



30 October 2023

OCADO GROUP PLC

**UPDATE STATEMENT ON 2023 AGM VOTING RESULTS  
AND SHAREHOLDER CONSULTATION**

At the 2023 AGM in May, although all resolutions were successfully passed with the requisite majority, there was a significant minority vote against resolution 2 relating to the FY22 Directors' Remuneration Report ("DRR"). Based on the areas highlighted by proxy advisers, the Board considers votes against the DRR to predominantly relate to: (i) the outturn of the FY22 Annual Incentive Plan (the "AIP") in the context of our financial performance and mix of performance measures, and (ii) the hurdles under the third Tranche of the Value Creation Plan (the "VCP"). On 18th October, we wrote to our largest shareholders, detailing our proposed approach to the FY24 Annual Incentive Plan ("AIP") and welcomed any feedback on our proposals.

Each year, the Remuneration Committee (the "Committee") sets performance measures and targets under the AIP that are closely aligned to the delivery of the Group's strategic objectives for that year. In line with the current Policy, the performance measures for the AIP are a mix of financial, strategic and operational targets for Ocado. As we continue to ensure our AIP measures reflect our strategic focus, evolution, and measures of success as a business, the FY24 AIP scorecard will have a strong focus on financial metrics (including Group metrics). The remaining measures will be a combination of growth metrics and ESG metrics. The Remuneration Committee is committed to maintaining a two-way dialogue with shareholders and will respond to any feedback that arises.

In relation to the creation of the third VCP Tranche in September 2022, the approach taken was in line with both the VCP plan rules and the approach to how a variation in capital would be treated, which shareholders requested us to adopt when the VCP was first implemented. This decision also entirely replicates the approach taken following the June 2020 capital raise (second VCP Tranche) albeit The Committee still conducted a review to ensure they were satisfied with the approach.

The Committee remains of the view that this was the right decision for the business. This approach ensures that any outcomes are solely attributable to management's performance and the achievement of the VCP performance conditions and is aligned with the value created for existing and new shareholders. It was also important to avoid a situation whereby management could benefit from increasing the market capitalisation of Ocado by issuing more shares.

The Committee will continue to engage with shareholders and keep our executive remuneration structures under review, and we thank shareholders for their input on our proposals this year.