

Directors' remuneration report

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Annual statement from the nominations and remuneration committee chair



I am pleased to present the 2024/25 directors' remuneration report for Network Rail. The nominations and remuneration committee is committed to transparency and recognises the importance of executive pay for a public body. We operate in line with the remuneration requirements which apply to all UK listed companies and the provisions of the UK Corporate Governance Code, reviewing our terms of reference regularly.

The 2024/25 report was approved at the Annual General Meeting (AGM) by the Secretary of State for Transport. The current three-year remuneration policy for executive directors was approved at the 2023 AGM and is included in the 2023 directors' remuneration report. The policy is reviewed every three years, with a revised policy to be presented at the 2026 AGM.

Ismail Amla

Chair, nominations and remuneration committee
18 July 2025

Key agenda items for the year

Our annual remuneration report outlines executive remuneration for the 2024/25 financial year. The key points to note for the 2024/25 outcomes are:

- the performance related pay scheme (PRP) scorecard outturns for 2024/25 was approved by the nominations and remuneration committee on 5 June 2025. Sir Andrew Haines OBE, chief executive, waived both his pay award and PRP as in previous years, but a recommendation to pay Jeremy Westlake his pay award in line with the management agreement which is May CPI. The committee also agreed to recommend payment of Jeremy's PRP. Both will require Secretary of State approval.
- Objectives for the executive directors were agreed for 2025/26 and were based on Network Rail's six national strategic themes.

The rest of this statement explains how executive remuneration is determined at Network Rail and gives more details on the outcomes for this year.

Remuneration considerations in 2024/25

All remuneration decisions made by the committee and Board during the year have been in accordance with the framework agreement, which remains:

1. Simple and transparent so all stakeholders can understand it.
2. Competitive and fair to attract and retain skilled leaders. Our arrangements reflect market rates for similar roles and ensure value for money for taxpayers, considering our status as a publicly funded body.
3. Focused on performance and safety, with no reward for failure. Annual performance targets align with our business scorecard, focusing on six strategic themes and prioritising safety.
4. Aligned across the organisation where possible, meaning the remuneration structures of all Network Rail employees are also aligned to performance.
5. Participation in the pension scheme is on the same basis as other managerial positions within the organisation.

2024/25 outcomes for executive directors

Business performance is measured through scorecards which evaluate key measures and targets agreed with customers and stakeholders. The scorecards are split according to the six strategic themes, which are: train service delivery, safety, efficiency, sustainable growth, customer and communities, and people.

The level of performance related pay for executive directors and management is primarily determined by the national or regional scorecards performance outturn, with 25 per cent of an individual's PRP being determined by that individual's own personal performance rating. This provides a direct correlation between the achievement of individual objectives and their PRP.

Overall national scorecard year end outturn was 79.6 per cent against a target of 100 per cent (the total scorecard contribution number may not reflect the sum of the metrics due to local management performance adjustments).

Annual remuneration report



This report has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Report) (Amendment) Regulations 2013. Where indicated, some of the disclosures in these sections have been audited.

Single total figure of remuneration for 2024/25 (audited)

The table below summarises all remuneration received for the executive directors in this period, with a comparison against the prior year:

Table 1

| Fixed and Variable pay split | | | | | | | | | | | | | | | | |
|------------------------------|-------------|---------|--------------------|---------|-----------------|---------|---------|---------|-------------------------------|----------------|----------------------|---------|-----------------------|---------|---------|------------------|
| | Grand Total | | Total Variable Pay | | Total Fixed Pay | | Total | | Performance Related Pay (PRP) | | Pension ² | | Benefits ¹ | | Salary | |
| | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 |
| | £'000 | | £'000 | | £'000 | | £'000 | | £'000 | | £'000 | | £'000 | | £'000 | |
| | | | | | | | | | | | | | | | | |
| Sir Andrew Haines OBE | 591 | 593 | 0 | 0 | 591 | 593 | 591 | 593 | 0 ⁴ | 0 ⁴ | 0 | 0 | 3 | 3 | 588 | 590 ³ |
| Jeremy Westlake | 463 | 449 | 33 | 0 | 430 | 449 | 463 | 449 | 33 ⁷ | 0 ⁶ | 36 | 36 | 12 | 12 | 382 | 401 ⁵ |

1. Benefits include car allowance, private medical cover, any annual travel subsidy, life assurance and relocation allowance.
2. Pension includes the value of all pension benefits receivable in respect of the relevant year. This includes any supplementary cash allowance and a value from participation in the defined benefit or defined contribution pension arrangements or allowances for those who have opted out of their respective pension arrangements in the relevant year (calculated in accordance with the methodology prescribed by the Regulations). Further details of these pension benefits are set out in the pension section on page 155.
3. Sir Andrew Haines OBE's salary is higher than in 2023/24 due to the 2024/25 financial year having one day more than the previous year.
4. Since Sir Andrew Haines OBE appointment, he has waived all PRP payments.
5. Jeremy Westlake's salary is higher than in 2023/24 due to the annual pay award.
6. The PRP value for Jeremy Westlake had not been approved by the Secretary of State at the time of this report.
7. The PRP value for Jeremy Westlake for 2023/24 had not been approved by the Secretary of State at the time of publication. It has now been updated to reflect the payment that was approved after publication.

Pay ratios (audited)

New legislation requires employers to publish pay ratios from 2020, showing the gap between the chief executive and the 25th, 50th and 75th percentile of employees. A historical record will be published incrementally over a 10-year period.

For transparency and good governance, the nominations and remuneration committee decided to publish the pay ratio information a year early in the 2018/19 report, which also included information from 2017/18 for comparison.

There are three potential calculation methodologies:

Option A: Calculate total remuneration for all employees and take the percentiles to calculate the pay ratio against the chief executive single figure total remuneration.

Option B: Using existing pay data (gender pay gap reporting), take the 25th, 50th and 75th percentiles, calculate the total remuneration for these and compare them against the chief executive single figure total remuneration.

Option C: Same as option B but using other recent pay data.

The nominations and remuneration committee selected Option B due to being able to use existing data that was readily available. It includes the whole workforce. We have chosen an office worker, as they are more comparable to the chief executive where non-office based workers have more variable pay elements which the chief executive does not have.

| | Method | 25th percentile pay ratio | Median pay ratio | 75th percentile pay ratio |
|----------------------|----------|---------------------------|------------------|---------------------------|
| 2017/18 | Option B | 24.4:1 | 19.5:1 | 14.2:1 |
| 2018/19 ¹ | Option B | 20.5:1 | 14.9:1 | 12.3:1 |
| 2019/20 ² | Option B | 17.5:1 | 14.1:1 | 11.7:1 |
| 2020/21 | Option B | 17.5:1 | 14.3:1 | 12.8:1 |
| 2021/22 ³ | Option B | 16.0:1 | 13.5:1 | 10.5:1 |
| 2022/23 | Option B | 15.3:1 | 13.0:1 | 8.8:1 |
| 2023/24 | Option B | 15.5:1 | 12.0:1 | 9.7:1 |
| 2024/25 | Option B | 13.2:1 | 11.7:1 | 9.3:1 |

1. Change of chief executive during the year. Pay ratio based on Mark Carne CBE and Sir Andrew Haines OBE's combined single figure total for 2018/19.
2. Sir Andrew Haines OBE's single figure total was used for 2019/20 onwards.
3. No PRP was awarded to employees for the 2020/21 scheme year so did not form part of the pay ratio calculations for that financial year.

When taking the employee data for the 25th, 50th and 75th percentiles, the total remuneration figure has been calculated based on an office worker at these percentiles. The latest 2024 pay gap data used to identify employees at each percentile was taken on 31 March 2024, with the total remuneration data covering the same period as that in Table 1 called the single figure total remuneration for 2024/25. The total pay and benefits, along with the salary component, for each of the employees at each percentile are shown in the table below.

| Percentile | Total pay & benefits | Salary component |
|-----------------|----------------------|------------------|
| 25th Percentile | 44,795 | 45,055 |
| 50th Percentile | 50,851 | 49,057 |
| 75th Percentile | 63,760 | 60,237 |

The pay ratios have continued to decrease as Sir Andrew Haines OBE, has declined his 2024 annual pay award.

Executive director changes

There have been no changes to the executive directors this year.

Incentive plan 2024/25 – annual PRP (audited)

During the year two directors, Sir Andrew Haines OBE and Jeremy Westlake, were eligible for the PRP scheme. Sir Andrew Haines OBE's maximum potential award was nine per cent of his salary, while that of Jeremy Westlake was 20 per cent. Stretching performance targets were set at the start of the year in the context of the national scorecard, which can be found on pages 20 to 25. The national scorecard outturn determines the percentage pay-out against the maximum award. For 2024/25, 25 per cent of PRP was based on an individual's performance rating and each rating carried a different percentage weighting. For example, a 'good' performance rating contributes 11.25 per cent to the overall PRP.

Performance against the national scorecard can be found on pages 20 to 25. Our national scorecard performance was 79.6 per cent. We performed well against a number of key metrics including our passenger safety milestones, sustainability and the customer and community metrics. Some of our performance was impacted by factors such as extreme weather and an ageing infrastructure.

In addition, each year the safety, health and environmental compliance committee considers the overall rating from a safety perspective and decides whether to recommend any further adjustments to the rating to reflect safety performance. This year, having reviewed the outturns of the safety measures and overall safety performance, the committee agreed to recommend to the nominations and remuneration committee that no further adjustments to the PRP outturn in respect of safety performance were necessary for 2024/25.

Pension (audited)

Executive directors are eligible to participate in one of the Network Rail defined benefit pension schemes or the defined contribution pension scheme on the same basis as other employees.

Sir Andrew Haines OBE is not a member of a defined benefit or a defined contribution arrangement at Network Rail and does not receive any pension contribution nor cash in lieu. Jeremy Westlake is not a member of a defined benefit or defined contribution arrangement at Network Rail but does receive an allowance in lieu of pension. Under the existing executive pension policy, Jeremy Westlake is entitled to an allowance in lieu of a pension on the same basis as other employees of Network Rail. This allowance is equivalent to the employer's pension contributions otherwise payable, minus an adjustment for the cost of providing continued life assurance and the employer national insurance contributions payable. Sir Andrew Haines OBE was not eligible for an allowance in lieu of pension as part of his appointment.

Previously, executive directors received an additional pension allowance in the form of a cash supplement based on a percentage of their earnings above the notional earnings cap (£223,800 for 2024/25 tax year and previously £205,200 for 2023/24). The pensions allowance is no longer offered as part of the remuneration package to any new executive director appointments. Executive directors who have an existing pensions allowance in place have retained this payment.

The table on the next page sets out details for executive directors for 2025 in respect of all Network Rail pension benefits, split between the defined benefit and defined contribution/ additional allowance. The value shown in the final column of this table is included as the pension column in the single total figure of remuneration on page 153.

| | Defined benefit schemes | | | | Other pension arrangements ¹ | | |
|--|------------------------------------|--|--|---|---|---|---|
| | Normal retirement age ² | Accrued pension at 31 March 2025 £'000 | Increase in accrued pension (net of inflation) during 2024/25) | Transfer value of accrued pension at 31 March 2025 £'000 ³ | Value included in single figure table (A) £'000 | Cash salary supplement or contribution to defined contribution scheme (B) £'000 | Total pension value reported in single figure table (A+B) £'000 |
| Sir Andrew Haines OBE⁴ | – | – | – | – | – | – | – |
| Jeremy Westlake⁵ | – | – | – | – | – | 36 | 36 |

1. For the defined benefit schemes, the value shown in the single figure table (A) has been calculated in accordance with the regulations by applying a multiplier of 20 to the increase in accrued pension (net of inflation) during the year. For the additional pension allowance (B), the value shown is the gross cash allowance in the year. The value shown in the single figure table is the sum of A and B.
2. The normal retirement age shows the age at which the director can retire without actuarial reduction.
3. Transfer values as at 31 March 2025 have been calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.
4. Sir Andrew Haines OBE does not receive any pension contribution nor cash in lieu.
5. Jeremy Westlake is not a member of a defined benefit (DB) or defined contribution (DC) arrangement at Network Rail but does receive an allowance in lieu of pension.

Non-executive directors' fees (audited)

Under the framework agreement the Secretary of State sets the pay for the chair and non-executive directors of Network Rail. The fees for newly appointed non-executive directors were last reviewed in 2016 and were decreased at that time.

The table below summarises the remuneration for the non-executive directors for 2023/34 and 2024/25.

| | 2024/25 | | 2023/24 | |
|---|------------|----------------|------------|----------------|
| | Fees £'000 | Benefits £'000 | Fees £'000 | Benefits £'000 |
| Rob Brighthouse¹ | 17 | – | 49 | – |
| Peter, Lord Hendy of Richmond Hill CBE² | 86 | – | 315 | – |
| David Noyes | 50 | – | 50 | – |
| Mike Putnam³ | 124 | – | 50 | – |
| Michael Harrison⁴ | – | – | – | – |
| Mark Bayley CBE | 66 | – | 66 | – |
| Fiona Ross | 40 | – | 40 | – |

| | 2024/25 | | 2023/24 | |
|----------------------------------|------------|----------------|------------|----------------|
| | Fees £'000 | Benefits £'000 | Fees £'000 | Benefits £'000 |
| Ismail Amla ⁵ | 48 | – | 40 | – |
| Prof Stephen Duckworth OBE | 40 | – | 40 | – |
| Stuart Harvey ⁶ | 31 | – | n/a | – |
| Dyan Perry OBE ⁷ | 31 | – | n/a | – |
| Steve Scrimshaw CBE ⁸ | 31 | – | n/a | – |
| Carolyn Battersby ⁹ | – | – | – | – |

1. Robert Brighthouse's fees are lower for 2024/25 as he resigned mid-year with effect from 31 July 2024.
2. Peter, Lord Hendy of Richmond Hill CBE's fees are lower for 2024/25 as he resigned mid-year on 8 July 2024.
3. Mike Putnam has been the acting chair since 8 July 2024. He also joined the Transpennine Route Upgrade Board in June 2022 and receives £50k per year for this appointment in addition to the above fees.
4. Michael Harrison resigned as non-executive special director on 30 June 2024. The appointment was not separately remunerated.
5. Ismail Amla's fees are greater for 2024/25 because he now receives £8k per annum for chairing the nominations and remuneration committee.
6. Stuart Harvey's fees are lower because he was appointed mid-year on 24 June 2024.
7. Dyan Perry OBE's fees are lower because she was appointed mid-year on 24 June 2024.
8. Steve Scrimshaw CBE's fees are lower because he was appointed mid-year on 24 June 2024.
9. Carolyn Battersby was appointed as non-executive special director on 29 November 2024. The appointment is not separately remunerated.

Payments to former directors (audited)

There were no payments made to former directors in 2023/24.

There were no payments made to former directors in 2024/25.

Payments for loss of office (audited)

There were no payments made to directors for loss of office in 2023/24.

There were no payments made to directors for loss of office in 2024/25.

Outside appointments

Executive directors need committee approval to retain any fees for external non-executive directorships.

Sir Andrew Haines OBE is a director of the Rail Delivery Group and does not receive fees for this appointment, although he does have a travel pass that comes with the directorship allowing him free rail travel for personal and business use. Jeremy Westlake is a non-executive director of Elevate Services Inc. Whilst there are no fees taken for this appointment, share options are available but have not been exercised.

Additional disclosures

The following disclosures provide additional background for considering executive remuneration.

Percentage change in remuneration

The table below shows the percentage change in salary, benefits and PRP of the chief executive and all Network Rail employees from 2023/24 to 2024/25.

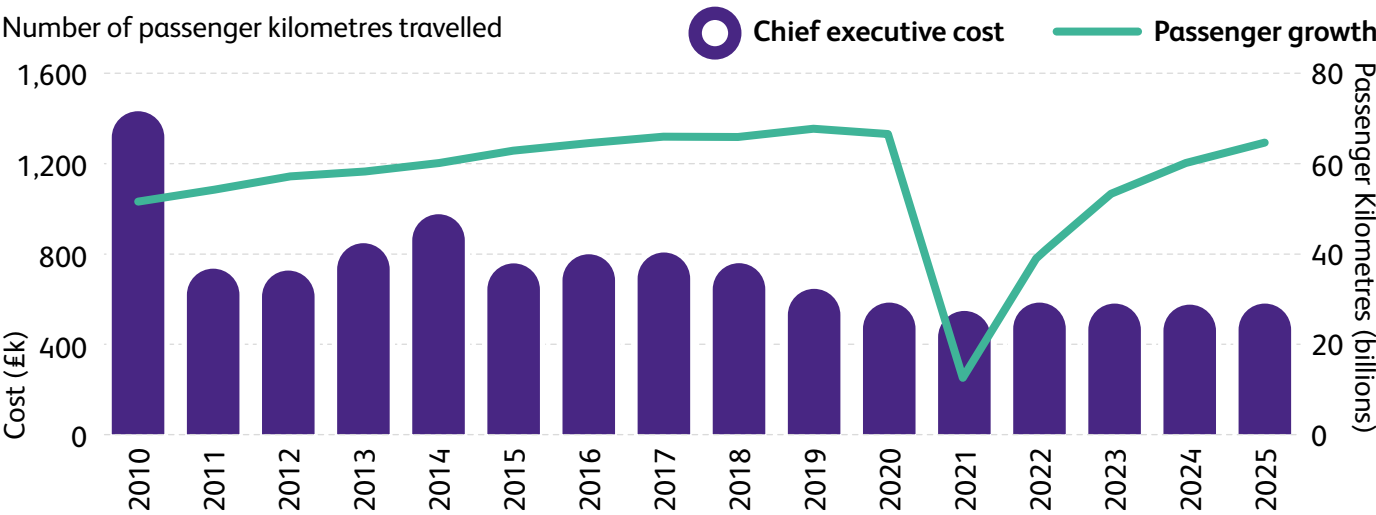
For the table below, the change in the value of each of the components for the chief executive has been calculated using the data shared in the relevant columns of Table 1, the Single total figure of remuneration table shown on page 153.

| | Chief executive | All employees |
|--------------------------------------|-----------------|---------------|
| Salary ¹ | 0 % | 4.5 % |
| Benefits | 0 % | 0 % |
| Performance related pay ² | 0 % | 0 % |

1. Based on salary reviews effective on either 1 January or 1 July 2024.
2. PRP is based on any changes to maximum potential PRP award.

Performance graph and table

Under the Regulations, companies need to include a chart showing historic total shareholder return (i.e., share price and re-invested dividends) over an eight-year period alongside a table that shows the remuneration paid to the chief executive over the same period. As Network Rail does not have shares, or a share price, we have used the metric of ‘passenger kilometres travelled’ instead, which reflects how much people across the country use rail to travel.



| | Chief executive | Single total figure of remuneration | PRP (% of vesting) |
|-----------|-----------------------|-------------------------------------|--------------------|
| 2024/2025 | Sir Andrew Haines OBE | £593k | 0 % |
| 2023/2024 | Sir Andrew Haines OBE | £591k | 0 % |
| 2022/2023 | Sir Andrew Haines OBE | £593k | 0 % |
| 2021/2022 | Sir Andrew Haines OBE | £593k | 0 % |
| 2020/2021 | Sir Andrew Haines OBE | £557k | 0 % |

| | Chief executive | Single total figure of remuneration | PRP (% of vesting) |
|-----------|-----------------------|-------------------------------------|--------------------|
| 2019/2020 | Sir Andrew Haines OBE | £595k | 0 % |
| 2018/2019 | Sir Andrew Haines OBE | £371k | 0 % |
| | Mark Carne CBE | £285k | N/A |
| 2017/2018 | Mark Carne CBE | £769k | 54.6 % |
| 2016/2017 | Mark Carne CBE | £820k | 37 % |
| 2015/2016 | Mark Carne CBE | £811k | 34.7 % |
| 2014/2015 | Mark Carne CBE | £771k | 0 % |

- Mark Carne CBE was appointed chief executive on 24 February 2014. He retired on 4 September 2018. Mark Carne CBE also voluntarily declined any PRP in 2018.
- Sir Andrew Haines OBE was appointed chief executive on 14 August 2018. He waived any PRP in 2019, 2020, 2021, 2022, 2023 and 2024.
- N/A indicates that there was no eligibility for an award vesting in respect of the relevant year.
- The combined single total figure of remuneration for Sir Andrew Haines OBE and Mark Carne CBE for 2018/19 was £656k.

Relative importance of spend on pay

Under the Regulations, companies need to illustrate the relative importance of spend on pay, by disclosing the total employee remuneration and returns to shareholders (i.e., dividends and share buybacks) in the reporting year and the prior year. Network Rail is a not-for-dividend company without shareholders and does not provide returns to shareholders. Therefore, other key Network Rail metrics have been used in the table below to show employee remuneration in the context of overall business activities.

| | 2024/25 | 2023/24 | Change (%) |
|-----------------------------|-----------|----------|------------|
| Total employee remuneration | £3.069bn | £2.91bn | 5.5 % |
| Total expenditure | £12.376bn | £12.47bn | 0.76 % |

Total expenditure is calculated as the net operating costs before depreciation and amortisation (note 4), add back other operating income and recoveries (Note 4) plus PPE additions (note 10). This is shown in the table below:

| | 2025 | 2024 |
|---|-----------|----------|
| Net operating costs before depreciation and amortisation (Note 4) | £5.801bn | £5.257bn |
| Add back other operating income and recoveries (Note 4) | £371m | £444m |
| PPE additions (Note 10) | £6.204bn | £6.769bn |
| Total Expenditure | £12.376bn | £12.47bn |

Consideration of directors’ remuneration – nominations and remuneration committee and advisors

The nominations and remuneration committee during the year was made up of the following non-executive directors:

- Ismail Amla
- Michael Harrison
- Peter, Lord Hendy of Richmond Hill CBE
- David Noyes
- Mike Putnam
- Fiona Ross
- Steve Scrimshaw CBE
- Carolyn Battersby

Details of committee members and appointments can be found in the Corporate governance report on page 113 including details of their attendance (page 126).

The group general counsel and company secretary is secretary to the committee. The committee is also supported by the group HR director and reward director. The chief executive attends meetings when invited by the committee. No individual is present when their own remuneration is being discussed.

Following best practice, the committee seeks independent external advice when needed. During the year executive remuneration advice was not required.

Key nominations and remuneration committee agenda items during the year

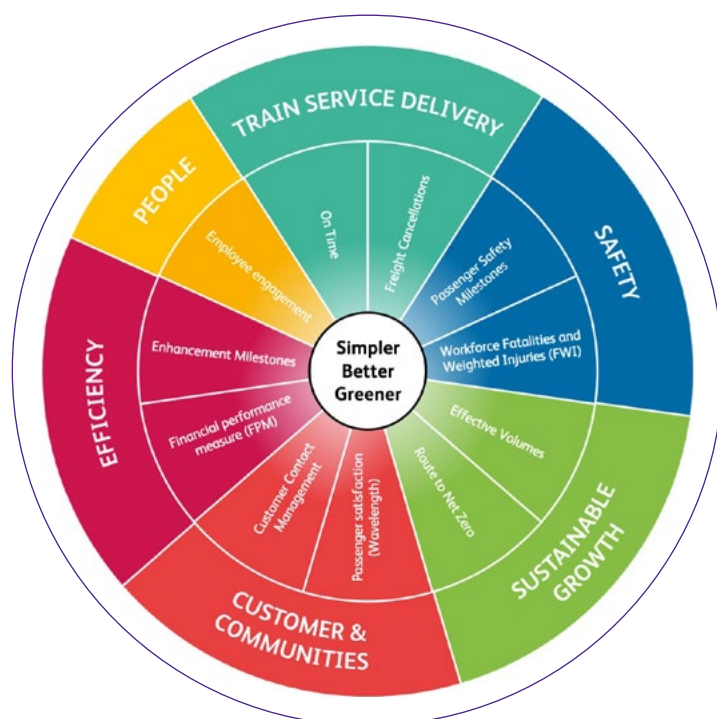
| | |
|------------------|--|
| 24 May 2024 | <ul style="list-style-type: none">• Pay talks• PRP outturn for 2023/24• Executive directors’ objectives and remuneration |
| 29 November 2024 | <ul style="list-style-type: none">• FY26 annual scorecard metric proposals• FY25 half year performance update |
| 6 March 2025 | <ul style="list-style-type: none">• 2024/25 indicative PRP outturns• Pension strategic review• Department for Transport pay letter |
| 26 March 2025 | <ul style="list-style-type: none">• Discussion of the process to appoint a new CEO on the retirement announcement of Sir Andrew Haines OBE |

Pay for performance structure for executive directors

The PRP arrangements for executive directors and other employees are aligned to business performance and based on the national scorecard outturn. The national scorecard has been designed to ensure our customers and passengers are at the heart of how we operate.

National scorecard for 2024/25





The national scorecard is how we measure our progress towards our Network Rail vision of “simpler, better, greener” (centre of the wheel). Our 2024/25 annual scorecards are split according to six national strategic themes (outer section of the wheel below), to enable us to deliver a great service to users of the railway. There are 11 measures (middle section of the wheel) which we use to measure how well we’re delivering for our colleagues, passengers and customers. The scorecard is designed for colleagues but should also make sense to passengers and stakeholders and reflect their experience of Network Rail.



Regional scorecards include all of the national scorecard measures, each of which have a weighting of at least 80 per cent of the national weighting. The remaining 20 per cent (maximum) has been spread across metrics chosen by each region.

The national scorecard measure weightings and targets are shown in the table below:

| Strategic themes | Measure | Weighting | Target |
|-----------------------------------|--|-----------|--------|
| Train service delivery | On Time The percentage of recorded station stops called at on time (early or <1min late). | 15 % | 67.8 % |
| | Freight Cancellations The number of Network Rail and other operator-caused cancellations, as a percentage of freight trains run. | 7.5 % | 1.4 % |
| Safety | Passenger Safety Milestones The number of passenger safety milestones completed early or on time, as a percentage of all milestones planned for delivery in the year. | 10 % | 80 % |
| | Workforce Fatalities and Weighted Injuries (FWI) An index representing workforce safety, using fatalities and non-fatal injuries per hour worked. A lower FWI represents better performance. | 10 % | 0.059 |

| Strategic themes | Measure | Weighting | Target |
|--|---|-----------|--------|
|  Efficiency | Financial performance measure (FPM) An assessment of performance compared to the financial targets set out in the CP7 Business Plan. It consists of Profit & Loss (P&L), Renewals and Enhancements. | 15 % | £0m |
| | Enhancement Milestones The number of enhancement milestones completed early or on time, as a percentage of all milestones planned for delivery in the year. | 10 % | 80 % |
|  Sustainable growth | Effective Volumes A measure of how much additional life our renewals activities add to our assets, which provides a medium-term view of sustainability. Calculated as a weighted aggregation of renewals volumes, where the weighting distinguishes between activity types and their different impacts on asset life. | 5 % | 100 % |
| | Route to Net Zero Measures Network Rail's percentage reduction in carbon emissions across four categories: energy, fuel, business travel (road/rail/air) and waste (from offices/managed stations/training centres, etc). | 5 % | 2 % |
|  Customer and communities | Passenger satisfaction (Wavelength) The level of satisfaction the passenger has with their last journey reported as a mean score of passenger journey satisfaction on a scale of 1-10 (1 poor – 10 excellent). | 12.5 % | 7.83 |
| | Customer contact management An index calculated from the number of complaints, the average age of open service requests, the quality assurance score and the customer survey score. | 5 % | 100 % |
|  Employee engagement | Employee engagement The proportion of employees surveyed who responded favourably to key questions on engagement. | 5 % | 52 % |

No PRP payment will be made in respect of any performance measure which does not exceed the minimum level of performance (target threshold).

There are a number of instances where material operational factors may be considered, such as safety, performance and finance, which may result in reduced or zero scorecard outturn – our PRP scheme booklets (Annual Performance Related Pay and General Performance Related Pay) explain how PRP is calculated.

For executive directors and employees aligned to the national scorecard, the figure below demonstrates how individual PRP is calculated:

National PRP outturn – ¾ organisational performance + ¼ individual performance = performance related pay