Met separately with the Chief Executive Officer and other key members of the Airline Management Board, including the Chief Financial Officer, Chief Commercial Officer, Group Markets Director and Chief Data & Information Officer.

### Business and functions

- Met with the Director of Sustainability to understand the Sustainability Strategy and the net zero roadmap.
- Met with the Director of Treasury to understand easyJet's capital structure and funding obligations.
- Met with the Strategy Director to gain a deeper understanding of easyJet's five-year plan and fleet overview.
- Met with the Director of Investor Relations to understand relationships with major shareholders and the market environment.
- Met with the Company's brokers to understand easyJet from a market and brokers' perspective.
- Met with the Director of Government Affairs to understand policy positions and lobbying activity.



### Election and re-election

All Board appointments are subject to continued satisfactory performance following the Board's annual effectiveness review. The Company's Articles of Association require the Directors to submit themselves for election or re-election by shareholders at every AGM. All continuing Executive and Non-Executive Directors will stand for election or re-election at the Company's next AGM.

### Training and development

Directors' training and development needs are of key importance in order to discharge their duties effectively. Directors are encouraged to highlight specific areas where they feel their skills or knowledge would benefit from further development as part of the annual Board evaluation process. Training opportunities are provided through internal meetings, workshops, presentations and briefings by internal advisers and business heads, as well as external advisers.

Our Directors also receive training on their duties (including under section 172(1) of the Companies Act) as part of their induction and annually to ensure they are aware of their duties to promote the long-term success of the Company for the benefit of its key stakeholders.

In addition, they also receive training on the UK Market Abuse Regulation and the rules around identifying, managing and disclosure of inside information and Directors' shareholdings.

On joining the Board, all newly appointed Directors receive a full, formal and tailored induction, which is organised by the Company Secretary. The induction programme covers a range of key areas of the business including, amongst other things, the business and functions of the Group, their legal and regulatory responsibilities as Directors, briefings and presentations from relevant executives, and opportunities to visit and experience easyJet's business operations. Further details are set out on page 91.

### Conflicts of interests

Directors have a statutory duty to avoid situations in which they have, or may have, interests that conflict with those of easyJet, unless that conflict is first authorised by the Board. The Company has in place procedures for managing conflicts of interest. The Company's Articles of Association also contain provisions to allow the Directors to authorise potential conflicts of interest so that a Director is not in breach of his or her duty under company law.

Should a Director become aware that he or she has an interest, directly or indirectly, in an existing or proposed transaction with easyJet, they should notify the Board in line with the Company's Articles of Association. If a conflict does arise, the Director is excluded from discussions. Directors have a continuing duty to update any changes to their conflicts of interest.

### Board evaluation

In line with the Code, the Board undertakes a rigorous annual evaluation of the performance of the Board, its Committees, the Chairman and individual Directors. The evaluation aims to identify the Board's strengths and any opportunities for improvement, as well as highlighting any training and development needs.

### 2021 Board evaluation

The Board follows a formal three-year cycle for an externally facilitated annual evaluation. The 2021 evaluation was externally facilitated by Manchester Square Partners following the process set out in last year's Annual Report. The evaluation identified a number of focus areas which the Board addressed during 2022 which are set out below.

### 2021 findings and actions

Areas	Actions
Exploring opportunities to allow more open-ended discussions and collaboration on strategic matters.	The Board forward agendas were reviewed to ensure that regular, structured and iterative strategy discussions took place throughout the year, including more days dedicated to discussing strategic matters.
Increasing time spent together, formally and informally, to continue to build relationships with newer members of the Board and management, and review the evolution of the Board over time.	With the lifting of many of the pandemic restrictions, the Board has been able to hold a number of in-person meetings. Regular NED-only sessions continue to be held, including dinners, to help build relationships amongst Board members.  The Directors also met management for lunches and dinners to facilitate informal time together. Key members of the management such as the Chief Operating Officer and Chief Commercial Officer regularly attend Board meetings to discuss operations and trading matters. Other members of the AMB also present to the Board on their specific areas at periodic intervals.
Rebalancing the Board forward agenda, with a return to a more normal forward-looking and strategic agenda incorporating forward-looking matters, including strategy; stakeholders; sustainability; brand and marketing; talent, succession, culture, diversity and inclusion.  Enhancing discussions around risk and risk appetite as the Board looks to the post-pandemic recovery phase.	The Board forward agendas were reviewed to ensure all appropriate areas were covered at the right time in the year, with input sought from all Board members. The forward agenda is kept regularly updated and the Board's activities in the year, including around risk, can be found on pages 86 to 87.
Reviewing the remit and membership of the Board's Committees to ensure the Board is focused on value add.	The membership of the Committees has evolved in line with the changes made to the composition of the Board. Further work is underway to review the remit of the Committees.
Continued focus on Board composition and succession, with a view to enhancing European and aviation experience on the Board.	The Nominations Committee continues to keep the composition, skills and experience of the Board under review, and execute against succession plans, as can be seen in the appointment of Ryanne van der Eijk, Harald Eisenächer and Dr Detlef Trefzger.

## 2022 Board evaluation

The 2022 performance evaluation was undertaken by the Nominations Committee and, in relation to the Chair's performance, the Senior Independent Director. The review extended to all aspects of Board and Committee performance, including: composition and dynamics, the Chair's leadership, agenda and focus, time management, strategic oversight, overview of risk, succession planning and priorities for change. The evaluation process undertaken is explained below.

<b>PREPARATION</b>	<ul style="list-style-type: none"> <li>Questionnaires for the Board and its Committees were developed by the Company Secretary in consultation with the Chair and Senior Independent Director.</li> </ul>
<b>COMPLETION OF QUESTIONNAIRES</b>	<ul style="list-style-type: none"> <li>Questionnaires were completed by the Board with answers provided on the following themes:               <ul style="list-style-type: none"> <li>Board effectiveness</li> <li>Link between the Board and business</li> <li>Strategic oversight</li> <li>Stakeholders</li> <li>Information flow</li> <li>Individual performance</li> <li>Committee strengths and weaknesses</li> </ul> </li> </ul>
<b>COLLATION OF RESPONSES &amp; INDIVIDUAL DISCUSSIONS</b>	<ul style="list-style-type: none"> <li>The Senior Independent Director spoke to each Director individually to discuss their feedback on the Chair and more generally.</li> <li>Responses to the questionnaires were collated by the Company Secretary who prepared anonymised summaries.</li> </ul>
<b>BOARD DISCUSSION</b>	<ul style="list-style-type: none"> <li>The findings were discussed at the Board and actions agreed for implementation and monitoring.</li> </ul>

## 2022 findings and actions

The evaluation concluded that the Board continued to operate effectively, with the Board's deliberations, number and length of meetings, information presented by management, and the composition of the Board all rated positively. The iterative deep dives on the strategy had been well received, and the transition to a new Chair had been well managed. The relationships between Board members were also viewed positively. The key focus areas identified are set out below.

Areas	Actions to be taken
Continued focus on succession planning throughout the business.	The Nominations Committee and Board will continue to review succession planning and talent pipelines for the AMB and their functions, along with keeping the composition of the Board under review. A deep dive will be added to the Board agenda.
Refinement of the Board forward agenda, with deep dives on customer experience, people and culture.	The Board forward agenda will be designed to ensure all areas identified are covered at the right time in the Board calendar, with input sought from management and all Board members on any additional topics.
Reviewing the remit and membership of the Board's Committees.	Work is underway to review the work of the Committees, their terms of reference, and composition following the changes to the composition of the Board.
Allowing sufficient time together, formally and informally, to continue to build relationships with newer members of the Board and management.	<p>The Board has been able to meet regularly in person and will continue to do so in the coming year. Meetings are planned to be held around the easyJet network, including in Milan, and opportunities provided to experience other parts of the business. Regular NED-only sessions will be held, including dinners, to help build relationships amongst Board members, which is particularly important given the new members.</p> <p>Members of the AMB attend Board meetings for specific updates, and opportunities will be identified for the Board to meet a wider group of senior management and key talent during the year.</p>

## Review of the Chairman's performance

The evaluation of the Chair was led by the Senior Independent Director, who gathered performance feedback through separate meetings with each of the Non-Executive Directors, with supplementary views from the Executive Directors. The findings confirmed that Stephen Hester had been successful in his first year as Chair and the focus on the iterative strategy process had been well received. He also encouraged collegiate discussion, his chairmanship of Board meetings was effective, and he continues to devote sufficient time to the role.

## BOARD COMMITTEES

## NOMINATIONS COMMITTEE REPORT



**The Committee facilitated effective succession planning and the development of a diverse and effective Board in the year.”**

**Stephen Hester**

Chair of the Nominations Committee

### Membership, meetings and attendance

- Stephen Hester (Chair) (from 1 December 2021)
- John Barton (Chair) (until 1 December 2021)
- Julie Southern
- Catherine Bradley CBE
- Nick Leeder (until 30 September 2022)
- Moni Mannings (from 1 September 2022)

The Committee consists of the Chair of the Board and the Independent Non-Executive Directors listed above. All members of the Committee are Independent Non-Executive Directors. Member biographies can be found on pages 74 to 77.

The Chairman of the Board acts as Chair of the Committee with members of the executive management invited to attend meetings. The Company Secretary acts as Secretary to the Committee.

The Committee met six times in the year. Meeting attendance can be found in the table on page 90.



The Committee's terms of reference can be found on the Company's website at <https://corporate.easyjet.com>

I am pleased to present an overview of the Nominations Committee's activities during the year. The main purpose of the Committee is to ensure plans are in place for orderly succession of Board and senior management positions while maintaining an appropriate balance of skills, experience, independence and diversity. The Committee regularly reviews the structure, size and composition of the Board and makes recommendation to the Board with regard to any changes.

During the year the Committee led the process to identify three new Non-Executive Directors for appointment to the Board and undertook an internal evaluation of the Board's performance following the external review carried out in the prior year. The Committee also reviewed the Company's talent and succession plans for the executive management and FY22 talent development and retention strategies. Further details are set out in this report.

**Stephen Hester**

Chair of the Nominations Committee

### Key activities during the year Non-Executive Director appointments

The Committee is responsible for the orderly succession of both the Board and senior management positions and oversees the development of a diverse pipeline for succession. It is also responsible for maintaining a formal, rigorous and transparent procedure for Board appointments based on merit and objective criteria. As part of this responsibility, the Committee identifies and nominates candidates for approval by the Board. The Committee also considers the succession plans for the Board as well as senior management below the Board level.

As the longer-serving members of the Board have stepped down in recent years, and the composition of the Board has evolved, the Committee has been executing its succession plans and identifying suitable candidates for appointment to the Board to maintain an appropriate balance of skills and experience.

During the year, and in anticipation of Dr Andreas Bierwirth reaching nine years of service in 2023, the Committee reviewed the current composition of the Board and identified the skills and experience it would like to enhance on the Board, specifically candidates with a European outlook and airline experience. The Committee engaged search consultants Egon Zehnder (EZ) to help define the role profile and identify suitable candidates and the appointment

process is described in more detail below. EZ are signatories to the Code of Conduct for Executive Search Firms. EZ do not have any other connection with the Company nor individual Directors, except where they may have liaised with them as prospective candidates for other board positions. The strength of the shortlist identified allowed the Committee to recommend three of the candidates for appointment by the Board, being Ryanne van der Eijk, Harald Eisenächer and Dr Detlef Trefzger.

With Nick Leeder stepping down at the end of September 2022 and Andreas Bierwirth and Julie Southern indicating that they would not seek re-election at the next AGM, the Committee felt that the appointment of three new Non-Executive Directors suitably rebalanced the Board.

### Non-Executive Director appointment process

- Independent search consultants EZ engaged to develop the role profile and identify suitable candidates for a longlist.
- EZ canvassed the view of the Board to refine the desired skills and experience in the new Non-Executive Directors.
- EZ compiled a longlist of candidates for review by the Committee.
- The Committee discussed the longlist and considered the balance of skills, knowledge, independence, diversity and experience of the Board, together with an assessment of the time commitment expected, and created a shortlist.
- Interviews were held between candidates and Board members, the Group People Director and Group General Counsel & Company Secretary.
- The Committee discussed the shortlist and Ryanne van der Eijk, Harald Eisenächer and Dr Detlef Trefzger were identified as leading candidates who would strengthen the Board with diverse mix of skills and experience.
- The appointments were recommended to and approved by the Board.

Biographical details of the new Non-Executive Directors are set out on pages 76 to 77 and details of their induction programme are set out on page 91.

### Board Committee membership

Following the changes to the Board during the year and to ensure that the Board Committees retain the correct balance of skills and experience, the Committee reviewed the overall composition and membership of each of the Board committees. As a result, a number of changes to the membership of Board committees were recommended to and approved by the Board with effect from 1 September 2022:

- Harald Eisenächer joined the Remuneration Committee and Finance Committee.
- Dr Detlef Trefzger joined the Audit Committee and Safety Committee.
- Ryanne van der Eijk joined the Safety Committee and became one of the Board's Employee Representative Directors (ERD). Ryanne was felt to be an appropriate candidate for being an ERD due to her previous experience within an airline and her European location.
- Moni Mannings joined the Nominations Committee.

The Committee is reviewing the changes that need to be made to the Committees when Julie Southern and Andreas Bierwirth stand down in 2023.

### Talent and succession planning

The Board continues to review plans for the orderly succession for appointments to the Board so that the right balance of appropriate skills and experience is represented, building on the work previously undertaken. During the year, the Committee reviewed the balance of skills, experience, diversity and independence of Board members to ensure appropriate succession plans were in place.

The Committee also recognises that building a broader talent pipeline for executive succession, the AMB and the Executive Leadership Team (ELT) is a key priority to lead the growth of easyJet's business. During the year, the Committee reviewed the Group's senior management talent pipeline and succession plans, as well as the Talent and Development framework. With higher attrition rates, a challenging recruitment market, and a number of internal promotions, it was noted that further work was required to address succession planning for senior management and would be a priority.

In the succession planning process, each leadership team role, along with other critical roles, is evaluated against whether there are successors ready now, in the short term or medium term, as well as whether emergency successors for those roles have been identified. For those identified as successors, we carry out a targeted development assessment and planning process where we identify strengths and skills gaps. We use the information from this to help create effective development plans.

### Election and re-election of Directors

In line with the provisions of the Code and the Company's Articles, each Director is required to seek election or re-election annually at the Company's AGM. The effectiveness and commitment of each of the Non-Executive Directors is reviewed annually as part of the Board evaluation. The Committee has satisfied itself as to the individual skills, relevant experience, contributions and time commitment of all the Non-Executive Directors, taking into account their other external appointments and interests held.

The Board is therefore recommending the election or re-election of all continuing Directors at this year's AGM. Details of the service agreements for the Executive Directors and letters of appointment for the Non-Executive Directors, and their availability for inspection, are set out in the Directors' Remuneration Report on page 119.

### Inclusion and diversity

The Committee and Board are committed to ensuring that together the Directors possess the requisite diversity of skills, experience, knowledge and perspectives to support the long-term success of the Company. In this regard, the role of diversity in promoting balanced and considered decision making which aligns with the Group's purpose, values and strategy is fully recognised. All Board appointments are made on an objective and shared understanding of merit, in line with required competencies relevant to the Company as identified by the Committee, and consistent with the Company's Diversity and Inclusion Policy.

The Committee reviewed the Policy in the year and no changes were recommended.

### Diversity and Inclusion Policy

The Policy covers diversity and inclusion across the Company, but in relation to the Board it specifically notes that:

'easyJet recognises the importance of a diverse Board, bringing together an appropriate mix of skills and experience to ensure the future success of our business. We understand the richness a diverse Board brings in providing the range of perspectives, insight and challenge needed to support good decision making and create a positive culture in the organisation.'

When considering the optimum make-up of the Board, all aspects of diversity will be appropriately reviewed and balanced where possible.

The diversity of the Board will typically be reviewed on an annual basis as part of the annual performance evaluation.

New appointments to the Board will be made on merit, in the context of the requirements of the Board at that time.

The Nominations Committee will identify suitable candidates based on merit against objective criteria and with due regard for the benefits of diversity on the Board including social and ethnic background, cognitive and personal strengths as well as diversity of gender. Where there is a known requirement to improve the diversity of the Board, the Nominations Committee will ask to see a higher proportion of candidates fitting the diversity criteria. However, the final selection will, as stated, always be on merit.

The new appointments to the Board were made with consideration given to the policy. When making these appointments, the Committee also considered the recommendations set out in the FTSE Women Leaders Review (which recommends that at least 40% of board and executive committee members of FTSE 350 companies should be female), and the Parker Review (which recommends at least one director from an ethnic minority background for Boards of FTSE 100 companies).

At the year end, female representation on the Board was 37% (four out of 11). The Committee is mindful of both the FTSE Women Leaders Review and the FCA's diversity targets at Board level (which will apply for the next financial year) that at least 40% of the Board should be female, and one of the Chair, CEO, CFO and SID should be female. It is anticipated that the proportion of female representation on the Board will meet this requirement when the appointment of a new Senior Independent Director is finalised, and both Julie and Andreas Bierwirth step down from the Board at the AGM. We also continue to have one Director from an ethnic minority background in line with the Parker Review recommendations.

The Nominations Committee also oversees the development of a diverse pipeline for future succession to Board and senior management appointments, including reviewing the gender balance of senior management and its direct reports. Where there is a known desire to improve diversity at a certain level or in a certain function in the organisation, the recruiting team will ask to see a higher proportion of candidates fitting the diversity criteria. However, the final selection will always be on merit.

As at 30 September 2022, the AMB (which represents the first layer of management below Board level and includes the Company Secretary) has 30% female representation, and among their direct reports, female representation is 22%.

Further detail on the approach being taken to diversity and inclusion, and the implementation of the policy across the Group, is set out on pages 24 to 25.

### Board evaluation

During the year the Committee undertook an internally facilitated evaluation of the Board, its Committees, the Chairman and individual directors. Further details can be found on pages 92 to 93.



# BOARD COMMITTEES

# FINANCE COMMITTEE REPORT



**The Committee monitored treasury policies and hedging strategies to ensure easyJet responded appropriately to challenging financial market conditions.”**

**Catherine Bradley CBE**  
Chair of the Finance Committee

## Membership, meetings and attendance

- Catherine Bradley CBE (Chair)
- Dr Andreas Bierwirth
- David Robbie
- Harald Eisenächer  
(from 1 September 2022)

The Committee consists of the Independent Non-Executive Directors listed above. All members of the Committee are Independent Non-Executive Directors. Member biographies setting out their skills and experience can be found on pages 74 to 77. The Company Secretary acts as Secretary to the Committee and members of the executive management are invited to attend meetings.

The Committee met five times during the year. Meeting attendance can be found in the table on page 90.



The Committee's terms of reference can be found on the Company's website at <https://corporate.easyjet.com>

I am pleased to present the Finance Committee report for the year ended 30 September 2022.

The Committee's key role continued to be the review and monitoring of the Group's treasury policies, treasury operations and funding activities along with associated risks. The Committee is also responsible for providing approvals in relation to International Swaps and Derivatives Association (ISDA) arrangements, and guarantees.

During the year, the Committee's focus continued to be monitoring liquidity, debt, fuel and currency hedging along with oversight of hedging strategies to ensure easyJet responded appropriately to challenging financial market conditions. The Committee also oversaw the proactive transition of hedging strategies providing the Company with improved cashflow certainty as it emerged from the pandemic.

After each Committee meeting, I presented an update to the Board on the key issues discussed during our meetings.

**Catherine Bradley CBE**  
Chair of the Finance Committee

## Key activities during the year

### Liquidity and debt

The Committee continued to monitor the Company's liquidity during the year, including how cash balances were held. easyJet had liquidity in excess of its liquidity policy throughout the year to ensure it was able to manage volatile financial markets and to protect the Company against macro-economic and geopolitical shocks.

The Committee also approved the refresh of the Group's Euro Medium Term Programme (EMTN), along with an increase in size to £4 billion, to provide flexibility around debt refinancing. The Committee also set a new interest rate policy during the year.

### Hedging

The Committee monitored hedging activity and reviewed easyJet's jet fuel and USD hedging policies in order to set the level of cash flow protection the hedging programme provided, and to ensure hedging policies were benchmarked appropriately. Counterparty credit risk exposures were monitored throughout the year with no significant issues or losses occurring. Counterparty credit limits were also assessed and amended during the year.

The Committee approved the execution of cross currency interest rate swaps in order to mitigate the impact of FX retranslations and approved the restart of the EUR and CHF hedging programmes as revenues increased during the year.

The Committee also approved restarting the easyJet holidays hedging programme and continued to monitor its effectiveness. easyJet holidays is exposed to a predominantly EUR currency cost base, whereas the majority of its revenue are in GBP.

### Treasury risk

During the year the Committee reviewed the Treasury Risk Management Strategy, which sets out the key principles of easyJet's treasury activities, business context, risks and responsibilities and overall approach to treasury management. The treasury risks and controls were reviewed twice in the year.



## BOARD COMMITTEES

## AUDIT COMMITTEE REPORT



“

**The Committee continues to play a key role in helping the Board fulfil its oversight responsibility.”**

**Julie Southern**  
Chair of the Audit Committee

#### Membership, meetings and attendance

- Julie Southern (Chair)
- Catherine Bradley CBE
- David Robbie
- Dr Detlef Trefzger (from 1 September 2022)

The Committee consists of the Independent Non-Executive Directors listed above. All members of the Committee are Independent Non-Executive Directors as required by the Code. Member biographies can be found on pages 74 to 77.

The Board has confirmed that it is satisfied that Committee members have recent and relevant financial experience and offer a depth of financial and commercial experience including the travel sector in which the Company operates. The Board also confirmed that Julie Southern and David Robbie have recent and relevant financial experience.

The Committee met five times during the year, with members of senior management required to attend as and when appropriate. Meeting attendance can be found on page 90. The Committee also met with the external

auditors and Director of Risk and Assurance separately after each meeting. In addition, the Committee Chair holds regular private sessions with the Chief Financial Officer, the senior finance team, the Director of Risk and Assurance and the external audit team, to ensure that open and informal lines of communication exist should they wish to raise any concerns outside formal meetings.



The Committee's terms of reference can be found on the Company's website at <https://corporate.easyjet.com>

I am pleased to present the Audit Committee report for the year ended 30 September 2022.

The Committee continued to play a key role in assisting the Board in its oversight responsibility and monitoring the integrity of the financial information for the benefit of our shareholders. This has included challenging management on the significant accounting judgements made in our financial reporting, as well as reviewing the analysis behind our going concern and viability statements and considering the processes that underpin the production of the Annual Report and Accounts.

The Committee continued to oversee the programme of financial control improvements that had begun in the previous financial year, receiving regular updates on the progress of key initiatives such as improving the documentation of the basis for judgemental decision making.

We have also spent time this year reviewing the development of the

corporate risk management framework, ensuring that current and emerging risks are appropriately identified, assessed and have effective mitigations in place, and that the Board is able to undertake a robust assessment of principal risks. This has included evaluating climate change risk.

We continue to receive regular updates at each meeting from the Risk and Assurance function, covering internal audit, whistleblowing, business integrity and fraud matters. In addition to improving processes, we have also continued our focus on people. To strengthen our compliance and assurance function in FY23, the Committee supported the decision to create a central role which will coordinate the activities of existing compliance work. We also continue to strengthen the wider finance team, albeit against a challenging recruitment market given wider macro-economic pressures.

After each Committee meeting, I provided an update to the Board on the key issues discussed during our meetings. I have also

met separately with the external audit partner and key management on a number of occasions during the year, and the Committee met with the external auditors after each Committee meeting without management present.

Looking forward, the Committee will continue to review the financial reporting of the Group and its accounting policies, with any major accounting issues of a subjective nature discussed by the Committee. We will continue to develop our work on the effectiveness of the risk management process, and are also mindful of the changing regulatory landscape. This includes the proposals around government audit and governance reforms, and we will ensure compliance with any new requirements.

**Julie Southern**  
Chair of the Audit Committee

## Role of the Committee

The principal roles and responsibilities of the Committee are set out in its terms of reference, and include, but are not limited to:

<b>Financial and narrative reporting</b>	<ul style="list-style-type: none"> <li>• monitoring the integrity of the financial statements of the Company and the Group, preliminary results and announcements</li> <li>• reviewing the appropriateness and consistency of significant accounting policies</li> <li>• reviewing and reporting to the Board on significant financial issues and judgements</li> <li>• reviewing the processes underpinning the production of the Annual Report and Accounts and whether it is fair, balanced and understandable</li> </ul>
<b>Internal control and risk management</b>	<ul style="list-style-type: none"> <li>• reviewing the effectiveness of the Group's internal financial controls systems and risk management framework, and reviewing the assurance reports from management on the internal control and risk management systems</li> <li>• carrying out a robust assessment of the Group's emerging and principal risks on an annual basis on behalf of the Board</li> </ul>
<b>Compliance, whistleblowing and fraud</b>	<ul style="list-style-type: none"> <li>• reviewing the adequacy and security of the Group's arrangements for employees to raise concerns about possible wrongdoing in financial reporting or other matters on behalf of the Board</li> <li>• reviewing the procedures for detecting fraud</li> </ul>
<b>Internal and external audit</b>	<ul style="list-style-type: none"> <li>• reviewing and approving the role and mandate of Internal Audit, monitoring and reviewing the effectiveness of its work and carrying out a periodic assessment of the effectiveness of the Internal Audit function</li> <li>• considering and making recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting (AGM), in relation to the appointment, reappointment and removal of the Company's external auditor</li> <li>• overseeing the relationship with the external auditor</li> </ul>

## Key activities during the year

The main areas of Committee activity during the 2022 financial year included the following areas:

### Financial and narrative reporting

- The integrity of the 2021 full-year and 2022 half-year financial statements and formal announcements relating to the financial performance and governance of the Group.
- The material areas in which significant judgements were applied, based on reports from both the Group's management and the external auditor. Further information is provided in the significant judgements section on page 100.
- The information, underlying assumptions and stress-test analysis presented in support of the viability statement and going concern status.
- Reviewed and approved management's updated criteria for the assessment of when to classify an item as a non-headline item, with a more detailed framework for the decision making in place.
- The consistency and appropriateness of the financial control and reporting environment.
- The fair, balanced and understandable assessment of the Annual Report and Accounts for the 2021 financial year and the 2022 half-year statement.
- Reviewing the plans and process for the preparation of the Annual Report and Accounts for the 2022 financial year, including timelines and reviewing the approach to ESEF tagging.

### Internal control and risk management

- The adequacy and effectiveness of the Group's risk management systems and internal control processes, through evaluating: risk and assurance plans; Internal Audit reports; risk assessments; and control themes.
- The financial control improvements as part of the financial control framework.
- The Group's risk framework, including the corporate risk framework and a robust review of the Company's principal and emerging risks and uncertainties, including climate change risk.
- Reviewing the Group's Delegated Authority Policy.
- Reviewing principal and emerging digital safety risks and receiving regular updates on the progress of the Group's Digital Safety Programme.
- Reviewing the activities of the Procurement function and efforts relating to supplier relationship management.
- Reviewing the Group's insurance programme.

### Compliance, whistleblowing and fraud

- Business integrity measures including the 'Speak Up, Speak Out' process, overseeing and investigations into whistleblowing concerns.
- Reviewing reports on anti-bribery and anti-corruption procedures, fraud and loss prevention procedures and reports on credit card fraud, together with monitoring and investigations.
- Reviewing the FY22-FY23 action plan on fraud reporting requirements.

### Internal Audit effectiveness and review of activities

- An assessment of the effectiveness and independence of the Internal Audit function, including consideration of:
  - key Internal Audit reports
  - stakeholder feedback on the quality of Internal Audit activity
  - Internal Audit's compliance with prevailing professional standards
  - the implementation of Internal Audit recommendations
- Approval of the Internal Audit Charter, Annual Plan, Budget and Annual Report of Internal Audit and Business Integrity activities.

### Relationship with the external auditor

- Reviewed the scope of, and findings from, the external audit undertaken by PricewaterhouseCoopers LLP ('PwC') as the external auditor.
- The effectiveness of the external audit process.
- Assessment of the performance, continued objectivity and independence of PwC.
- The level of fees paid to PwC for permitted non-audit services.
- The reappointment of PwC as external auditor.
- Reviewed the non-audit services policy and processes.

## Financial and narrative reporting

### Significant judgements

Through its activities, the Committee focuses on maintaining the integrity and quality of our financial reporting, considering the significant accounting judgements made by management and the findings of the external auditors. The Committee assesses whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements. The Committee reviewed accounting papers prepared by management which provided details of significant financial reporting judgements. The Committee also reviewed the reports by the external auditors on the half-year and full-year results, which highlighted any issues arising from the work undertaken on the audit.

The Committee's process included the comprehensive review of financial issues through the challenge of management, consideration of the findings of the external auditors and comparison with other organisations. The significant issues considered in relation to the financial statements are detailed on this page.

### Reporting controls

Management is responsible for maintaining adequate internal control over the financial reporting of the Group. A summary of the Group's financial results and commentary on performance measures is provided to the Board each month. Controls are in place over the preparation of financial data including: balance sheet reconciliations, review meetings on key balances and commentary on variances to forecast and prior periods. On a monthly basis, senior management, including the Director of Reporting and Financial Control and the Chief Financial Officer, review the management reporting packs.

The Annual Report and Accounts are produced by the Group Financial Control team based on submissions from individual teams across the business including Investor Relations, Finance, HR, Company Secretariat and Risk and Assurance. The report contributors are required to maintain supporting evidence for their submissions and ensure they are reviewed. The figures are then independently validated by the Group Financial Control team.

The Annual Report and Accounts are reviewed by the AMB, Board of Directors and the Committee for accuracy and to ensure a fair, balanced and understandable view is presented. Senior members of the Finance team including the Chief Financial Officer, Director of Reporting and Financial Control and the Chief Accountant meet with the Committee to present key events and discuss areas of judgement or estimates as outlined above. In-depth presentations on significant areas are

## SIGNIFICANT JUDGEMENTS AND ESTIMATES

In general, the Committee assesses key judgements by receiving a report on the topic prepared by management which details the decision-making process which management have been through in making that judgement and any assumptions used. The Committee is then able to challenge management on critical aspects of the judgement and discuss the matter with the external auditors in arriving at their own assessment of the position.

### Going concern

The Committee reviewed and challenged management's assessment of base case and downside forecast cash flows, including sensitivity to macro-economic uncertainties such as a sustained downturn in demand and higher interest rates and fuel prices, combined with significant operational disruption. Having considered and challenged these severe but plausible downside scenarios and reviewed the associated going concern disclosures in the Financial Statements, the Committee was comfortable with recommending to the Board that it adopt the going-concern basis of preparation for these Financial Statements.

### Carrying value of assets

The Committee considered whether the carrying value of goodwill, landing rights and aircraft assets held by easyJet should be impaired or otherwise adjusted. There is judgement in the assumptions underlying the calculation of the value in use of the business being tested for impairment – primarily whether the forecasted cash flows are achievable, the potential impact of climate change on those cash flows, and the overall macro-economic assumptions. The Committee addressed these matters by challenging management on the stress testing performed on the calculation of the

value in use and other relevant information used to support the carrying value of assets. The forecasted cash flows used in the calculation were presented to the Board. In relation to the disposal of landing rights at Berlin airport, the Committee reviewed management's paper and challenged the assumptions used in determining the value of the slots disposed.

### Aircraft maintenance provisions

The Committee reviewed the maintenance provision at the year end as it is such a material item. A number of judgements are used in the calculation of the provision, primarily pricing, utilisation of aircraft and timing of maintenance checks. The Committee addressed these matters using reports received from management which detailed the basis of assumptions used and challenged those assumptions to test their validity.

### Other key judgemental accruals, provisions and contingent liabilities

The Committee reviewed and challenged the level and calculations of key accruals and provisions which are judgemental in nature, including customer claims in respect of flight delays and cancellations, legal liabilities and restructuring provisions. The Committee also considered the appropriateness of the recognition of contingent liabilities as at the year end.

### Deferred tax asset

The Committee has considered the recoverability of the deferred tax asset based on the expected future taxable income of the Group and is comfortable with the position taken.

### Fleet accounting

The Committee has considered the appropriateness of the estimates used for the useful economic life and residual value of aircraft. The Committee considered these matters using reports received from management and external experts which underpin the estimations.

provided throughout the year as appropriate.

The Finance team have regular proactive conversations with the external auditors on topics which are of audit relevance. The external auditor performs audit procedures and challenge of the Annual Report and Accounts and presents their findings to the Committee.

At its meeting in November 2022, the Committee reviewed the Group's Going Concern and Viability Statements (as set out on pages 70 to 71) and considered the

thorough assessment reports prepared by management in support of these Statements. Details of the going concern assessment are included under significant judgements. The Viability Statement section of this Annual Report provides details of the base case and downside scenarios applied in assessing the appropriateness of this statement and the Committee provided robust challenge of the assumptions applied by management as part of this assessment.

The Committee also gave careful consideration to the period of assessment used for the Viability Statement and concluded that the time period of three years remained appropriate. Based on these assessments, the Committee confirmed that the application of the going concern basis for the preparation of the financial statements continued to be appropriate and recommended the approval of the Viability Statement.

The Committee reviewed the approach to meeting the ESEF requirements that will apply to the Annual Report and Accounts for 2022. This includes making the report available in XHTML format and for key elements to be 'tagged' using Extensible Business Reporting Language (XBRL). The Committee agreed the approach and the related controls and verification processes proposed.

#### Fair, balanced and understandable

At its meeting in November 2022, the Committee conducted an assessment and recommended to the Board that, taken as a whole, the 2022 Annual Report and Accounts (which the Board subsequently approved) is fair, balanced and understandable and provides the necessary information for shareholders to assess the Group and Company's position and performance, business model and strategy. In reaching this conclusion, the Committee considered the overall review and confirmation process around the Annual Report and Accounts, including:

- the input of subject matter experts, the AMB and other senior management and, where applicable, the Board and its Committees.
- the processes and controls which underpin the overall review and confirmation process, including the preparation, control process, verification of content and consistency of information being carried out by internal financial controls specialists.
- review of the Annual Report and Accounts held by senior management and other subject matter experts to focus solely on the reporting being fair, balanced and understandable.

The Committee was provided with the opportunity to review and comment on iterations of the draft copy of the Annual Report and Accounts.

In carrying out the above assessment, key considerations included ensuring that there was consistency between the financial statements and the narrative provided in the front half of the Annual Report, and that there was an appropriate balance between the reporting of weaknesses, difficulties and challenges, as well as successes, in an open and balanced

manner, including linkage between key messages throughout the document.

#### Financial Reporting Council engagement

In common with other companies, the FRC's Corporate Reporting Review Team carried out a review of the Company's 2021 Annual Report and Accounts during the year and the Committee was pleased that they raised no questions or queries based on that review. The FRC noted some areas that could be reviewed in future reporting and these have been addressed in the 2022 Annual Report and Accounts where appropriate.

The FRC requests that in disclosing this engagement we note the limitations of their review, namely that it was based solely on their reading of the Annual Report and Accounts and did not benefit from a detailed knowledge of our business or an understanding of the underlying transactions entered into. They also noted that their review provided no assurance that the report and accounts are correct in all material respects and that the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

#### Risk management and internal control

The Board as a whole, including the Committee members, considers the nature and extent of easyJet's risk management framework and the risk profile that is acceptable in order to achieve the Group's strategic objectives. The Committee has reviewed the work undertaken by management, the Committee itself and the Board on the assessment of the Group's emerging and principal risks, including their impact on the prospects of the Group.

During the year the Committee reviewed the corporate risk management framework, including the process for identifying, evaluating and managing the Company's principal risks. The programme, led by the Risk and Assurance function, was focused on understanding current and emerging risks and how these are managed in line with the risk appetite, developing a risk and assurance map, and implementing a consistent risk scoring mechanism and risk taxonomy to cover all risks. The principal risks were reviewed and amended with previous climate change risks changed to climate change transition risks and the brand licence risk amended to a wider shareholder activism risk. Further work is planned for FY23 to review risk appetite and to determine the nature and extent of the principal risks the Board is willing to take to achieve its strategic objectives.

easyJet's system of internal controls, along with its design and operating effectiveness, which includes the Group's financial reporting process, is subject to review by the Committee, through reports received from management, along with those from both internal and external auditors. Any control deficiencies identified are followed up, with action plans tracked by the AMB and the Committee. There were no significant financial control deficiencies identified by the Committee during the year.

To ensure that the Group is ready to meet the potential future requirements as part of the UK government's audit and governance reform package, the Group has initiated a Financial Control Improvement programme. Working with their selected advisers BDO LLP on this initiative, management has begun the process of documenting key financial processes and identifying control improvements or gaps. It is expected that the documentation and control remediation phase will be substantially completed during the forthcoming financial year ending 30 September 2023. An explicit financial control monitoring regime will also start to be put in place during the forthcoming financial year, based on a mixture of self-certification by control operators and independent control testing led by the Group Financial Control team.

The Committee received several updates during the year on progress and was pleased to see that no significant control gaps had been identified to date. The Committee will continue to receive updates over the next year as the overall control framework is enhanced and the monitoring regime begins to be established.

As a result of this annual review of the effectiveness of the risk management and internal control systems, which the Committee undertakes on behalf of the Board, it is considered that the Board has fulfilled its obligations under the Code. Further details on the Group's principal risks and uncertainties and their impact on the prospects of the Group are set out on pages 59 to 69.



### Compliance, whistleblowing and fraud

To strengthen the compliance and assurance function in FY23, the Committee has supported the decision to create a central role which will coordinate the existing compliance activity performed within functions. This will give increased visibility going forwards of compliance with policies and procedures across the business and will better enable us to identify any assurance gaps.

The Group is committed to the highest standards of quality, honesty, openness and accountability. The Code includes a provision that there should be a means for the workforce to raise concerns and that the Board should routinely review this mechanism and the reports arising from its operation. The Group and all operating companies have whistleblowing policies in place. The Board and Committee receive regular reports on this subject, which is communicated internally as the 'Speak Up, Speak Out' mechanism, and the Committee assists the Board in ensuring that adequate arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action, with the findings being regularly reported to the Board.

Employees are encouraged to raise concerns under the policy and any concerns raised are investigated carefully and thoroughly to assess what action, if any, should be taken. All employees are able to report concerns in their local language. The Business Integrity Committee is a management forum on whistleblowing. It receives summaries of all reported concerns; it monitors any ongoing concerns and ensures that the proposed outcomes of investigations are fair, transparent and robust, with root causes identified and remedial actions agreed. Any matters of significance are reported to the Committee and the Board, along with a comprehensive full-year report.

In FY22, we undertook a significant internal communications campaign across the network, with the support of several works councils and trade unions, on the 'Speak Up, Speak Out' mechanism. That, combined with the ramp-up in operations to pre-pandemic levels, resulted in a significant increase in reports under the mechanism, as intended. A total of 105 reports were received, compared with 15 in FY21. All reports were followed up and investigated where appropriate. The Committee was pleased to see both the

increased use of the whistleblowing channels and that nothing material had been reported.

The Board supports the objectives of the Bribery Act 2010 and the Company has procedures in place to minimise the risk of any breaches occurring. Any breach of the Bribery Act will be regarded as serious misconduct, potentially justifying immediate dismissal.

The Committee reviewed the fraud risks during the year, including activity to prevent and detect all types of fraud. The Internal Audit plan covers fraud risks with audits on Fraud Controls over Bonus Arrangements & Incentive Schemes and Fraud Controls over Financial Reporting having been conducted.

### Internal Audit

The Committee is responsible for overseeing the work of the Internal Audit function. It reviews and approves the scope of the Internal Audit annual plan, the resourcing levels and assesses the quality of Internal Audit reports, along with management's actions relating to findings and the closure of recommended actions.

During 2022, a carefully targeted internal audit plan was agreed and undertaken across easyJet's operations, systems and support functions. The Committee agreed an FY22 Internal Audit plan with a heightened focus on Finance including audits covering Liquidity, Delegated Authority, Customer Credit Card Payments, Airport Charges, and the Record to Report process in easyJet holidays. There was also an emphasis on reviewing third-party management, including audits on the overall Supplier Relationship Management processes, as well as IT Supplier Management in particular. Subsequent reports, including management responses, recommended action plans and follow-up reviews have been considered by the Committee during its meetings.

In order to safeguard the independence of the Internal Audit function, the Director of Risk and Assurance (who heads up the Internal Audit function) is given the opportunity to meet privately with the Committee without any other members of management being present.

The Committee also considers stakeholder feedback on the quality of Internal Audit's work. The Internal Audit function is subject to an independent External Quality Assessment (EQA) every five years, in line with the Institute of Internal Auditors Standards. The last external EQA was conducted in 2017, with the next external

review becoming due in 2022. However, it was agreed that an independent internal review would be carried out during the year instead, with the intention that a full external EQA be carried out when activity was less affected by the disruption from the Covid-19 pandemic, expected to be within the next 24 months. This approach was supported by the external third parties consulted, who all suggested that an external EQA at this time would not add significant value.

The independent internal review took place in late 2021 and the findings were reported to and discussed by the Committee. There were no significant concerns raised, and a number of actions were identified including changes required to the Internal Audit charter; ensuring the Committee formally approve the charter, budget and Internal Audit annual report; and some amendments to processes.

### External audit

PwC, as the external auditor, is engaged to conduct a statutory audit and express an opinion on the financial statements. PwC was reappointed as auditor of the Group at the AGM held on 10 February 2022. The last tender process was undertaken in 2015 for the financial year ended 30 September 2016.

The current external audit engagement partner is Owen Mackney, Senior Statutory Auditor. The external audit plan and the £1.1 million fee proposal for the financial year under review (2021: £1.1 million) was prepared by PwC and presented to the Committee for consideration and approval.

### External auditor effectiveness and independence

Senior management monitors the external auditor's performance, behaviour and effectiveness during the exercise of its duties, which informs the Committee's decision on whether to recommend reappointment on an annual basis.

The Committee also assesses the effectiveness, independence and objectivity of the external auditor by, among other things:

- considering all key external auditor plans and reports; in particular those summarising audit work performed on significant risks and critical judgements identified, and detailed audit testing thereon.
- having regular engagement with the external auditor during Committee meetings and ad hoc meetings (when required), including meetings without any member of management being present.

- the Committee Chair having discussions with the Senior Statutory Auditor ahead of each Committee meeting.
- understanding the extent to which the auditor challenges management's analysis.
- considering FRC audit quality inspection reports.
- following the end of the financial year, each Committee member completing an auditor effectiveness review questionnaire.

The Committee was satisfied that the external audit had provided appropriate focus to those areas identified as the key risk areas to be considered by the Committee and that the auditors had challenged management as part of the process. It had also continued to address the areas of significant accounting estimates. On this basis, and considering the views of senior management, the Committee concurred that the external audit had been effective, and that PwC remained independent.

#### External auditor objectivity

To preserve objectivity and independence, the external auditor does not provide consulting services unless this is in compliance with the Group's Non-audit Services Policy which reflects the applicable audit regulations and the FRC's Revised Ethical Standard on permitted services. The Policy also covers the approach around hiring former external audit employees in order to avoid any conflict of interest and to protect external auditor independence.



The Committee reviewed and made minor updates to the policy during the year and the updated policy is available on the Company's website at <https://corporate.easyjet.com>

The policy sets out the categories of non-audit services and related approvals required, and those non-audit services which the auditor is prohibited from undertaking. Certain audit-related non-audit services are deemed pre-approved by the Committee but only up to a value of £100,000, such as reporting on regulatory returns. Other non-audit services require Audit Committee approval as set out in the policy.

An additional protection is provided by way of a non-audit services fee cap. The Audit Committee (or the Company) may not approve an engagement of the external auditor if annual non-audit services fees would exceed 70% of the average audit fees (not including fees for audit-related services or for services required by regulation) charged in the previous three financial years.

In the 2022 financial year, PwC undertook non-audit services for the Company with total value of £0.7 million, as set out in note 3 to the financial statements. These fees were within the limit of the non-audit services fee cap mentioned above and included audit-related non-audit service fees of £0.4 million and other assurance related non-audit services fees of £0.3 million, primarily related to a working capital review to support the Class 1 transaction arising from the agreement with Airbus and CFM.

#### External audit tendering

PwC was first appointed to audit the Annual Report and Accounts for the year ended 30 September 2006 and has therefore served a 16-year term. Under applicable audit legislation, companies are required to have a mandatory tender of auditors after 10 years, or 20 years if there is a competitive retender at 10 years. During the 2015 financial year, the Committee led a tender process for external audit services, following which the Committee agreed to recommend that the Board reappoint PwC as, on balance, it performed best against the Committee's pre-agreed selection and assessment criteria. Due to the tender undertaken in 2015, and the rotation of the audit partner in 2020, the Committee believes that a tender being undertaken in the 2024/25 financial year remains appropriate and is in the best interests of shareholders. The Company confirms that it has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 relating to tendering and non-audit services.

## EXTERNAL AUDIT TENDERING TIMELINE





## BOARD COMMITTEES

## SAFETY COMMITTEE REPORT



“

**The Committee monitored systems and processes to ensure the safety of our customers and people remained the highest priority.”**

**Dr Andreas Bierwirth**  
Chair of the Safety Committee

### Membership, meetings and attendance

- Dr Andreas Bierwirth (Chair)
- Ryanne van der Eijk (from 1 September 2022)
- Nick Leeder (until 30 September 2022)
- Julie Southern
- Dr Detlef Trefzger (from 1 September 2022)

The Committee consists of the Independent Non-Executive Directors listed above. All members of the Committee are Independent Non-Executive Directors. Member biographies can be found on pages 74 to 77. The Company Secretary acts as the Secretary of the Committee and attends all the meetings.

The Committee met four times during the year. Meeting attendance can be found in the table on page 90.

The Director of Safety, Security & Compliance has attended all Safety Committee meetings during the year. Other key invitees include the Interim Chief Operating Officer, Director of Engineering & Maintenance and Head of Safety. Subject matter experts in flight operations, engineering and other functions have attended as required.



The Committee's terms of reference can be found on the Company's website at <https://corporate.easyjet.com>

I am pleased to present the Safety Committee report for the year ended 30 September 2022.

easyJet remains committed to the safety of our customers and our people and the delivery of a secure and safe operation which meets the expectations of our customers. The objective of the Committee is to oversee the effectiveness of the safety and security systems, processes, operations and resources to ensure safety receives the highest level of the Board's attention. The Committee is supported by the easyJet Safety Board, which reports to the AMB, to ensure safety risks and issues are identified and prioritised and action plans are in place to mitigate existing and emerging risks.

During the year the Committee's key areas of focus included a review of readiness for winter 2021 and summer 2022, following the ramp-up of operations post pandemic. The Committee discussed the risks and action plans in place to deliver a safe operation.

The Committee received a progress update on the implementation of an Integrated Management System (IMS) to support the alignment of different processes and procedures and remove complexity and duplication as a result of multiple regulatory requirements.

The Committee also spent time at each meeting conducting deep dives into different aspects of safety, security and compliance at easyJet as set out on page 105.

The Committee received regular reports from the Director of Safety, Security & Compliance and continues to ensure the team is adequately resourced and has the appropriate information to perform its function effectively and in accordance with the relevant professional standards.

The Director of Safety, Security & Compliance reports regularly to the AMB, the Committee and the Board. He has the right of direct access to me and to the Chair of the Board, which reinforces the independence of safety oversight.

I provided an update to the Board regularly with my own assessment of safety management within the airline throughout the year and updated it on the issues discussed by the Committee.

**Dr Andreas Bierwirth**  
Chair of the Safety Committee

## Key activities during the year

### Deep dives

During the year, the Committee monitored the safety, security and compliance priorities including routine and support activities, summer readiness framework and risk management framework to ensure easyJet remained safe and responsible and foundations for continuous improvement were in place. In addition, the Committee continued to monitor notable incidents to ensure process improvements and mitigating actions had been undertaken, where necessary. Deep dives were undertaken on a range of topics and these included the following:

### Seasonal readiness

Given the unprecedented ramp-up required post pandemic, the Committee reviewed the seasonal readiness for winter 2021 and summer 2022 to ensure safe ramp-up of operations. This included ensuring that all aircraft were in appropriate airworthiness condition following any extended periods without operating, and ensuring the competency and recency for crew and pilots.

### Integrated Management System (IMS)

The Safety, Security and Compliance team has developed an IMS to establish a common approach to Safety, Security, Compliance and the Environment (SSCE) across easyJet. The primary aim of the IMS is to embed key processes and procedures within easyJet to ensure safe and responsible journeys for our customers and a safe working environment for our employees and suppliers.

The Committee received an update on the implementation of the IMS to understand lines of accountability and responsibility given the extent of our network and multi AOC structure. The Committee also received a presentation from Roland Berger benchmarking various different approaches among operators with multiple AOC operations. The Committee endorsed easyJet's IMS approach for multiple AOC operations which benefits safety, improved efficiency and optimised processes and resources.

## Safety, Security and Compliance Plan

The Committee approved the topics proposed to be covered by the FY22 to FY27 Safety, Security and Compliance Plan to capture the strategic improvements across safety, security, compliance including all aspects that may impact on our operational safety and security, for example Information Technology, and the safety and health of those who interact with easyJet (our people, customers or suppliers).

### Risk management

The Committee received an update on the safety risks within the ground operations and how they were being managed with the assistance of the Airport Risk Management approach. This led to significant improvement in the identification and management of risks by providing the necessary tools to assess airport risks and implement mitigating strategies in conjunction with relevant stakeholders.

As a result of Russia's invasion of Ukraine, easyJet's safety team continued to monitor the related physical security risks. While there was limited direct physical risk to easyJet as our network does not extend to Ukraine, the wider impact of the conflict was, and continues to be, closely monitored.

### Looking forward

The Committee will monitor compliance with regulations and standards, and improvement of easyJet's safety, security and environmental performance as well as provide support to management on embedding the strong safety culture which will ensure high standards of safety continue to be delivered across the Group and all its operating entities.

# ANNUAL STATEMENT BY THE CHAIR OF THE REMUNERATION COMMITTEE



## Membership, meetings and attendance

- Moni Mannings (Chair)
- Julie Southern
- David Robbie
- Harald Eisenächer  
(from 1 September 2022)

There was one change to the membership of the Committee during the year as set out above. The Company Secretary acts as Secretary of the Committee. Other key invitees include the Chief Executive, the Group People Director, the Reward Director, the Chief Financial Officer and external advisers as relevant.

Member biographies setting out their skills and experience can be found on pages 74 to 77. The Committee met six times during the year. Meeting attendance can be found in the table on page 90.



The Committee's terms of reference can be found on the Company's website at <https://corporate.easyjet.com>

## The FY22 financial year

While FY22 has not been without its challenges, the performance achieved during the year has been strong. easyJet, alongside the whole industry, has faced multiple headwinds throughout the 2022 financial year from Omicron, the impact of Russia's invasion of Ukraine and operational challenges, as demand returned at scale following the widespread removal of travel restrictions across Europe. Despite these challenges, the return of demand during

the summer months supported us in delivering a £1.1 billion uplift in headline EBITDAR performance. The rapid ramp-up in demand we saw over the summer resulted in industry-wide operational challenges which impacted our customer experience and we worked quickly to mitigate this impact for our customers. During the year, we have seen progress on a number of our key strategic initiatives, with airline ancillary yield per passenger increasing to £22.73 and easyJet holidays delivering a positive profit contribution in its first full year of operation. We go into FY23 in a much stronger position strategically and financially and believe we are well positioned to deliver our shareholders value in the future.

The impact of Omicron, war in Ukraine and the industry-wide issues experienced this summer all affected operational performance during the financial year. Despite this, demand was strong for easyJet's optimised primary airport network which continues to deliver alongside step-changed ancillary revenue and the rapid growth of easyJet holidays.

Operations have significantly improved as a result of management actions to mitigate the disruption that the whole airline ecosystem experienced through Q3. Since the start of July, easyJet's operations normalised, with Q4 on-the-day cancellations being below 2019 levels.

In addition, passenger numbers almost doubled since last summer to 24 million with a load factor of 92%, as demand for our leading network and services remains strong. When our summer 2023 season went on sale, we were filling the equivalent of more than four A320 aircraft a minute in the opening hours, demonstrating the continued demand.

However, the Committee is acutely aware of the economic outlook and the challenges this will pose to the business going forward. With FY22 being the first year where our new policy was implemented, the Committee remains confident that the approved remuneration structure will continue to support the Directors and the business through this period, directly align management with the interests of shareholders and help to deliver sustainable, long-term growth.

It is against this financial backdrop that the Committee assessed remuneration outcomes and implementation.

## Engagement with the workforce in the year

There continues to be regular dialogue with employee consultative groups to gauge their feedback on remuneration and benefit structures within easyJet, including the remuneration approaches for executives and other employee groups, to help inform decision making. This includes providing updates on the arrangements for the Executive Directors. Regular meetings are held with the Reward Director and the Group People Director to discuss developments in reward over the year, whilst structured meetings have also been held with members of the Airline Management Board (AMB) and also separately with Nick Leeder when he was one of the Board's Employee Representative Directors. The outcomes of these interactions are discussed as part of the Remuneration Committee meetings.

## Cost of living

The Committee has been mindful of the impact that inflation and increases in the cost of living is having on individuals, and this has been a regular item of discussion with the Committee. The Committee supported actions taken by management to help address these challenges including an interim pay review conducted for the non-negotiated teams in July and the provision of voluntary financial education workshops. Management continues to review further options to help with the cost of living, in conjunction with employee representative groups. The Committee is pleased that the financial performance that management delivered in the year allows the payment of bonuses across all teams. This is particularly important having been unable to pay a bonus for the last two years and with no LTIPs vesting, which has impacted reward and retention, and allows us to recognise the significant work that all employees have put into the business with bonus awards being paid in respect of FY22.

## Engagement with shareholders

As Chair of the Committee I remain committed to regular engagement with our shareholders to answer any questions and respond to feedback.

The 2022 Remuneration Policy was approved by shareholders at the 2022 AGM. Although the Committee noted the number of votes against the resolution. Whilst through its engagement the Committee understood the rationale for certain

shareholders voting against the resolutions, it contacted them again following the AGM to offer further engagement on the Company's approach to remuneration.

The Board continues to believe that the updated Remuneration Policy and the new Restricted Share Plan not only support long-term decision making but also help retain and motivate management to drive the performance of the business as we continue to recover from the pandemic and support the longer-term performance of the business including delivering sustainable shareholder value.

### Incentive outcomes in the year

#### Annual bonus

The FY22 annual bonus was based 30% on EBITDAR performance, 50% on a balanced scorecard of key performance targets including free cash flow, cost control, customer feedback, and ancillary revenue, and 20% on individual performance including measures linked to sustainability, strategy and employee engagement. These measures were selected to align with our key priorities for the year. The Committee chose to use a balanced scorecard approach to assess performance for 50% of the bonus to ensure that the bonus provided a balanced incentive to drive performance across a range of key strategic areas and to provide flexibility to ensure that payouts were fair, taking into account the underlying performance and stakeholder experience.

The performance achieved this year against these measures was strong in a highly unpredictable environment, and represents tangible progress as we continue to recover from the impact of Covid-19 positioning us strongly for the future. This year has seen us return to profitability on an EBITDAR basis, and we have recorded significant achievements in our key areas of focus on costs, cashflow and growing ancillary revenues. This resulted in an initial outcome of 63.625% out of a maximum score of 80% across the EBITDAR and scorecard measures.

However, as part of its assessment of performance the Committee was mindful of the operational challenges that we faced during the year, in particular the impact of the disruption to flights on our customers and other stakeholders, and the overall experience of our shareholders during the year in the context of macro-economic impacts on our share price. While our operational challenges have now been largely addressed, the Committee decided that it was still appropriate to reduce the Group scorecard outcome by 2.5%, resulting in an overall outcome for Executive Directors of 61.125% out of a maximum of 80% (i.e. 76.4% of maximum for this element).

The Committee then considered the individual performance of the Executive Directors and determined that the individual objectives had been met in full. Details of the objectives and performance is provided on pages 115 – 116. As a result of this assessment, the Group performance

achieved and the Committee's discretionary reduction to the scorecard, the final bonuses agreed were £1,200,650 for Johan Lundgren (81.125% of maximum), and £738,238 for Kenton Jarvis (81.125% of maximum), of which one third will be awarded in deferred shares.

#### LTIP

Awards granted in 2019 were due to vest based on performance to 30 September 2022. Awards were based on a combination of performance conditions, being three-year average headline ROCE, total headline EPS and relative TSR compared to FTSE 51-150 companies measured over the three financial years to 30 September 2022. In addition, the TSR awards will not vest unless there has been positive TSR over the performance period.

The stretching performance targets for the 2019 LTIP award, which were set before the pandemic, were not met and therefore this award will lapse.

#### Restricted Share Plan (RSP)

In 2022, we made our first awards under the RSP that was approved by shareholders at the 2022 AGM.

The face value of the award granted to Johan Lundgren was £925,000 (125% of salary) and for Kenton Jarvis £520,000 (100% of salary). The awards are subject to the following underpins: that easyJet does not fall below its minimum liquidity target (such that a credit risk is triggered) through the vesting period and that there is satisfactory governance performance including no ESG issues that result in material reputational damage to the Company (as determined by the Board).

The Committee will also operate a further underpin such that if the Company's performance taken as a whole materially underperforms what might reasonably have been expected for the sector for reasons attributable to management action or inaction, the Committee will, at its discretion, reduce the award quantum appropriately.

Subject to the underpins being met, the awards will vest in December 2024.

#### Implementation of remuneration for FY23

With FY22 being the first full year under our new Remuneration Policy, the Committee is satisfied that it continues to best support the business and long-term strategic decision making. Therefore, we are not proposing any changes for the year ahead and will continue to operate remuneration similar to that used last year. Our intended approach for the year ahead is set out below.

#### Base salary

Salaries for our Executive Directors have been considered very carefully against the pay awards made for our employees in 2022 and into 2023. easyJet has made significant step changes in salary and packages for the wider workforce for 2022 and into 2023, reflecting that generally no increases were awarded over the last few years in the

context of the significant cost control needed in light of the impact Covid-19 on the business. The Committee has reviewed the salary for the CEO and CFO with effect from 1 January 2023. The Committee noted that the CEO had not received an increase in base pay since 1 January 2020 but also recognised the broader considerations for restraint. At the same time the Committee noted that the average pay increase proposed for our wider employee groups in FY23 was more than 6%. Balancing these considerations the Committee decided to increase the CEO salary to £780,000 (5.4% increase) and to increase the CFO salary to £550,000 (5.7% increase). In making these decisions the Committee also considered the impact this would have on variable remuneration set by reference to salary and deemed the outcome to be appropriate.

#### Annual bonus

The operation of the annual bonus will continue broadly unchanged. The maximum opportunity will continue to be 200% of base salary (Chief Executive) and 175% of base salary (Chief Financial Officer).

The bonus for the 2023 financial year will continue to be based 30% on EBITDAR performance, 50% on a balanced score of Group performance targets including from free cash flow, cost control, customer feedback, operational performance and revenue, and 20% on individual performance including measures linked to sustainability, strategy and employee engagement. Details of the targets for the year ending 30 September 2023 will be disclosed retrospectively in next year's annual report on remuneration, by which time they will no longer be deemed commercially sensitive by the Board.

#### RSP

The RSP will operate on the same basis in FY23. The face value of the award granted to Johan Lundgren will be 125% of salary and for Kenton Jarvis 100% of salary.

The awards will be subject to the same underpins as in FY22.

The Committee is conscious that the current share price is lower than the share price used to determine award levels last year, reflecting market volatility and uncertainty in the macro-economic environment. In this context the Committee carefully considered whether it would be appropriate to scale back the grant of awards. However, given the continued need to incentivise and motivate the executives to continue to drive recovery in the business post Covid to execute on our future growth strategy, the Committee did not consider that it was appropriate at this stage to reduce awards. The Committee will, however, review the payout at vesting, considering whether management have benefited from 'windfall gains', in which case the intention would be to scale back vesting levels.

On behalf of the Committee I would like to thank shareholders for their continued support during 2022 and ahead of the next AGM.

#### Moni Mannings

Chair of the Remuneration Committee

# REMUNERATION AT A GLANCE

## Reward principles

The Remuneration Committee's primary objective is to design a remuneration framework that promotes the long-term success of the Group. For some time, we have been guided by the following reward principles:

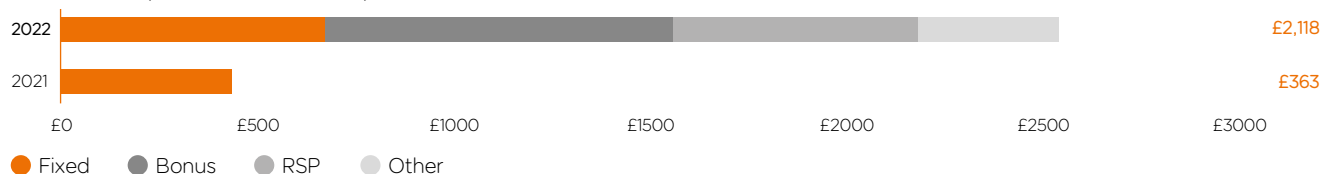
Principle	Application in remuneration framework
Simple and cost-effective	To establish a simple and cost-effective reward package in line with our low-cost and efficient business model.
Aligned with business strategy	To support the achievement of our business strategy of long-term sustainable growth and returns. The combination of our annual bonus plan based on a mix of financial, operational and strategic targets and our new long-term Restricted Share Plan ensures that value is delivered to shareholders and that Executive Directors are rewarded for the successful and sustained delivery of the key strategic objectives of the Group.
Sustainable long-term success	Total remuneration is weighted towards elements which align with sustainable long-term shareholder value creation. This ensures that there is a clear link between the value created for shareholders and the amount paid to our Executive Directors.
Mindful of the wider stakeholder experience	Notwithstanding the financial performance of the business, overall remuneration outcomes will be mindful of the wider stakeholder experience to ensure Executive Director remuneration remains fair, responsible and sustainable.

## Single total figure of remuneration (£'000)

Johan Lundgren (Chief Executive)



Kenton Jarvis (Chief Financial Officer)<sup>1</sup>



1. Includes payment of £300,000 for cash buy-out awards, disclosed in the FY21 Annual Report, paid in December 2021



### Application of the Remuneration Policy in 2023

Salary	The Committee has reviewed the salary for the Executive Directors with effect from 1 January 2023 and agreed to increase the CEO salary to £780,000 (5.4% increase) and the CFO salary to £550,000 (5.7% increase). These increases are below the average increase for the wider workforce in 2023, which is more than 6% and follows a significant period of pay freezes.																		
Benefits and pension	Pension allowance of 6.15% of salary plus modest benefits aligned to the market and the wider workforce.																		
Annual bonus – One-third of bonus is deferred into shares for three years	<p>Maximum will remain at 200% of base salary for the Chief Executive and at 175% of base salary for the Chief Financial Officer.</p> <p>The bonus for the 2023 financial year will be based 30% on EBITDAR performance, 50% on a balanced score card of Group performance targets including from free cash flow, cost control, customer feedback, operational performance and revenue, and 20% on individual performance including measures linked to sustainability, strategy and employee engagement. Details of the targets for the year ending 30 September 2023 will be disclosed retrospectively in next year's annual report on remuneration, by which time they will no longer be deemed commercially sensitive by the Board.</p>																		
Restricted Share Plan (RSP) – Three-year vesting period plus two-year post-vesting holding period	<p>The normal maximum award will be 125% of salary for the Chief Executive and 100% of salary for the Chief Financial Officer.</p> <p>Awards will be subject to the following performance underpins measured over the vesting periods. If any underpin is not met the Committee will consider whether it is appropriate to reduce the portion of the award vesting, based on its judgement of the context. The underpins for 2023 awards will be:</p> <ol style="list-style-type: none"> <li>1. That easyJet does not fall below its minimum liquidity target (such that a credit risk is triggered) through the vesting period.</li> <li>2. Satisfactory governance performance including no Environmental, Social and Governance (ESG) issues that result in material reputational damage to the Company (as determined by the Board).</li> </ol> <p>If the Company does not meet one or more of the underpins the Committee will consider whether it is appropriate to scale back the level of payout under the award to reflect this.</p> <p>The Committee will operate a further underpin such that if the Company's performance, taken as a whole, materially underperforms what might reasonably have been expected for the sector for reasons attributable to management action or inaction, the Committee will at its discretion reduce the award quantum appropriately.</p> <p>The Committee will also retain discretion to determine what level of scale back, if any, is appropriate. The Committee also may, at its discretion, adjust the vesting level of an award if it considers that the vesting level would not reflect the underlying performance of the Executive, the Group, the experience of shareholders, other stakeholders or if such level would not be appropriate in the circumstances. The Committee is conscious that the current share price is lower than the share price used to determine award levels last year, reflecting market volatility and uncertainty in the macro-economic environment. In this context, the Committee carefully considered whether it would be appropriate to scale back the grant of awards. However, given the continued need to incentivise and motivate the executives to continue to drive recovery in the business post-Covid-19 and to execute our future growth strategy, the Committee did not consider that it was appropriate at this stage to reduce awards. The Committee will, however, review the payout at vesting, considering whether management have benefited from 'windfall gains', in which case the intention would be to scale back vesting levels.</p>																		
Share ownership guidelines	Expected to hold shares worth 250% of base salary for the Chief Executive and 200% of base salary for the Chief Financial Officer. Executive Directors will be required to maintain a minimum shareholding equal to the guideline (or their actual shareholding if lower) for two years following stepping down as an Executive Director.																		
Non-Executive Director fees	<p>The fees for the Chairman and Non-Executive Directors from 1 January 2023 will be increased by 5% (with the exception of the SID fee which remains at its current level). Fees from 1 January 2023 are summarised below:</p> <table border="1"> <thead> <tr> <th></th> <th>January 2023</th> <th>January 2022</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>£330,296</td> <td>£314,568</td> </tr> <tr> <td>Basic fee for other Non-Executive Directors</td> <td>£66,060</td> <td>£62,914</td> </tr> <tr> <td>Fees for SID role</td> <td>£25,000</td> <td>£25,000</td> </tr> <tr> <td>Chair of the Audit, Safety and Remuneration Committees<sup>1</sup></td> <td>£15,750</td> <td>£15,000</td> </tr> <tr> <td>Chair of the Finance Committee<sup>1</sup></td> <td>£10,500</td> <td>£10,000</td> </tr> </tbody> </table> <p>1. Supplementary fees increased by 5%</p> <p>The fees payable to the Non-Executive Directors are reviewed annually. The last increase of 2.8% was applied three years ago on 1 January 2020, which was below the typical increase for the wider workforce at the time. The Board has determined that a 5% increase will apply to the base fees and supplementary fees (with the exception of the SID fee) from 1 January 2023, which is below the average increase for the UK workforce.</p>		January 2023	January 2022	Chairman	£330,296	£314,568	Basic fee for other Non-Executive Directors	£66,060	£62,914	Fees for SID role	£25,000	£25,000	Chair of the Audit, Safety and Remuneration Committees <sup>1</sup>	£15,750	£15,000	Chair of the Finance Committee <sup>1</sup>	£10,500	£10,000
	January 2023	January 2022																	
Chairman	£330,296	£314,568																	
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Chair of the Finance Committee <sup>1</sup>	£10,500	£10,000																	

# DIRECTORS' REMUNERATION POLICY

During 2021, the Committee undertook a detailed review of our Directors' Remuneration Policy to ensure that the remuneration arrangements in place best support the long-term strategy of the business and continue to motivate the Executive Directors, the AMB and the broader management population.

After careful consideration and consultation with our largest shareholders, the Remuneration Committee concluded that a Restricted Share Plan is the best approach for the Company going forward to align management with shareholders and support the execution of our strategy and the creation of long-term sustainable shareholder value. The renewed policy including the RSP was approved by shareholders at the AGM on 10 February 2022.

The table below summarises the approved Remuneration Policy, which can be found in full in last year's Annual Report on the Company website:

 <https://corporate.easyjet.com/investors/reports-and-presentations/2021>

	Policy	Framework used to assess performance and provisions for the recovery of sums paid
<p><b>Salary</b></p> <p>To provide the core reward for the role.</p> <p>Set at a sufficient level to recruit and retain individuals of the necessary calibre to execute the Company's business strategy.</p>	<p>Increases normally up to the average workforce level (though may be increased at higher rates in certain circumstances, for example where a new Executive Director has been appointed to the Board at a lower than typical market salary to allow for growth in the role).</p>	<p>The Committee considers individual salaries at the appropriate Committee meeting each year after having due regard to the factors noted in operating the salary policy.</p> <p>No recovery provisions apply to base salary.</p>
<p><b>Benefits</b></p> <p>In line with the Company's policy to keep remuneration simple and consistent.</p>	<p>Executive Directors are entitled to a combination of modest benefits aligned to the market, such as life assurance and other insurance arrangements, as well as a range of voluntary benefits including the purchase of additional holiday.</p>	<p>Not applicable.</p> <p>No recovery provisions apply to benefits.</p>
<p><b>Pension</b></p> <p>To provide employees with long-term savings via pension provisions in line with the Company's strategy to keep remuneration simple and consistent.</p>	<p>Pension allowance of 6.15% of salary (being the cash alternative to a 7% employer contribution less the equivalent value of UK employers' national insurance contributions). This is in line with pension contributions provided for the wider workforce.</p>	<p>Not applicable.</p> <p>No recovery provisions apply to employer pension contributions.</p>

	Policy	Framework used to assess performance and provisions for the recovery of sums paid
<p><b>Annual bonus</b></p> <p>To incentivise and recognise execution of the business strategy on an annual basis.</p> <p>Rewards the achievement of annual financial and operational goals.</p> <p>Compulsory deferral of a portion of the bonus provides alignment with shareholders.</p>	<p>Maximum opportunity is 200% of base salary (Chief Executive) and 175% of base salary (Chief Financial Officer).</p> <p>One-third of bonus is deferred into shares for three years. Majority of the award is based upon the achievement of performance conditions based on financial metrics. Withholding and recovery provisions apply.</p>	<p>Bonuses are normally based on stretching financial and non-financial measures, including personal and/or strategic performance measures.</p> <p>Performance measures are set and assessed by the Committee at its discretion, with performance normally measured over a one-year period.</p> <p>Malus and clawback provisions apply.</p> <p>The Committee may, at its discretion, adjust the level of bonus payout if it considers that the formulaic outcome was not aligned with performance in the year.</p>
<p><b>Restricted Share Plan (RSP)</b></p> <p>To incentivise the execution of the business strategy over the longer term.</p> <p>Rewards sustained increase in shareholder value.</p>	<p>Normal maximum awards of 125% of salary (Chief Executive) and 100% of salary (Chief Financial Officer). Up to 150% of salary in exceptional circumstances.</p> <p>Three-year performance period plus two-year post-vesting holding period.</p> <p>Awards will be subject to performance underpins measured over the vesting periods. Withholding and recovery provisions apply.</p>	<p>Awards will be subject to performance underpins measured over the vesting periods.</p> <p>If the Company does not meet one or more of the underpins the Committee would consider whether it was appropriate to scale back the level of payout under the award to reflect this.</p> <p>Malus and clawback provisions apply.</p> <p>The Committee may, at its discretion, adjust the vesting level of an award if it considers that the vesting level would not reflect the underlying performance of the executive.</p>
<p><b>Share ownership guidelines</b></p> <p>To ensure alignment between the interests of Executive Directors and shareholders.</p>	<p>250% of salary (Chief Executive) and 200% of salary (Chief Financial Officer).</p> <p>Expected to retain 50% of post-tax shares vesting under the RSP and 100% of post-tax deferred bonus shares until guideline is met.</p>	Not applicable.
<p><b>Post-cessation share ownership guidelines</b></p>	<p>Chief Executive and Chief Financial Officer required to hold up to 100% of their shareholding requirement for two years after leaving office.</p>	Not applicable.
<p><b>Non-Executive fees</b></p> <p>To attract and retain a high-calibre Chairman and Non-Executive Directors by offering market-competitive fee levels.</p>	<p>The Chairman is paid an all-inclusive fee for all Board responsibilities.</p> <p>The other Non-Executive Directors receive a basic Board fee, with supplementary fees payable for additional responsibilities including Board or Committee responsibilities.</p>	<p>Fee levels are reviewed on a regular basis, and may be increased, taking into account factors such as the time commitment of the role and market levels in companies of comparable size and complexity.</p>

### Illustration of how much the Executive Directors could earn under the Remuneration Policy

The charts below show how much the Chief Executive and Chief Financial Officer could earn through easyJet's Remuneration Policy under different performance scenarios in the 2023 financial year. The following assumptions have been made:

Minimum (performance below threshold) – fixed pay only, with no vesting under any of easyJet's incentive plans.

Mid (performance in line with expectations) – fixed pay plus a bonus at the mid-point of the range (giving 50% of the maximum opportunity), plus 100% vesting of the Restricted Share Plan.

Maximum (performance meets or exceeds maximum) – fixed pay plus maximum bonus, plus 100% vesting of the Restricted Share Plan.

Fixed pay comprises:

Salaries – salary effective as at 1 January 2023.

Benefits – amount received in the 2023 financial year.

Pension – employer contributions or cash-equivalent payments received in the 2023 financial year.

Matching Shares under the all-employee Share Incentive Plan.

#### CHIEF EXECUTIVE (JOHAN LUNDGREN)<sup>1</sup>

Minimum



Mid



Maximum



Maximum + share price growth (50%)



- Fixed pay
- Annual bonus
- RSP
- Change in share price

#### CHIEF FINANCIAL OFFICER (KENTON JARVIS)<sup>2</sup>

Minimum



Mid



Maximum



Maximum + share price growth (50%)



- Fixed pay
- Annual bonus
- RSP
- Change in share price

1. Were easyJet's share price to increase by 50%, Johan Lundgren's total remuneration would increase to £3,897,000k under a 'maximum' scenario – driven by the increased value of the RSP awards
2. Were easyJet's share price to increase by 50%, Kenton Jarvis' total remuneration would increase to £2,380,000k under a 'maximum' scenario – driven by the increased value of the RSP awards

The scenarios shown above do not include any dividend assumptions. It should be noted that since the analysis above shows what could be earned by the Executive Directors based on the Remuneration Policy described above, these numbers will differ to values included in the table on page 114 detailing the actual earnings by Executive Directors.

## UK CORPORATE GOVERNANCE CODE – PROVISION 40 DISCLOSURES

When developing the proposed Remuneration Policy and considering its implementation, the Committee was mindful of the UK Corporate Governance Code and considers that the executive remuneration framework appropriately addresses the following factors:

- Clarity – the Committee is committed to providing open and transparent disclosures regarding our executive remuneration arrangements.
- Simplicity – remuneration arrangements for our executives and our wider workforce are simple in nature and well understood by both participants and shareholders. Our RSP further simplifies incentive arrangements.
- Risk – the Committee considers that the incentive arrangements do not encourage inappropriate risk-taking. Malus and clawback provisions apply to annual bonus and RSP awards, and the Committee has overarching discretion to adjust formulaic outcomes to ensure that they are appropriate.
- Predictability and proportionality – the RSP increases the predictability of outcomes in line with recovery strategy and minimises the potential of unintended outcomes. Our policy illustrates opportunity levels for Executive Directors under various scenarios for each component of pay.
- Alignment to culture – any financial and strategic targets set by the Committee are designed to drive the right behaviours across the business. The RSP encourages our executives to focus on making the right decisions for the execution of our strategy and the creation of long-term shareholder value.

# ANNUAL REPORT ON REMUNERATION

## OVERVIEW

### Role of the Remuneration Committee

The key role of the Committee is to make recommendations to the Board on executive remuneration packages and to ensure that the Remuneration Policy and practices of the Company reward fairly and responsibly, with a clear link to corporate and individual performance.



The Committee's terms of reference can be found on the [Company's website at https://corporate.easyjet.com](https://corporate.easyjet.com)

### Key responsibilities

- To set the Remuneration Policy for all Executive Directors and the Company's Chairman.
- To set the remuneration packages for the AMB and monitor the principles and structure of remuneration for other senior management.
- To oversee remuneration and workforce policies and practices, and take these into account when setting the policy for Director and AMB remuneration to ensure that they remain reasonable and appropriate in comparison with the wider workforce and external market.
- To approve the design of, and determine targets for, all employee share schemes operated by the Group.
- To oversee any major changes in employee benefit structures throughout the Company or Group.
- To review and monitor the Group's compliance with relevant gender pay reporting requirements.
- To assess that all incentives implemented are consistent with Company culture and purpose.

### Key activities during the year

- Assessed the level of performance in respect of the bonus for the 2022 financial year, and LTIP awards set in December 2019 and vesting in December 2022, to determine appropriate payouts.
- Monitored developments in the internal and external environment and in relation to the impact of Covid-19.
- Reviewed and approved the remuneration packages for the new AMB members.
- Reviewed the total packages and service contracts of the AMB and senior management.
- Reviewed the outcome of the AGM and agreed appropriate actions following engagement with shareholders.
- Considered the results and implications of the UK gender pay gap report and reviewed and commented on recommendations to address the gap and challenges faced by the aviation sector.
- Reviewed and approved no award of the all-employee Performance Share Award in respect of the 2022 financial year and cessation of selected other all-employee share scheme features.
- Provided oversight on the broader remuneration framework for the wider workforce across easyJet and in particular the response to retaining key employees and the cost of living crisis.

On balance, having taken into account a number of internal and external measures as well as the pay ratio analysis, the Committee believes the proposed remuneration decisions in this report appropriately reflect the needs of the business and long-term interests of shareholders. The Committee also believes the Remuneration Policy operated as intended in terms of reflecting Company performance and the overall level of quantum delivered was considered appropriate given the business context.



### Single total figure of remuneration for the year ended 30 September 2022

The table below sets out the amounts earned by the Directors (audited).

£'000	FY22									FY21							
	Fees and Salary	Benefits <sup>6</sup>	Bonus <sup>7</sup>	RSP	Pension <sup>8</sup>	Other <sup>9</sup>	Total	Total Fixed	Total Variable	Fees and Salary	Benefits	Bonus	LTIP	Pension	Total	Total Fixed	Total Variable
<b>Executive</b>																	
Johan Lundgren	740	47	1,201	925	46	n/a	2,959	833	2,126	740	8	0	0	46	794	794	0
Kenton Jarvis	520	8	738	520	32	300	2,118	860	1,258	342	0	0	0	21	363	363	0
<b>Non-Executive</b>																	
John Barton <sup>1</sup>	54	–	–	–	–	–	54	54	–	315	–	–	–	–	315	315	–
Stephen Hester <sup>2</sup>	273	–	–	–	–	–	273	273	–	5	–	–	–	–	5	5	–
Dr Andreas Bierwirth <sup>5</sup>	78	–	–	–	–	–	78	78	–	78	–	–	–	–	78	78	–
Catherine Bradley CBE	73	–	–	–	–	–	73	73	–	73	–	–	–	–	73	73	–
Ryanne van der Eijk <sup>3</sup>	5	–	–	–	–	–	5	5	–	–	–	–	–	–	–	–	–
Harald Eisenächer <sup>3</sup>	5	–	–	–	–	–	5	5	–	–	–	–	–	–	–	–	–
Nicholas Leeder <sup>4</sup>	63	–	–	–	–	–	63	63	–	63	–	–	–	–	63	63	–
Moni Mannings	78	–	–	–	–	–	78	78	–	78	–	–	–	–	78	78	–
David Robbie	63	–	–	–	–	–	63	63	–	52	–	–	–	–	52	52	–
Julie Southern <sup>5</sup>	103	–	–	–	–	–	103	103	–	103	–	–	–	–	103	103	–
Dr Detlef Trefzger <sup>3</sup>	5	–	–	–	–	–	5	5	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>2,060</b>	<b>55</b>	<b>1,939</b>	<b>1,445</b>	<b>78</b>	<b>300</b>	<b>5,877</b>	<b>2,493</b>	<b>3,384</b>	1,849	8	0	0	67	1,924	1,924	0

1. Stepped down from the Board on 1 December 2021.

2. Chair from 1 December 2021.

3. Harald Eisenächer, Ryanne van der Eijk and Dr Trefzger were appointed to the Board on 1 September 2022.

4. Stepped down from the Board 30 September 2022.

5. Will step down from the Board at the 2023 AGM.

6. Benefits relate to the cost to the Company of life assurance (which increased from 0.5x basic salary to 4x basic salary in line with the wider head office teams benefit provision), other insurance, as well as reimbursements made to the Chief Executive for business-related travel expenses in respect of domestic car travel to the value of £24,500.

7. One third of the annual bonus is deferred in shares for a period of three years. There are no performance conditions attached to the deferred elements other than continued employment.

8. Johan Lundgren and Kenton Jarvis received a cash alternative to pension contributions equivalent to 6.15% of base salary. No Director who served during the year accrued any other pension benefits.

9. Payment of £300,000 for cash buy-out awards, disclosed in the FY21 Annual Report, paid to Kenton Jarvis in December 2021.

### Payments for loss of office and payments to past directors (audited)

There were no payments for loss of office or payments to past directors.

### Annual bonus outturn for performance in the 2022 financial year (audited)

The measures selected for the FY22 annual bonus aligned with our key priorities for the year and were 30% on EBITDAR performance, 50% on a balanced score card of Group performance targets including free cash flow, cost control, customer feedback and ancillary revenue, and 20% on individual performance including measures linked to sustainability, strategy and employee engagement.

The Committee has chosen to use a balanced scorecard approach to assessing performance for 50% of the bonus this year to ensure that we are providing a balanced incentive to drive performance across a range of areas. At least 40% of the scorecard was linked to financial measures ensuring that at least 50% of the overall bonus is linked to financial measures.

The Committee reviewed performance against these measures including the balanced scorecard and it was determined that the bonus would pay out at 81.125% of maximum. The Committee also had the discretion to determine the appropriate level of award at the end of the financial year based on performance achieved. In assessing the outcome against overall Company individual performance, the Committee determined that the outcome was appropriate.

Measure	Weighting CEO & CFO	FY22 Targets			Outcome	Pay-out
		Threshold (10% minimum award)	On-target (50% award)	Maximum (100% award)		
EBITDAR (at constant currency) £m	30%	447	559	615	<b>Headline EBITDAR £569m</b> (bonus targets are set at constant currency to allow for exchange rate fluctuation - at constant currency EBITDAR outcome is £641m)	30%
Balanced scorecard	50%					
• Cost programme performance £m		380	430	455	Assessed outcome	33.625%
• Free cash flow £m		111	211	261	Discretionary reduction	(2.5%)
• Customer satisfaction		71%	74%	77%	<b>Final outcome</b>	<b>31.125%</b>
• Ancillary yield £		17.20	19.20	20.20		
Individual	20%	n/a	50%	100%	100%	20%
<b>Total</b>	<b>100%</b>					<b>81.125%</b>

The performance achieved this year against the bonus measures was strong in a highly unpredictable environment, and represents tangible progress as we continue to recover from the impact of Covid-19 positioning us strongly for the future. This year has seen us return to profitability on an EBITDAR basis, and we have recorded significant achievements in our key areas of focus on costs, cashflow and growing ancillary revenues. This resulted to an initial outcome of 63.625% out of a maximum score of 80% across the EBITDAR and scorecard measures.

However, as part of its assessment of performance the Committee was mindful of the operational challenges that we faced during the year, in particular the impact of the disruption to flights on our customers and other stakeholders, and the overall experience of our shareholders during the year in the context of macro-economic impacts on our share price. While our operational challenges have now been largely addressed, the Committee decided that it was still appropriate to reduce the Group scorecard outcome by 2.5%, resulting in an overall outcome for Executive Directors of 61.125% out of a maximum of 80% (i.e. 76.4% of maximum for this element).

The Committee then considered the individual performance of the Executive Directors and determined that the individual objectives had been met in full (see below). As a result of this assessment, the Group performance achieved and the Committee's discretionary reduction to the scorecard, the final bonuses agreed were £1,200,650 for Johan Lundgren (81.125% of maximum), and £738,238 for Kenton Jarvis (81.125% of maximum) of which one third will be awarded in shares deferred for three years.

### Personal objectives (20% weighting)

This component focuses on personal performance against the priorities set by the Board for the Executive Directors in 2022. The Remuneration Committee considers their performance holistically in relation to the development and driving of strategy, financial performance, sustainability, customer and people initiatives (both what was delivered and how). The assessment for each Executive Director was as shown in the following tables:

#### Johan Lundgren (CEO)

The Committee assessed performance against the objective focus areas set out below and determined that the personal objectives element had been met in full. Details of performance against these objective focus areas is provided below.

Objective focus area	Performance achieved
<b>Sustainability</b> Net zero CO <sub>2</sub> 2050 roadmap	Signed up to UN initiative 'Race to Zero', pledging easyJet's commitment to set a science-based target (SBT) and to reach net zero CO <sub>2</sub> by 2050.  Achieved validation of 2035 SBT by Science Based Targets Initiative (consortium of UNGC, CDP, WWF).  Published easyJet's net zero roadmap outlining key enablers and supporting partnerships and investments.  Evidenced net zero roadmap integration with easyJet's strategy (five-year plan and beyond) and with easyJet's advocacy on regulation.
<b>Sustainability</b>	Environmental Management System.  Achieved Stage 1 IEnvA certification (ISO14001-compliant IATA EMS).  Achieved Stage 2 IEnvA certification.
<b>Employee engagement</b>	Delivered a year-on-year improvement in employee engagement as measured through our Peakon employee survey scores.
<b>easyJet holidays growth</b>	Ensured the development, delivery, and growth of easyJet Holidays to meet its FY22 financial targets and KPIs.
<b>Business strategy review</b>	Reviewed and refreshed the easyJet strategy with approval of the PLC Board and commenced roll-out and engagement with all stakeholders.

### Kenton Jarvis (CFO)

The Committee assessed performance against the objective focus areas set out below and determined that the personal objectives element had been met in full. Details of performance against these objective focus areas is provided below.

Objective focus area	Performance achieved
<b>Financial</b>	Group rating on CDP improved from Rating C to rating B. Developed fleet plan and converted the Airbus purchase option rights Class 1 action achieved with strong shareholder support.
<b>Reporting</b>	Separate ancillary KPI monitoring established to track progress and close gaps to competition.
<b>Financial control</b>	Delivered control improvement plan in FY22.
<b>Investor relations</b>	Developed IR engagement plan. Conducted roadshows in USA.
<b>Employee engagement</b>	Finance attrition rate reduced against a challenging recruitment market. Focus on talent and retention. Improved year-on-year employee engagement score.
<b>Cost reduction</b>	Implemented and delivered cost reduction plan.
<b>Strategy</b>	Reviewed and refreshed the easyJet strategy with approval of the PLC Board and commenced roll-out and engagement with all stakeholders.
<b>Sustainability</b>	Completed climate Change Risk Register. Identification of priority climate change transition risks relation to emissions, technology, investors, civil society. Best practice TCFD report in FY22 AR. Improve ESG Reporting & Performance with Gap Analysis easyJet FY21 reporting vs key ESG indices Sustainalytics & MSCI. Agreed approach to net zero roadmap as key component of refreshed business strategy.

### LTIP (audited)

The 2019 LTIP awards vesting in respect of the three performance years to 30 September 2022 were subject to a combination of performance conditions, being three-year average headline ROCE, total headline EPS and relative TSR compared to FTSE 51-150 companies measured over the prior three financial years (with a minimum positive TSR underpin) to 30 September 2022. The percentage which could be earned was determined using the following vesting schedule:

	Below threshold (0% vesting)	Threshold (25% vesting)	On-target (50% vesting)	Maximum (100% vesting)	Actual	Vesting (% of element)
ROCE awards (40% of total)	<9.5%	9.5%	11.5%	13.5%	<9.5%	0%
EPS awards (40% of total)	<288p	288p	310p	335p	<288p	0%
TSR awards (20% of total)	< Median	Median	n/a	Upper quartile	below median	0%

Three-year average headline EPS and ROCE performance along with TSR performance were below threshold due to the impact of Covid-19 on the business. The Committee considered this outcome and determined that no payment was an appropriate outcome given the current business context.

### Executive Directors' share awards outstanding at the financial year end (audited)

Details of share options and share awards outstanding at the financial year end are shown in the following tables:

#### Johan Lundgren

Scheme	No. of shares/ options at 30 September 2021 <sup>1</sup>	Shares/ options granted in year	Shares/ options lapsed in year	Shares/ options exercised in year	No. of shares/ options at 30 September 2022 <sup>1</sup>	Date of grant	Exercise price (£)	Market price on exercise date (£)	Date from which exercisable	Expiry date
<b>A</b>	198,361	–	(198,361)	–	–	19 Dec 2018 <sup>2</sup>	–	–	19 Dec 2021	19 Dec 2028
<b>A</b>	153,770	–	–	–	<b>153,770</b>	19 Dec 2019 <sup>3</sup>	–	–	19 Dec 2022	19 Dec 2029
<b>A</b>	254,621	–	–	–	<b>254,621</b>	29 Dec 2020 <sup>4</sup>	–	–	29 Dec 2023	29 Dec 2030
<b>B</b>	–	129,334	–	–	<b>129,334</b>	16 Feb 2022 <sup>6</sup>	–	–	19 Dec 2024	16 Feb 2032
<b>C</b>	36,775	–	–	–	<b>36,775</b>	19 Dec 2018	–	–	19 Dec 2021	19 Dec 2028
<b>C</b>	6,273	–	–	–	<b>6,273</b>	19 Dec 2019	–	–	19 Dec 2022	19 Dec 2029
<b>D</b>	1,865	–	–	–	<b>1,865</b>	14 Jun 2019	6.75	–	1 Aug 2022	1 Feb 2023

## Kenton Jarvis

Scheme	No. of shares/ options at 30 September 2021 <sup>1</sup>	Shares/ options granted in year	Shares/ options lapsed in year	Shares/ options exercised in year	No. of shares/ options at 30 September 2022 <sup>1</sup>	Date of grant	Exercise price (£)	Market price on exercise date (£)	Date from which exercisable	Expiry date
<b>A</b>	159,803	–	–	–	<b>159,803</b>	20 May 2021 <sup>5</sup>	–	–	29 Dec 2023	20 May 2031
<b>B</b>	–	72,706	–	–	<b>72,706</b>	16 Feb 2022 <sup>6</sup>	–	–	19 Dec 2024	16 Feb 2032
<b>D</b>	1,963	–	–	–	<b>1,963</b>	20 Jul 2021	6.42	–	1 Sep 2024	1 Mar 2025
<b>D</b>	–	1,353	–	–	<b>1,353</b>	19 Jul 2022	3.99	–	1 Sep 2025	1 Mar 2026

## Key:

- A** Long Term Incentive Plan – Performance Shares      **C** Deferred Share Bonus Plan  
**B** Restricted Share Plan      **D** Save As You Earn Awards (SAYE)

The closing share price of the Company's ordinary shares at 30 September 2022 was £2.96 and the closing price range during the year ended 30 September 2022 was £2.93 to £7.27.

**Note 1: Number of share awards granted**

The number of shares is calculated according to the scheme rules of individual plans based on the middle-market closing share price on the day prior to grant.

As is usual market practice, the option price for SAYE awards is determined by the Committee in advance of the award by reference to the share price following announcement of the half-year results the day immediately preceding the date the invitations are sent.

**Note 2: LTIP awards made in December 2018**

40% of vesting is based on three-year average headline ROCE (including lease adjustment) performance for the three financial years ending 30 September 2021; 40% of vesting is based on three-year total headline EPS performance for the three financial years ending 30 September 2021; and 20% of vesting is based on relative TSR performance compared to companies ranked FTSE 51-150. In addition, the TSR awards will not vest unless there has been positive TSR over the performance period.

The face value of the award granted was £1,800,300 (250% of salary) to Johan Lundgren. As set out in the 2021 annual report on remuneration none of the targets were met at the end of the three year performance period, so the options lapsed.

**Note 3: LTIP awards made in December 2019**

40% of vesting is based on three-year average headline ROCE performance for the three financial years ending 30 September 2022; 40% of vesting is based on three-year total headline EPS performance for the three financial years ending 30 September 2022; and 20% of vesting is based on relative TSR performance compared to companies ranked FTSE 51-150. In addition, the TSR awards will not vest unless there has been positive TSR over the performance period.

The face value of the award granted was £1,850,000 (250% of salary) to Johan Lundgren. The targets set on page 116 were not met at the end of the three year performance period and as a result the award will not vest.

**Note 4: LTIP awards made in December 2020**

The face value of the award granted to Johan Lundgren was £1,850,000 (250% of salary) at a share price at award of £8.63. The award is based 100% on TSR performance compared to companies from the FTSE 51-151 and will vest on 29 December 2023. In addition, the award will not vest unless there has been positive TSR over the performance period. Performance will be assessed at the end of the three year performance period to 30th September 2023.

**Note 5: LTIP awards made in May 2021**

The face value of the award granted to Kenton Jarvis was £1,040,000 (200% of salary) at a share price of £7.73. The award is based 100% on TSR performance compared to companies from the FTSE 51-151 and will vest on 29 December 2023. In addition, the award will not vest unless there has been positive TSR over the performance period.

**Note 6: RSP awards made in February 2022**

The face value of the award granted to Johan Lundgren was £925,000 (125% of salary) and for Kenton Jarvis £520,000 (100% of salary). This was based on the middle-market closing share price on the day prior to grant, being £7.15. The awards will be subject to the following underpins: that easyJet does not fall below its minimum liquidity target (such that a credit risk is triggered) through the vesting period and that there is satisfactory governance performance including no ESG issues that result in material reputational damage to the Company (as determined by the Board).

Subject to the underpins being met, the awards will vest on 19 December 2024.

### Shareholding guidelines in the 2022 financial year (audited)

The Chief Executive and Chief Financial Officer are expected to build up a shareholding of 250% and 200% of salary respectively over the first five years from appointment to the Board. The Committee has discretion to extend the five-year timeframe in certain circumstances, for example where there have been limited payouts under the incentive schemes.

Until the guideline is met, Executive Directors are required to retain 50% of net vested shares from the LTIP and RSP and 100% of net vested deferred bonus shares. Similarly, the Non-Executive Directors, including the Chairman of the Board, are required to build up a shareholding of 100% of annual fees over a period of five years from appointment.

Details of their holdings are set out below.

### Directors' current shareholdings (audited)

The following table provides details on current Directors' interests in shares at 30 September 2022 (unless otherwise noted).

	Unconditionally owned shares <sup>1</sup>	Shareholding guidelines achieved <sup>2</sup>	Deferred bonus	LTIP <sup>3</sup>	RSP	SAYE	SIP <sup>4</sup>	Interests in share schemes
								Total in share schemes
Stephen Hester	120,000	100%	–	–	–	–	–	–
Johan Lundgren <sup>8</sup>	66,713	27%	43,048	408,391	129,334	1,865	–	582,638
Kenton Jarvis	15,401	7%	–	159,803	72,706	3,316	–	235,825
Dr Andreas Bierwirth <sup>7</sup>	8,715	100%	–	–	–	–	–	–
Catherine Bradley CBE	6,000	61%	–	–	–	–	–	–
Ryanne van der Eijk <sup>5</sup>	–	–	–	–	–	–	–	–
Harald Eisenächer <sup>5</sup>	5,000	40%	–	–	–	–	–	–
Nicholas Leeder <sup>6</sup>	3,847	52%	–	–	–	–	–	–
Moni Mannings	6,990	48%	–	–	–	–	–	–
David Robbie	16,596	100%	–	–	–	–	–	–
Julie Southern <sup>7</sup>	8,968	57%	–	–	–	–	–	–
Dr Detlef Trefzger <sup>5</sup>	20,000	100%	–	–	–	–	–	–

1. Includes SIP Partnership Shares, vested SIP Performance (Free) Shares, vested SIP Matching Shares, and any shares owned by connected persons.
2. Based on the shareholding guidelines and including unconditionally owned shares and for the Executive Directors vested but unexercised LTIPs and the post-tax value of share interests under the DSBP. The extent to which the guidelines have been achieved is calculated based in the price at purchase or vesting, therefore, the values will be different for each director base on their purchase history.
3. LTIP shares are granted in the form of nil cost options subject to performance.
4. Consists of unvested SIP Performance (Free) Shares and unvested SIP Matching Shares. Last award made in 2019.
5. Harald Eisenächer, Ryanne van der Eijk and Dr Detlef Trefzger were appointed to the Board on 1 September 2022.
6. Stepped down from the Board on 30 September 2022.
7. Will step down from the Board at the 2023 AGM.
8. Shareholding guideline increased from 200% to 250% in 2021. Given the participation in the rights issue, and the limited incentive payouts over the last four years, the Committee is currently satisfied with the progress being made towards meeting the shareholding guidelines.



Changes in share ownership levels throughout the year may be found on our corporate website <https://corporate.easyjet.com>

Executive Directors are deemed to be interested in the unvested shares held by the easyJet Share Incentive Plan Trust and the easyJet plc Employee Benefit Trust.

At 30 September 2022, ordinary shares held in the Trusts were as follows:

	Number of ordinary shares
easyJet Share Incentive Plan Trust	1,251,236
easyJet plc Employee Benefit Trust	1,647,399
<b>Total</b>	<b>2,898,635</b>

Changes since the year end: as at 28 November 2022, there were no changes to the easyJet plc Share Incentive Plan Trust balance and the easyJet plc Employee Benefit Trust held 1,647,399 shares.

### Dilution limits

easyJet complies with the Investment Association's Principles of Remuneration with regard to dilution limits. These principles require that commitments under all the Company's share incentive schemes must not exceed 10% of the issued share capital for all plans, and 5% for executive (discretionary) schemes, in any rolling 10-year period.

### Employee share plan participation

A key component of easyJet's reward philosophy is to provide share ownership opportunities throughout the Group by making annual awards of performance-related shares to all eligible employees, when necessary financial targets are achieved. In addition, easyJet operates a voluntary discounted share purchase arrangement for all employees via a Save As You Earn scheme and a Buy As You Earn arrangement with matching shares in the UK under the tax-approved Share Incentive Plan. A 10% discount was offered on Save As You Earn 2022, however, Matching Shares remain suspended.



## Details of Directors' service contracts and letters of appointment

Details of the service contracts and letters of appointment in place as at 30 September 2022 for Directors are as follows:

	Date of appointment	Date of current service contract	Unexpired term at 30 September 2022
Stephen Hester	1 September 2021	20 August 2021	Executive Directors are subject to a 12 month notice period. Letters of appointment for the Non-Executive Directors do not contain fixed term periods; however, they are appointed in the expectation that they will serve for a maximum of nine years, subject to satisfactory performance and re-election at AGMs.
Johan Lundgren	1 December 2017	10 November 2017	
Kenton Jarvis	3 February 2021	15 September 2020	
Dr Andreas Bierwirth	22 July 2014	19 July 2017	
Catherine Bradley CBE	1 January 2020	9 December 2019	
Ryanne van der Eijk	1 September 2022	22 August 2022	
Harald Eisenächer	1 September 2022	22 August 2022	
Nicholas Leeder <sup>1</sup>	1 January 2019	14 December 2018	
Moni Mannings	6 August 2020	5 August 2020	
David Robbie	17 November 2020	16 November 2020	
Julie Southern	1 August 2018	7 June 2018	
Dr Detlef Trefzger	1 September 2022	22 August 2022	

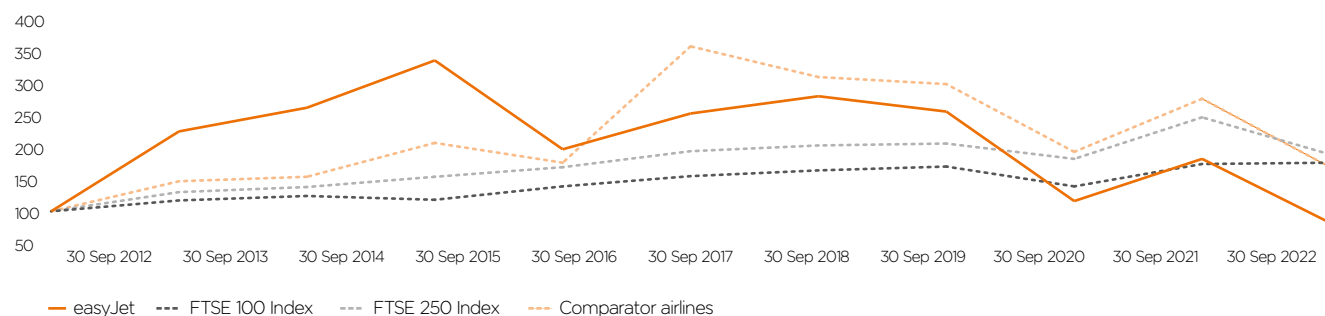
1. Stepped down from the Board on 30 September 2022.

## Review of past performance

The chart below sets out the TSR performance of the Company relative to the FTSE 250, FTSE 100, and a group of European airlines<sup>1</sup> since 30 September 2012. The FTSE 100 and FTSE 250 were chosen as easyJet has been a member of both indices during the period.

This graph shows the value, by 30 September 2022, of £100 invested in easyJet on 30 September 2012, compared with the value of £100 invested in the FTSE 100 and FTSE 250 Indices or a comparator group of airlines on the same date.

The other points plotted are the values at intervening financial year ends. Overseas companies have been tracked in their local currency, i.e. ignoring exchange rate movements since 30 September 2012.



1. Lufthansa, Ryanair, Air France-KLM, and Wizz Air have all been included in the comparative European airlines group. Wizz Air has been tracked from listing.

## Chief Executive total remuneration table

The table below shows the total remuneration figure earned for the Chief Executive over the same 10-year period. The total remuneration figure includes the annual bonus and LTIP awards which vested based on performance in those years or RSP awarded.

The annual bonus and LTIP/RSP vesting percentages show the payout for each year as a percentage of the maximum.

	2013	2014	2015	2016	2017	2018 <sup>2</sup>	2019	2020	2021	2022
Single total figure of remuneration (£'000)	Johan Lundgren	–	–	–	–	1,500	1,006	755 <sup>1</sup>	794	2,959 <sup>6</sup>
	Carolyn McCall	7,777	9,209 <sup>5</sup>	6,241 <sup>4</sup>	1,453 <sup>3</sup>	757	125	–	–	–
Annual bonus (%)	Johan Lundgren	–	–	–	–	73%	16%	0%	0%	81%
	Carolyn McCall	87%	76%	66%	13%	0%	–	–	–	–
LTIP/RSP vesting (%)	Johan Lundgren	–	–	–	–	–	–	0%	0%	100% <sup>6</sup>
	Carolyn McCall	100%	100%	100%	32%	0%	–	–	–	–

1. This amount is after the voluntary 20% reduction in base salary during April, May and June 2020.

2. Johan Lundgren was appointed to the Board on 1 December 2017 and Carolyn McCall stepped down from the Board on 30 November 2017.

3. Includes 48,509 LTIP shares (inclusive of dividend equivalents) at the vesting date share price of £10.43, a decrease of 30% on the share price at grant of £14.99.

4. Includes 266,899 LTIP shares vesting for the period; share price is £17.15 (the actual share price at vesting), an increase of 133% on the share price at grant of £7.37.

5. Includes 445,575 LTIP shares vesting for the period; share price was £16.71 (the actual share price at vesting), an increase of 325% on the share price at grant of £3.93.

6. Includes RSP awarded in February 2022.

### Change in Directors' pay for the year in comparison to that for easyJet employees

The table below shows the year-on-year percentage change in pay for the Directors, compared to the average earnings of all other easyJet UK employees.

	2022			2021			2020		
	Salary	Benefits <sup>2</sup>	Annual bonus	Salary	Benefits	Annual bonus	Salary	Benefits	Annual bonus
Johan Lundgren	0.0%	487.5%	n/a	6.0%	(43%)	n/a	(2.6%)	0%	(100%)
Kenton Jarvis <sup>1</sup>	52%	n/a	n/a	n/a	n/a	n/a	–	–	–
Andrew Findlay <sup>2</sup>	–	–	–	(24.8%)	0%	n/a	1.0%	0%	(100%)
John Barton <sup>3</sup>	(82.9%)	–	–	6.1%	–	–	(2.6%)	–	–
Stephen Hester <sup>4</sup>	5360%	–	–	n/a	–	–	–	–	–
Dr Andreas Bierwirth <sup>10</sup>	0%	–	–	5.4%	–	–	(2.6%)	–	–
Catherine Bradley	0%	–	–	62.2%	–	–	n/a	–	–
Ryanne van der Eijk <sup>8</sup>	n/a	–	–	–	–	–	–	–	–
Harald Eisenächer <sup>8</sup>	n/a	–	–	–	–	–	–	–	–
Moya Greene <sup>5</sup>	–	–	–	(76.5%)	–	–	19.1%	–	–
Charles Gurassa <sup>5</sup>	–	–	–	(73.8%)	–	–	(16.8%)	–	–
Dr Anastassia Lauterbach <sup>6</sup>	–	–	–	(72.9%)	–	–	28.3%	–	–
Nicholas Leeder <sup>8</sup>	0%	–	–	6.8%	–	–	28.3%	–	–
Moni Mannings	0%	–	–	680%	–	–	n/a	–	–
Andy Martin	–	–	–	–	–	–	(11.3%)	–	–
David Robbie <sup>7</sup>	21.2%	–	–	n/a	–	–	–	–	–
Julie Southern <sup>10</sup>	0%	–	–	32.1%	–	–	8.3%	–	–
Dr Detlef Trefzger <sup>8</sup>	n/a	–	–	–	–	–	–	–	–
Average pay based on easyJet's UK employees <sup>11</sup>	1.9%	0%	n/a	0%	0%	0%	2.0%	0%	(100%)

n/a refers to a nil value in the previous year, meaning that the year-on-year change cannot be calculated

1. Appointed Executive Director on 3 February 2021.
2. Stepped down as Executive Director on 3 February 2021, employed until 25 May 2021.
3. Stepped down from the Board on 1 December 2021.
4. Appointed to the Board on 1 September 2021 and Chair from 1 December 2021.
5. Stepped down from the Board on 23 December 2020.
6. Stepped down from the Board on 21 December 2020.
7. Appointed to the Board on 17 November 2020.
8. Appointed to the Board on 1 September 2022.
9. Stepped down from the Board on 30 September 2022.
10. Will step down from the Board at the 2023 AGM.
11. There are no employees in easyJet plc, therefore, the Committee decided to use the average for all UK employees as the appropriate comparator group given they comprise over 50% of total employees and therefore this is considered to be the most representative for comparison. There was a general salary increase for UK employees of 3% in July 2022, however, this excluded cabin crew and pilots. This reflects the change in FY22, outlined earlier, the average change in pay for FY23 is expected to be over 6%.
12. Benefits relate to the cost to the Company of life assurance and other insurance, as well as reimbursements made to the Chief Executive for business-related travel expenses in respect of domestic car travel, noting that life assurance cover was improved to 4x basic salary in the year in line with other UK employees.

### Relative importance of spend on pay

The table below shows the total pay for all easyJet's employees compared to other key financial indicators.

	Year ended 30 September 2022	Year ended 30 September 2021	Change %
Employee costs (£ million)	948	623	52%
Ordinary dividend (£ million)	–	–	0%
Average monthly number of employees	13,951	13,689 <sup>2</sup>	2%
Revenue (£ million)	5,796	1,458	296%
Headline (loss)/profit before tax (£ million)	(178)	(1,136)	(84%)

1. Additional information on the number of employees, total revenue and profit has been provided for context. The majority of easyJet's employees (around 90%) perform flight and ground operations, with the rest performing administrative and managerial roles.
2. Employee numbers were previously disclosed on a full-time equivalent basis. The disclosure is now reporting average headcount numbers and prior year has been restated.

### Chief Executive pay ratio

The table below sets out the Chief Executive pay ratio as at 30 September 2022. The report will build up over time to show a rolling 10-year period. The ratios compare the single total figure of remuneration of the Chief Executive with the equivalent figures for the lower quartile (P25), median (P50) and upper quartile (P75) employees.

We have used the 'Option A' methodology which uses actual earnings for the Chief Executive Officer and UK employees over the financial year to provide the most accurate comparison. The total FTE remuneration paid during the year for each employee in each of the groups was then calculated, on the same basis as the information set out in the single figure table for the Chief Executive on page 108.

In calculating the figures, the following considerations were made:

- The single total figure of remuneration of our UK colleagues was calculated as at 30 September 2022
- Annual bonus will be paid in relation to the year ended 30 September 2022
- No LTIPs will vest in relation to the year ended 30 September 2022
- Earnings for those who are part-time or joined during the year have been annualised on an FTE basis
- This data then identified those employees at the 25th, 50th (median) and 75th percentile points

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2020	Option A	30:1	23:1	12:1
2021	Option A	27:1	21:1	10:1
2022	Option A	110:1	82:1	36:1
2022	Total pay and benefits	£27,002	£36,312	£83,422
2022	Salary	£15,576	£25,698	£66,335

Unlike the total remuneration for the majority of employees, total remuneration for the Chief Executive is mostly dependent on business performance and share price movements over time. As a result, the ratios may fluctuate significantly from year to year. For example no bonus was paid in 2020 or 2021 but will be paid in 2022. This is a significant portion of the Chief Executive's total remuneration in 2022 and this is reflected in the pay ratio. The Committee has agreed that the ratio reflects easyJet's wider policies on pay and reward in line with market, experience, and skills.

### Statement of shareholders' voting at AGM

The table below provides details of shareholder voting in respect of the Directors' Remuneration Policy (approved in February 2022), and the annual report on remuneration (in February 2022).

		Policy (February 2022 AGM)	Annual report on remuneration (February 2022 AGM)	
Votes cast in favour	186,561,503	73.38%	258,407,932	97.23%
Votes cast against	67,687,412	26.62%	7,355,130	2.77%
Total votes cast in favour or against	254,248,915	100%	265,763,062	100%
Votes withheld	19,999,292	–	8,482,821	–

The 2022 Remuneration Policy was approved by shareholders at the 2022 AGM although the Committee notes the number of votes against the resolution. While the Committee understood the rationale for certain shareholders voting against the resolutions, typically in regards to the quantum of awards or the details of the underpins being considered, it contacted them again following the AGM to offer further engagement on the Company's approach to remuneration and the reasons taken for the approach. Whilst further changes may be considered in the future, the Committee felt that this was the right structure at this time. The Board continues to believe that the updated Remuneration Policy not only supports long-term strategic decision making and helps retain and motivate management to drive the performance of the business as we continue to recover from the pandemic, but also supports the longer-term performance of the business including delivering sustainable shareholder value. Further detail is included on page 88.

### Advisers to the Remuneration Committee

The Remuneration Committee is advised by Deloitte which was appointed by the Committee in 2021 following an independent review process. Deloitte advises the Committee on developments in executive pay and on the operation of easyJet's incentive plans. Other than to the Committee, advice is also provided to easyJet in relation to, for example, senior management pay practices and the fees of the Non-Executive Directors. Total fees (excluding VAT) paid to Deloitte in respect of services to the Committee during the 2022 financial year were £75,700, based on time and materials. Deloitte is a founding member of the Remuneration Consultants Group and a signatory to its Code of Conduct. Any advice received is governed by that code. Deloitte LLP also provided strategic and technology consulting and wider risk advisory and assurance services to the Company during the year.

The Committee is satisfied that the Deloitte engagement team, which provides remuneration advice to the Committee, does not have connections with easyJet plc or its Directors that may impair its independence. The Committee has reviewed the operating processes in place at Deloitte and is satisfied that the advice it receives is independent and objective.

# DIRECTORS' REPORT

The Directors present their Annual Report and Accounts together with the audited consolidated financial statements for the year ended 30 September 2022. This Directors' Report and the Strategic Report, which includes the trends and factors likely to affect the future development, performance and position of the business and a description of the principal risks and uncertainties of the Group (which can be found on pages 59 to 69 and are incorporated by reference), collectively comprise the management report as required under the Disclosure Guidance and Transparency Rules (DTRs).

## Results and dividend

The loss for the financial year after taxation amounts to £169 million (last year: loss of £858 million).

Given a reported loss, the Board is not recommending the payment of a dividend in respect of the year ended 30 September 2022. The Board is mindful of the importance of capital returns to shareholders and will reassess the potential for, and structure of future shareholder cash returns when the market conditions and financial performance of the Group allows. Details of any important events affecting the Group since the year end can be found on page 176.

## Board

### Board of Directors and their interests

Details of the Directors who held office at the end of the year and their biographical details are set out on pages 74 to 77. Changes to the Board during the year and up to the date of this report are set out on page 77. The Directors' interest in the ordinary shares and options of the Company are disclosed within the Directors' Remuneration Report on pages 116 to 118.

### Appointment and retirement of Directors

The Directors may from time to time appoint one or more Directors. Any such Director shall hold office only until the next Annual General Meeting (AGM) and shall then be subject to appointment by the Company's shareholders.

It is the current intention that at the Company's next AGM all continuing Executive and Non-Executive Directors will retire and offer themselves for reappointment. Further information is set out in the Governance section on page 92.

### Directors' conflicts of interest

Directors have a statutory duty to avoid situations in which they have, or may have, interests that conflict with those of easyJet, unless that conflict is first authorised by the Board. The Company has in place procedures for managing conflicts of interest. The Company's Articles of Association also contain provisions to allow the Directors to authorise potential conflicts of interest so that a Director is not in breach of his or her duty under company law. Should a Director become aware that he or she has an interest, directly or indirectly, in an existing or proposed transaction with easyJet, he or she should notify the Board in line with the Company's Articles of Association. Directors have a continuing duty to update any changes to their conflicts of interest.

### Directors' indemnities

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. A deed was executed in 2007 indemnifying each of the Directors of the Company and/or its subsidiaries as a supplement to the directors' and officers' insurance cover. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2022 financial year and remain in force for all current and past Directors of the Company.

## Employees

### Employees with a disability

As part of our commitment to diversity and inclusion, we treat every applicant in our recruitment process fairly, including those requiring reasonable adjustments. We also continue to support employees who require reasonable adjustments to achieve their full potential. However, for our two largest communities, pilots and cabin crew, we are bound by regulatory requirements for ability with which all applicants and employees must comply, for operational safety reasons.

### Communication and engagement

Details on how the Board and management have communicated and engaged with employees and the wider workforce while taking into account their interests in decision making during the year can be found in the Stakeholder engagement section on pages 26 to 27 and the Corporate Governance Report on pages 86 to 87.

### Participation in share schemes

A key component of easyJet's reward philosophy is to provide share ownership opportunities throughout the Group by making annual awards of performance-related shares to all eligible employees when certain criteria are met. In addition, easyJet operates a voluntary discounted share purchase arrangement for all employees via a Save As You Earn scheme, and a Buy As You Earn arrangement in the UK under the tax-approved Share Incentive Plan. Further details of the Company's share schemes are set out in the Directors' Remuneration Report on page 118.

### Stakeholders

Details on the methods the Board has used to engage and build strong business relationships with the Group's suppliers, customers and other key stakeholders are given on pages 26 to 29 of the Strategic Report. Further information on how the Board considered stakeholders in its decision making can be found in the Corporate Governance Report on page 86 to 87. The section 172 statement is available on page 27 of the Strategic Report.

## Shares

### Share capital and rights attaching to shares

The Company's issued share capital as at 30 September 2022 comprised a single class of ordinary shares. Further details of the Company's share capital during the year are disclosed in note 21 to the consolidated financial statements.

All of the issued ordinary shares are fully paid and rank equally in all respects. The rights and obligations attaching to the Company's ordinary shares are set out in its Articles of Association. Holders of ordinary shares are entitled, subject to any applicable law and the Company's Articles of Association, to:

- have shareholder documents made available to them, including notice of any general meeting;
- attend, speak and exercise voting rights at general meetings, either in person or by proxy, unless they are subject to disenfranchisement; and
- participate in any distribution of income or capital.

### Directors' powers in relation to issuing or buying back shares

Subject to applicable law and the Company's Articles of Association the Directors may exercise all powers of the Company, including the power to authorise the issue and/or market purchase of the Company's shares (subject to an appropriate authority being given to the Directors by shareholders in a general meeting and any conditions attaching to such authority).

At the AGM held on 10 February 2022, the Directors were given the following authority:

- to allot shares up to a nominal amount of £68,253,388 representing approximately one-third of the Company's then-issued share capital;
- to allot shares comprising equity securities up to a further aggregate nominal amount of £68,253,388 in connection with an offer by way of a rights issue, representing approximately one-third of the Company's then issued share capital;
- to allot shares, without first offering them to existing shareholders in proportion to their holdings, up to a maximum nominal value of £10,341,422, representing approximately 5% of the Company's then issued share capital; and
- to purchase in the market a maximum of 75,801,002 shares representing approximately 10% of the Company's then share capital.

No other shares were allotted or bought back under the above authorities during the year and up to the date of this report. The Directors will seek to renew the authorities at the next AGM as a matter of routine.

### Voting rights and restrictions on transfer of shares

None of the ordinary shares carry any special rights with regard to control of the Company. There are no restrictions on transfers of shares other than:

- certain restrictions which may from time to time be imposed by laws or regulations such as those relating to insider dealing;
- pursuant to the Company's Share Dealing Code, whereby the Directors and designated employees require approval to deal in the Company's shares;
- where a person with an interest in the Company's shares has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares;
- where a proposed transferee of the Company's shares has failed to provide to the Directors a declaration of nationality (together with such evidence as the Directors may require) as required by the Company's Articles of Association; and
- the powers given to the Directors by the Company's Articles of Association to implement disenfranchisement and to limit the ownership of the Company's shares by non-UK nationals or, following a decision of the Directors, by non-EU nationals, and powers to enforce this limitation, including the right to force a sale of any affected shares.

There are no restrictions on exercising voting rights save in situations where the Company is legally entitled to impose such a restriction (for example under the Articles of Association where an Affected Share Notice has been served, amounts remain unpaid in the shares after request, or the holder is otherwise in default of an obligation to the Company).

Those shareholders who own shares whose voting rights will be suspended at the AGM will receive an Affected Share Notice by post from Equiniti, our registrars in January 2023 notifying them of the suspension of

voting rights in respect of their Affected Shares. Shareholders in receipt of an Affected Share Notice will not be entitled to attend, speak or vote at the AGM, in respect of those shares subject to an Affected Share Notice. The Company is not aware of any other arrangements between shareholders that may result in restrictions on the transfer of securities or voting rights.

### Variation of rights

Subject to the Companies Act 2006, rights attached to any class of shares may be varied with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of such class.

### Employee share schemes – rights of control

The trustees of the easyJet UK Share Incentive Plan, which is used to acquire and hold shares in the Company for participants in the UK Share Incentive Plan, does not seek to exercise voting rights on shares held other than on direction of the underlying beneficiaries. The trustees take no action in respect of ordinary shares for which they have received no direction to vote, or in respect of ordinary shares which are unallocated.

The trustee of the easyJet plc Employee Benefit Trust (the Trust), which is used to acquire and hold shares in the Company for the benefit of employees, including in connection with the easyJet Long Term Incentive Plan, the International Share Incentive Plan and Save As You Earn plans, has the power to vote or not vote, at its absolute discretion, in respect of any shares in the Company held unallocated in the Trust. However, in accordance with good practice, the trustee adopts a policy of not voting in respect of such shares. Both the trustees of the easyJet UK Share Incentive Plan and the easyJet plc Employee Benefit Trust have a dividend waiver in place in respect of shares which are the beneficial property of each of the trusts.



## Additional information

### Substantial interests

As at 30 September 2022 the Company had been notified of the following disclosable interests in its issued ordinary shares in accordance with DTR 5:

	Number of shares as notified to the Company	% of issued share capital as at 30 September 2022
The Haji-loannou family concert party shareholding, consisting of easyGroup Holdings Limited (holding vehicle for Sir Stelios Haji-loannou and Clelia Haji-loannou) and Polys Haji-loannou (through his holding vehicle Polys Holdings Limited)	115,737,821	15.27%
Societe Generale	33,384,779	4.40%

The Company was not notified of any changes between 30 September 2022 and 29 November 2022.

### Annual General Meeting

The Board currently intends to hold the AGM on 9 February 2023. The arrangements for the Company's 2023 AGM and details of the resolutions to be proposed, together with explanatory notes, will be set out in the Notice of AGM to be published on the Company's website.

### Articles of Association

The Company's Articles of Association may only be amended by a special resolution at a general meeting of the shareholders. The Company's Articles of Association were last amended at the AGM on 23 December 2020. A copy of the Articles is available on the Company's website: <https://corporate.easyjet.com/investors>.

### Branches

The Group, through various subsidiaries, has established branches in France, Germany, Italy, Netherlands, Portugal and Spain, in which the business operates.

### Financial instruments

Details of the Group's use of financial instruments, together with information on our financial risk management objectives and policies, hedging policies and our exposure to financial risks, can be found in notes 25 and 26 of the consolidated financial statements.

### Going concern and viability statement

The Company's going concern and viability statement are detailed on pages 70 and 71 of the Strategic Report.

### Independent auditor and disclosure of information to the auditor

Each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information. So far as each Director is aware, there is no relevant audit information of which the Group's auditor is unaware. A resolution to reappoint PricewaterhouseCoopers LLP as auditor of the Group will be put to shareholders at the forthcoming AGM.

### Political donations and expenditure

easyJet works constructively with all levels of government across its network, regardless of political affiliation. easyJet believes in the rights of individuals to engage in the democratic process; however, it is easyJet's policy not to make political donations. There were no political donations made or political expenditure incurred during the 2022 financial year.

### Greenhouse gas emissions and energy consumption

Details of the Company's greenhouse gas emissions (GHG), energy consumption, energy efficiency action and Streamlined Energy and Carbon Reporting (SECR) disclosures can be found on page 33 of the Strategic Report.

### Significant agreements – change of control

The Company licenses the easyJet brand from easyGroup Limited. Further details are set out in note 29 to the financial statements.

The following significant agreements, which were in force at 29 November 2022, take effect, alter or terminate on a change of control of the Company.

### EMTN Programme and Eurobond issue

On 7 January 2016, the Group established a Euro Medium Term Note Programme (the EMTN Programme) which provides the Group with a standardised documentation platform to allow for senior unsecured debt issuance in the Eurobond markets. The maximum potential issuance under the EMTN Programme is £4 billion.

Under the EMTN Programme, the following notes (the Notes) have been issued by the Company and easyJet Finco B.V.:

- February 2016: Eurobonds consisting of €500 million guaranteed Notes paying 1.75% coupon and maturing in February 2023;
- October 2016: Eurobonds consisting of €500 million guaranteed Notes paying 1.125% coupon and maturing in October 2023;
- June 2019: Eurobonds consisting of €500 million guaranteed Notes paying 0.875% coupon and maturing in June 2025; and
- March 2021: Eurobonds consisting of €1.2 billion guaranteed Notes paying 1.875% interest and maturing in March 2028.

Pursuant to the final terms attaching to the Notes, the Company will be required to make an offer to redeem or purchase the notes at their principal amount plus interest up to the date of redemption or repurchase if there is a change of control of the Company which results in a downgrade of the credit rating of the Notes to a non-investment grade rating or withdrawal of the rating by both Moody's and Standard & Poor's.

### Revolving Credit Facility

The Group is party to a Revolving Credit Facility (RCF) which contains change of control provisions. The current RCF amounts to a \$400 million commitment, supported by a consortium of five banks, and has a termination date of September 2025 (unless extended).

### UK Export Finance Facilities Agreement

On 7 January 2021, easyJet entered into a five-year term loan facility of \$1.87 billion underwritten by a syndicate of banks and supported by a partial guarantee from UK Export Finance under their Export Development Guarantee Scheme. \$100 million of this facility was repaid in April 2022 reducing the overall facility size from \$1.87 billion to \$1.77 billion.

### Other agreements

The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a change of control on takeover, except that provisions of the Company's share schemes and plans may cause options and awards granted to employees under such schemes and plans to vest on a takeover.

The Annual Report and Accounts have been drawn up and presented in accordance with UK company law and the liabilities of the Directors in connection with the report shall be subject to the limitations and restrictions provided by such law.

easyJet plc is incorporated as a public limited company and is registered in England under number 3959649. easyJet plc's registered office is Hangar 89, London Luton Airport, Luton, Bedfordshire LU2 9PF.

The Strategic Report (comprising pages 1 to 71) and Directors' Report (comprising pages 72 to 105 and 122 to 125) were approved by the Board and signed on its behalf by the Company Secretary.

By order of the Board

**Maaïke de Bie**  
Company Secretary

London, 29 November 2022

### Disclosures required under Listing Rule 9.8.4

The information to be included in the 2022 Annual Report and Accounts under LR 9.8.4, where applicable, can be located as set out below.

Information	Page
Details of long-term incentive schemes	165-167
Shareholder waiver of future dividends	123

Other information that is relevant to this report, and which is incorporated by reference, can be located as follows:

Information	Page
Membership of Board during 2022 financial year	74-77
Directors' service contracts	119
Financial instruments and financial risk management	168-175
Greenhouse gas emissions, energy consumption and energy efficiency	33
Environmental, Social and Governance (ESG) matters	12-13, 30-47
Corporate governance report	84-121
Future developments of the business of the Group	6-23
Employee equality, diversity and inclusion	24-25
Employee engagement	24-27
Stakeholder engagement	26-29
Section 172 Statement	27
Hedge accounting policies	146-147
Activities in relation to Research and Development	20-21, 32-42
Post balance sheet events	176

### Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts 2022 and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Directors' confirmations

Each of the Directors, whose names and functions are listed on pages 74 to 77 confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report, included in the Annual Report, includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

The Annual Report on pages 1 to 126 was approved by the Board of Directors and authorised for issue on 29 November 2022 and signed on its behalf by:



**JOHAN LUNDGREN**  
Chief Executive



**KENTON JARVIS**  
Chief Financial Officer

# Independent auditors' report to the members of easyJet Plc

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

In our opinion:

- easyJet Plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 30 September 2022 and of the Group's loss and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2022 (the "Annual Report"), which comprise: Consolidated and Company statements of financial position as at 30 September 2022; Consolidated income statement and Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity, and the Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 3 to the financial statements and the Audit Committee Report, we have provided no non-audit services to the Company in the period under audit.

### Our audit approach

#### Context

There were no significant changes to the Group's operations during the year. Travel restrictions across Europe and particularly in the UK market continued to ease throughout the year. Whilst this resulted in some operational challenges for the business and across the industry as passenger volumes returned, by the final quarter of the financial year more normalised levels of trading had returned, broadly equivalent to pre-pandemic levels. easyJet holidays also grew significantly during the year as it experienced its first summer of trading without extensive travel restrictions in place, generating a profit for the first time since its launch in late 2019.

There are a number of changes to our key audit matters this year as explained later in the report. This year we have continued to specifically set out our consideration of the impact of climate change on the audit which is further explained below. Climate change risk is expected to have a significant impact on the aviation industry. As explained in the Sustainability Report the Group is clearly mindful of their impact on the environment and in September 2022 set out their roadmap to net zero carbon emissions by 2050, including an interim target to have reduced well-to-wake GHG emissions by 35% by 2035,

aligned with the Science-Based Targets initiative and how they aim to deliver on these targets.

In planning and executing our audit we have considered the Group's risk assessment process and the steps the business expects to take to deliver on its GHG emissions targets (described in the Sustainability Report above, see page 30). This, together with discussions with our own sustainability specialists, provided us with a good understanding of the potential impact of climate change on the financial statements. We assessed that the key financial statement line items and estimates which are more likely to be materially impacted by climate risks are those associated with future cash flows, given the more notable impacts of climate change on the business are expected to arise in the medium to long term. These include the impairment assessment of goodwill and landing rights, the assessment of impairment of the total investment held by easyJet plc (as a standalone Company) in easyJet Airline Company Limited (including intercompany receivables) and the recoverability of the Group's deferred tax assets; our key audit matters further explain how we have evaluated the impact of climate change in these areas. We have also specifically considered how easyJet's net zero targets impact on likely aircraft ownership periods, residual value changes for less fuel-efficient aircraft, and the related impact on ongoing depreciation charges in respect of aircraft assets held at 30 September 2022.

Whilst the Group has started to quantify some of the impacts that may arise on its pathway towards its net zero targets, the future financial impacts are clearly uncertain given the medium to long term time horizon and the technological advancements that will be necessary including zero emissions aircraft. We have discussed with management and the Audit Committee that the estimated financial impacts of climate change, which are expected to be significant, will need to be frequently reassessed and our expectation that climate change disclosures will continue to evolve as

greater understanding of the actual and potential impacts on the Group's future operations is obtained.

### Overview

#### Audit scope

- We performed full scope audit procedures over the Company and two individually significant components in the Group. Procedures over material financial statement lines were performed in five further components.
- Separate audit procedures were performed in relation to consolidation adjustments and balances which arise on consolidation of the Group financial statements, including goodwill and post-employment benefit obligations.
- This provided coverage of 100% of external consolidated revenue and 95% of the consolidated loss before tax.

#### Key audit matters

- Assessment of impairment of easyJet plc's investment in, and recoverability of intercompany receivables due from, easyJet Airline Company Limited (parent)
- Valuation of the leased aircraft maintenance provision (Group)

- Assessment of impairment of goodwill and other intangible assets (Group)
- Recoverability of deferred tax assets (Group)

#### Materiality

- Overall Group materiality: £21,500,000 (2021: £21,500,000) based on an average of 5% of headline profit/loss before tax over the last 5 years on an absolute basis, capped at £21.5 million.
- Overall Company materiality: £19,350,000 (2021: £19,350,000) based on 1% of total assets, capped at 90% of Group materiality.
- Performance materiality: £16,125,000 (2021: £16,125,000) (Group) and £14,500,000 (2021: £14,500,000) (Company).

### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant

assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The assessment of impairment of easyJet plc's investment in, and recoverability of intercompany receivables due from, easyJet Airline Company Limited is a new key audit matter this year relevant to the Company. Going concern, Estimates in the valuation of owned aircraft assets and Impact of the Covid-19 pandemic, which were key audit matters last year, are no longer included because the risks associated with these matters have significantly reduced in the current year. Otherwise, the key audit matters below are consistent with last year.

### Key audit matter

### How our audit addressed the key audit matter

#### *Assessment of impairment of easyJet plc's investment in, and recoverability of intercompany receivables due from, easyJet Airline Company Limited (parent)*

At 30 September 2022, easyJet plc holds an investment of £1,000m (2021: £970m) and intercompany receivables of £3,400m (2021: £3,575m), with easyJet Airline Company Limited (EACL), resulting in a total investment (total investment) balance of £4,400m.

The directors have considered the cash flow projections for the Airline CGU ("CGU"), used in the value in use ("VIU") calculation performed for the assessment of impairment of goodwill and other intangible assets of the Group. These cash flows are also considered to be the relevant cash flows for the purposes of assessing impairment of the total investment in EACL.

We focused on the risk of impairment as the impairment test involves estimates to be made by management, many of which are forward-looking. These estimates include key assumptions underpinning the strategic plan, fuel prices including exchange rates (including the ability of cost increases to be passed through to the customer), contracted increases in fleet size, revenue per seat and long-term economic growth rates and the impacts of climate change on future cash flows. In addition we noted a potentially heightened risk in the current year due to the decline in market capitalisation.

Refer to the Accounting policies, judgements and estimates note (note 1), Note 10 to the consolidated financial statements and Note c) to the Company financial statements, for management's disclosures of the relevant judgements and estimates involved in assessing the total investment balance for impairment.

- We have concluded that using the Airline CGU cash flows is appropriate for the purposes of performing the assessment of impairment of the total investment held in EACL. These cash flows were assessed as described in the 'Assessment of impairment of goodwill and other intangible assets (Group)' key audit matter below.
- We evaluated the appropriateness of management's sensitivity analysis of reasonable alternative individual and combined risk scenarios, which was consistent with the sensitivity analysis performed as described in the 'Assessment of impairment of goodwill and other intangible assets (Group)' key audit matter below. This included the same consideration in respect of the additional impacts which could arise in the future as a result of climate change. Having also performed our own independent sensitivity analysis, consistent with the assessment of the goodwill and other intangibles balance below, we concluded that there were no reasonably possible scenarios which gave rise to an impairment of the total investment held.
- We assessed the implied enterprise value based on current market capitalisation and compared this to the underlying CGU assets carrying value. We have also understood management's rationale for the difference between the current implied enterprise value and the cash flows derived on a VIU basis. The evidence obtained supports management's conclusion that there is no impairment required to the total investment in EACL.
- We reviewed the adequacy of disclosures made in the financial statements and assessed compliance with disclosure requirements, including challenging management to be transparent about the underlying risk scenarios which have been assessed and embedded into its future cash flow assumptions.

Based on our work summarised above, we have concluded that the investment in and amounts due from, easyJet Airline Company Limited are not impaired at 30 September 2022 and that appropriate assumption and sensitivity disclosures have been made in the financial statements.



**Key audit matter****How our audit addressed the key audit matter***Valuation of the leased aircraft maintenance provision (Group)*

The Group operates aircraft which are held under lease arrangements and for which it incurs liabilities for maintenance costs during the term of the lease. These arise from legal and contractual obligations relating to the condition of the aircraft when they are returned to the lessor. Maintenance provisions of £636 million (2021: £550 million) for aircraft maintenance costs in respect of leased aircraft were recorded in the financial statements at 30 September 2022. At each statement of financial position date, the calculation of the maintenance provision includes a number of variable factors and assumptions including primarily the expected cost of the heavy maintenance check and the time it is expected to occur.

We focused on this area because of the inherent level of management estimation required in calculating the amount of provision needed as a result of the complex and subjective elements around these variable factors and assumptions.

Refer to the Accounting policies, judgements and estimates note (note 1) and Note 19, for management's disclosures of the relevant judgements and estimates involved in assessing this provision valuation. Refer to the Audit Committee report on page 98 for a description of its assessment of significant judgements.

- We evaluated the maintenance provision model and tested the calculations therein.
- We evaluated the judgements made by management to calculate certain elements of the provision based on the expectation of incurring penalties rather than performing maintenance restoration work before the lease end date. Where relevant we agreed these penalty rates back to the contractual agreements.
- We assessed the process by which the variable elements within the provision are estimated, evaluating the reasonableness of the assumptions, testing the input data and re-performing calculations. Our testing has focussed on those elements of the cost assumptions which are most exposed to estimation uncertainty, being the non-fixed elements of the current estimate of event costs and the future inflation/escalation of these costs to the date at which the event is expected to arise.
- We challenged the key assumptions using both the Group's internal data, such as maintenance contract terms and pricing, historical experience, business plans and forecasts as well as external data points such as external contracts, industry benchmarks and price indices. We also performed sensitivity analysis in respect of the key cost and inflationary assumptions identified above, which are the elements most exposed to estimation uncertainty. We found no material exceptions from these assessments and comparisons.
- We have assessed the methodology by which the gross provision has been discounted back to present value and considered it to be appropriate.
- Having ascertained the magnitude of movements in those key assumptions that would be required for the provision to be misstated, we considered the likelihood of such movements arising and any impact on the overall level of aircraft maintenance provisions recorded in the financial statements. Our assessment as to likelihood and magnitude of misstatement did not identify any material exceptions.
- We reviewed the adequacy of disclosures made in the financial statements and challenged management to be clear on what the critical sources of estimation uncertainty are with respect to this balance and to ensure that the sensitivity disclosures provided are relevant to those specific areas.

Based on the work performed, as summarised above, we have concluded the Group's valuation of maintenance provisions on leased aircraft and disclosure of the related critical estimates is materially appropriate.

*Assessment of impairment of goodwill and other intangible assets (Group)*

At 30 September 2022, the aggregate value of goodwill and landing rights, which are both assessed to have indefinite lives, amounted to £523 million (2021: £533 million). Under IAS 36 'Impairment of Assets', goodwill must be tested for impairment at least annually.

All goodwill and landing rights belong to a single Airline cash-generating unit ("CGU"), being easyJet's route network, and a single value in use ("VIU") calculation is performed in order to assess their recoverability. We focused on the risk of impairment as the impairment test involves a number of subjective judgements and estimates by management, many of which are forward-looking. These estimates include key assumptions underpinning the strategic plan, fuel prices including exchange rates (including the ability of cost increases to be passed through to the customer), contracted increases in fleet size, revenue per seat, long-term economic growth rates and the impacts of climate change on future cash flows.

- We obtained management's annual impairment assessment and ensured the calculations were mathematically accurate and that the methodology used was in line with the requirements of IAS 36 'Impairment of Assets'.
- We evaluated the future cash flow forecasts of the CGU, and the process by which the forecasts were drawn up. In doing this, we confirmed that the forecasts used for the impairment assessment were consistent with the latest available Board plans (excluding the impact of easyJet holidays which is a separate CGU to which no goodwill is assigned).
- We compared these plans to the final approved Board plans which we noted were marginally more optimistic.
- We evaluated the inputs in the VIU calculation and challenged the key assumptions including:
  - assessment of short-term flying assumptions, seat pricing and load factors, long-term growth rates in the forecasts and the impact of macro-economic trends by comparing them to third party economic and industry forecasts;
  - using our internal valuation experts to calculate an independent WACC rate range, with reference to comparable businesses, to assess the appropriateness of the WACC rate used in management's assessment;
  - assessment of the fuel price assumptions, to ensure the rates used at 30 September 2022 were appropriate and that sufficient disclosure of the underlying assumptions for dealing with future potential fuel price volatility via pass through to customers have been adequately disclosed in the financial statements; and
  - we evaluated the extent to which the considerations of climate change, such as costs associated with emissions trading schemes and the expected increased use of sustainable aviation fuels, had been reflected in the underlying cash flows. This included an assessment of the consistency of the assumptions used with the latest impact assessments that have been carried out by easyJet's sustainability team, including the continuing fleet transition.

**Key audit matter**

**How our audit addressed the key audit matter**

*Assessment of impairment of goodwill and other intangible assets (Group) continued*

Refer to the Accounting policies, judgements and estimates note (note 1) and Note 10, for management's disclosures of the relevant judgements and estimates involved in assessing goodwill and landing rights for impairment. Refer to the Audit Committee report on page 98 for a description of its assessment of significant judgements.

- We recalculated management's own sensitivity analysis of key assumptions used in the VIU assessment. This included management's assessment of a reasonably possible climate change sensitivity. Whilst still assuming direct variable cost changes would be passed onto customers, this scenario modelled a combination of factors being adjusted into perpetuity including potential demand suppression, additional costs of compliance with the changing regulatory requirements and an element of incremental capital expenditure due to technological changes into perpetuity.
- We also performed our own independent sensitivity testing to include the application of reasonable alternative individual and combined risk scenarios in order to assess for any potential material impairment under such conditions. This included running an alternative scenario that ignores cash flows beyond 2040 to recognise the uncertainties relating to the transition to zero emissions aircraft which is currently expected to commence at scale after this time horizon.
- We reviewed the adequacy of disclosures made in the financial statements and assessed compliance with IAS 36 including challenging management to be transparent about the underlying risks which have been assessed and the significant assumptions embedded in the future cash flows.

Based on our work summarised above, we have concluded that goodwill and other intangible assets balances are not impaired at 30 September 2022 and that appropriate assumption and sensitivity disclosures have been made in the financial statements.

*Recoverability of deferred tax assets (Group)*

At 30 September 2022 significant deferred tax assets ("DTAs") of £443 million (Sep 21: £425 million) have been recognised, primarily in respect of accumulated UK tax losses.

We have focussed on this area given the significant judgement required in assessing whether full recognition and recoverability of the asset is appropriate. When considering the accumulated losses carried forward there continues to be a long time horizon associated with the future recovery of the DTAs which therefore has a greater level of uncertainty.

Refer to the Accounting policies, judgements and estimates note (note 1) and Note 6, for management's disclosures of the relevant judgements and estimates involved in assessing the recoverability of DTAs.

Refer to the Audit Committee report on page 98 for a description of its assessment of significant judgements.

- We obtained management's calculation for assessing the recognition and recoverability of deferred tax assets and assessed the methodology and ability to offset and recognise certain DTAs against the unwind of existing deferred tax liabilities, primarily in respect of UK fixed assets.
- We have assessed the future profit forecasts which have been used to support the recognition and recovery of DTAs (in excess of the amounts supported by existing DTLs). This included assessment of whether the forecast operating profit each year had been appropriately adjusted for tax purposes in order to estimate the quantum of future taxable profits. We have also ensured that the methodology applied by management is in line with the requirements of IAS 12 and the associated guidance issued by the European Securities and Markets Authority. In addition, we have reviewed additional sensitivity calculations prepared by management which support the conclusion that full recognition of all DTA balances at 30 September 2022 is appropriate.
- We assessed the consistency of the forecasts used to justify the recognition of DTAs to those used elsewhere in the business such as in the assessment of goodwill and landing rights recoverability and the Directors' viability and going concern statements. Further assessment was made of the forecasts for periods which extended beyond the period which had already been assessed as part of our audit work in these other areas to ensure the assumptions used appeared reasonable.
- In assessing the future forecasts across the relevant time horizon, whilst recognising the inherent uncertainty in assessing the impacts which may arise, we challenged management as to whether allowance had been made for the potential impact of climate change to reflect the current risks which have been identified.
- We reviewed the adequacy of disclosures made in the financial statements in respect of this judgemental estimate including challenging management to ensure this reflected the specific underlying risks which have been assessed and embedded into its future cash flow assumptions in the current year.

Based on our work summarised above, we have concluded that the full recognition of the DTAs at 30 September 2022 is appropriate and that appropriate disclosure of the judgements applied has been included within the financial statements.

**How we tailored the audit scope**

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group operates through the Company and its fourteen subsidiary undertakings of which nine were actively trading through the year. The remaining subsidiaries are either holding companies or currently dormant. The accounting for these subsidiaries, each of which is

considered to be a separate component in the way we scope our audit, is primarily centralised in the UK.

We determined the most effective approach to scoping was to perform full scope audit procedures over the Company and two individually significant components in the Group which are registered in the UK. Procedures over material financial statements lines were performed in five further components. In some cases, financial statement line items are tested in aggregate to the Group materiality where they arise on consolidation. All Group audit work has

been performed by the UK Group engagement team.

Additional audit procedures were performed in relation to consolidation adjustments by the UK Group engagement team. The testing approach ensured that appropriate audit evidence was obtained over all financial statement line items in order to support our opinion on the Group financial statements as a whole. Based on the detailed audit work performed across the Group, we have obtained coverage of 100% of external consolidated revenue and 95% of the loss before tax.

## Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – Company
<i>Overall materiality</i>	£21,500,000 (2021: £21,500,000).	£19,350,000 (2021: £19,350,000).
<i>How we determined it</i>	an average of 5% of headline profit/loss before tax over the last 5 years on an absolute basis, capped at £21.5 million	1% of total assets, capped at 90% of Group materiality
<i>Rationale for benchmark applied</i>	We consider that the income statement remains the principal measure used by the shareholders in assessing the underlying performance of the Group and therefore an approach to materiality based on 5% of the headline loss before tax has been applied. However, given the volatility in trading caused by the impact of Covid, we have used an average of the headline profit/loss before tax over the last 5 years on an absolute basis, capped at £21.5 million. This is consistent with the materiality applied in 2021, 2020 and in 2019.	We believe that a total asset benchmark is appropriate given that the Company does not generate revenues of its own. The value is capped at 90% of the Group overall materiality.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £3,755,218 and £19,350,000. Additional classes of transactions and balances tested across other components were audited to a materiality that was less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £16,125,000 (2021: £16,125,000) for the Group financial statements and £14,500,000 (2021: £14,500,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £1,075,000 (Group audit) (2021: £1,075,000) and £1,075,000 (Company audit) (2021: £1,075,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

## Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Review of management's base case and severe but plausible downside scenario, ensuring the directors have considered appropriate factors. This included consideration of the cash flows against current industry forecasts, the liquidity position of the Group, available financing facilities, the timing of contractual debt repayments and committed capital expenditure and the relevant liquidity requirements that exist as part of the contractual arrangements with current card acquirers.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the Company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in

relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 30 September 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

### Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

### Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Corporate Governance Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the

going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;

- The directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory compliance to ensure Air Operator's Certificates (held in the UK, Switzerland, Austria and the Netherlands) and travel provider licences remain valid and fully operational, the majority of voting rights being held by EU persons, Task Force on Climate-Related Financial Disclosures, Streamlined Energy and Carbon Reporting



(SECR) requirements, consumer protection legislation, adherence to data protection requirements in the jurisdictions in which easyJet operates and holds data, regulatory compliance requirements to and non-compliance with employment regulations in the UK and other jurisdictions in which the Group operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the requirements of emissions trading schemes and customer claims regulation, The Listing Rules, UK and overseas tax legislation, The UK Corporate Governance Code 2018 and Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries in the underlying books and records and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, internal audit and the Group's legal team, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud. This included an assessment of matters identified with larger potential exposures to ensure that the provisions held were supportable and that appropriate disclosure had been included within the financial statements in instances where the Group is currently unable to reliably assess the likely outcome or quantum of the financial exposure related to such matters
- Challenging assumptions and judgements made by management in its significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We focused on the valuation of the maintenance provision, the assessment of impairment of intangible assets, for the Company the assessment of impairment of the investment in and intercompany receivables due from easyJet Airline Company Limited and the recoverability of deferred tax assets (see related key audit matters above). We also specifically assessed the provisions held in respect of actual and potential litigation matters, provisions held for customer compensation, the assessment of the loss on disposal of landing rights and breakage on contract liabilities held with customers

- Consideration of recent correspondence with the Group's legal advisors to ensure that it aligned with the conclusions drawn on obligations recognised and contingent liabilities disclosed in respect of uncertain legal matters
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## OTHER REQUIRED REPORTING

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 22 February 2006 to audit the financial statements for the year ended 30 September 2006 and subsequent financial periods. The period of total uninterrupted engagement is 17 years, covering the years ended 30 September 2006 to 30 September 2022.

## OTHER MATTER

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

**Owen Mackney**  
(Senior Statutory Auditor)

for and on behalf of  
PricewaterhouseCoopers LLP  
Chartered Accountants and  
Statutory Auditors  
Watford  
29 November 2022