
We invest from the balance sheet, which allows us to be flexible. It also means that our own and our shareholders' interests are absolutely aligned.

Flexible & responsible



Maritime Volunteer Service

The Caledonia Investments Charitable Foundation supported MVS. They educate members in all aspects of maritime and communication skills and knowledge, promote the preservation of life and property within the maritime environment, help local organisations and events with skilled support, stimulate interest in maritime affairs, and excite members to achieve through training and helping their local community.

Corporate governance

- 72 Board of directors
- 74 Governance framework
- 76 Corporate governance report
- 80 Section 172 statement
- 86 Nomination Committee report
- 88 Audit and Risk Committee report
- 94 Governance Committee report
- 96 Directors' remuneration report
- 115 Directors' report
- 119 Responsibility statements

Board of directors



David Stewart
Chair

N R

Date of appointment: 17 March 2015

Tenure: 10 years 2 months. Appointed to the board of directors on 17 March 2015 and as Chair on 20 July 2017

External appointments:

- Chairman and co-founder of IMM Associates
- Non-executive director of Longview Partners

Skills and experiences:

- Extensive experience of international business and asset management in the UK, Asia and emerging markets
- Effective leadership of Caledonia's board
- Provides valuable insight and advice in relation to the company's global portfolio



Mat Masters
Chief Executive Officer

Date of appointment: 1 April 2022

Tenure: 3 years 1 month. Appointed to the board of directors and as Chief Executive Officer Designate on 1 April 2022, becoming Chief Executive Officer on 27 July 2022

Skills and experiences:

- Qualified accountant
- Specialised in corporate finance before joining Caledonia, helping small and mid-sized companies access private equity finance
- Investment expertise, senior management, international business experience and leadership skills to enable him to execute the board's strategy



Rob Memmott
Chief Financial Officer

Date of appointment: 1 September 2023

Tenure: 1 year 8 months

External appointments:

- Treasurer and Pro Chancellor of the University of Sheffield

Skills and experiences:

- Qualified chartered accountant
- Significant listed company experience, having previously served as CFO of Arrow Global Group, which included its successful IPO, and John Laing Group, before its take private transaction with KKR
- Extensive commercial and financial experience, with over 20 years' experience in senior financial leadership roles



Jamie Cayzer-Colvin
Executive Director

Date of appointment: 4 April 2005

Tenure: 20 years 1 month

External appointments:

- Member of the advisory committees of a number of Caledonia's fund investments
- Chair of The Caledonia Investments Charitable Foundation
- Director of The Cayzer Trust Company

Skills and experiences:

- Previously served as Chairman of The Henderson Smaller Companies Investment Trust and as a non-executive director of Polar Capital Holdings, Polar Capital Funds, Close Brothers and Rathbones
- Senior management experience and investment expertise
- Specifically contributes to the long-term sustainable success of the company through his leadership of Caledonia's funds investment strategy



Farah Buckley
Independent Non-Executive Director

G N R

Date of appointment: 28 March 2023

Tenure: 2 year 1 month

External appointments:

- Non-executive director and Chair of the Audit Committee at Aurora Investment Trust
- Non-executive director and Chair of the Audit Committee of Leeds Building Society
- Non-Executive director of Apollo Syndicate Management Limited

Skills and experiences:

- Qualified chartered accountant
- Over 20 years working in financial services across audit, mergers and acquisitions and private equity
- Worked on numerous transactions within the retail, consumer and leisure sectors at boutique corporate finance house McQueen
- Brings extensive innovation and strategy experience to the board, with a particular focus on technology and environmental, social and governance matters



The Hon Charles Cayzer
Non-independent Non-Executive Director

N

Date of appointment: 18 July 1985

Tenure: 39 years 10 months

External appointments:

- Chairman of The Cayzer Trust Company and Bedford Estates

Skills and experiences:

- Experience of merchant banking, commercial banking and corporate and project finance with Baring Brothers, Cayzer Irvine and Cayzer Ltd
- Responsible for a large number of investment acquisitions and disposals as an executive director of Caledonia
- Extensive knowledge of the commercial property sector and broad commercial management experience, which enable him to provide insight and constructive challenge across the breadth of Caledonia's investment activities

**Guy Davison**

A G N

Senior Independent Non-Executive Director

Date of appointment: 1 January 2018**Tenure:** 7 years 4 months**External appointments:**

- Trustee of the Sussex Community Foundation

Skills and experiences:

- Qualified accountant
- Founding partner of Cinven, central to the development and expansion of the business. During his 29 years, he represented the firm as Chairman or non-executive director at some 25 of its portfolio companies
- 30 years' knowledge and experience of private equity investing, both in the UK and Europe, which is of particular benefit to the board and Caledonia's Private Capital team in evaluating new unquoted investment opportunities and managing its existing unquoted portfolio

**Anne Farlow**

A G N R

Independent Non-Executive Director

Date of appointment: 28 March 2022**Tenure:** 3 years 1 month**Skills and experiences:**

- Former director of Electra Partners and Providence Equity Partners and former non-executive chair of Pershing Square Holdings
- Worked with both established and early-stage companies during her private equity and investment career across a range of different sectors and jurisdictions
- Extensive private equity and investment experience in Europe, North America and Asia, enabling her to provide constructive challenge across a broad range of the company's investments

**Claire Fitzalan Howard**

G N R

Independent Non-Executive Director

Date of appointment: 22 July 2019**Tenure:** 5 years 9 months**External appointments:**

- Non-executive director of Schroders
- Involved in a number of charitable trusts and foundations, including as a director of the Schroder Charity Trust and as a trustee of the Schroder Foundation

Skills and experiences:

- Former executive director of Gauntlet Insurance Services before becoming non-executive in 2004 until 2019
- Broad experience in both the financial services and charitable sectors, as well as a deep experience of public and private businesses with significant family shareholdings

**Lynn Fordham**

A G N

Independent Non-Executive Director

Date of appointment: 1 January 2022**Tenure:** 3 years 4 months**External appointments:**

- Chair of RMA-The Royal Marines Charity and NewRiver Reit
- Non-executive director of Domino's Pizza Group, NCC Group and Enfinium

Skills and experiences:

- Qualified chartered accountant
- Formerly the Managing Partner of Larchpoint Capital, CEO of SVG Capital, non-executive director of Fuller, Smith & Turner
- Previously held senior finance, risk and strategy positions at Barratt Developments, BAA, Boots, ED&F Man, BAT and Mobil Oil
- Wide ranging listed company, private equity and finance experience across a range of sectors, the latter being of particular importance to her role as Chair of the Audit and Risk Committee

**Will Wyatt**

N

Non-independent Non-Executive Director

Date of appointment: 4 April 2005**Tenure:** 20 years 1 month**External appointments:**

- Non-executive director of Cobehold
- Chairman of the Rank Foundation and Real Estate Investors
- Director of The Cayzer Trust Company

Skills and experiences:

- Joined the Caledonia group in 1997 from Close Brothers Corporate Finance, working at Sterling Industries before transferring to Caledonia's head office in 1999 as an investment executive
- Appointed a director of Caledonia in 2005, serving as Chief Executive from 2010 until becoming a non-executive director in 2022
- Held board positions at numerous Caledonia investee companies, both listed and private
- Corporate finance and investment expertise, broad senior management experience and team leadership skills, which benefit the successful delivery of the board's strategy

Committee membership key

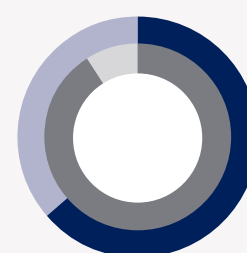
A Audit and Risk

G Governance

N Nomination

R Remuneration

■ Committee chair

**Board diversity**

Male	7	64%
Female	4	36%
White	10	91%
Asian/Asian British	1	9%

Governance framework

THE BOARD

The board as a whole is collectively responsible for the success of the company and for supervising its affairs. It sets the company’s strategy, ensures that the necessary financial and human resources are in place to enable the company to meet its objectives and reviews management performance. It also defines the company’s purpose and culture, and sets the company’s values and standards to ensure that its obligations to its shareholders and other stakeholders are understood and met. It aims to provide leadership of the company within a framework of prudent and effective controls, which enables risk to be assessed and appropriately managed.

Chair

The Chair is primarily responsible for the leadership of the board to ensure that it carries out its role effectively and for succession planning.

Chief Executive Officer

The Chief Executive Officer is responsible for the implementation of the board’s strategy, policies and the management of the company’s activities, other than those matters specifically reserved for the board.

Senior Independent Director

The Senior Independent Director is responsible for providing a sounding board for the Chair and, if necessary, to serve as an intermediary for the other directors and shareholders.

BOARD COMMITTEES

Audit and Risk Committee

Further detail
See page 88

Governance Committee

Further detail
See page 94

Nomination Committee

Further detail
See page 86

Remuneration Committee

Further detail
See page 96

Disclosure and Delegation Committee

Deals with routine administrative matters or matters for which board approval has already been given in principle. It also considers potential disclosure matters as required.

MANAGEMENT COMMITTEES

Valuation Committee

Formally reviews valuations of all of the company’s investments at each half-year and full-year end. Meetings are observed by representatives from the external auditor.

Investment Committee

Considers and formally approves new investments and proposed realisations. Other matters considered include the day to day management of the company’s business where not delegated elsewhere.

Private Capital Investment Committee

Reviews the management of investments held within the Private Capital pool and considers potential Private Capital transactions.

Investment Management Committee

Considers matters relating to the company’s investment portfolio.

Operational Risk Committee

Considers the company’s overall risk strategy, reviews the internal financial control systems, and develops and implements the procedures for detecting fraud and preventing bribery.

Responsible Investment / Corporate Working Group

Advises and assists in the development and implementation of Caledonia’s approach to sustainability matters, including climate-related issues.

IT/AI Working Group

Cross functional working group established to review, advise and assist in the development and implementation of IT and AI policy and new technology.

INVESTMENT TEAM



Corporate governance report

Caledonia recognises the value of good corporate governance to deliver long-term sustainable success.

Membership and attendance

The board held six scheduled meetings during the year, together with two additional meetings convened at short notice. Attendance of the directors was as follows:

Director	Meetings attended	Meetings eligible to attend
D C Stewart	8	8
M S D Masters	8	8
R W Memmott	8	8
J M B Cayzer-Colvin ¹	7	8
F A Buckley	8	8
Hon C W Cayzer	8	8
G B Davison	8	8
M A Farlow ¹	7	8
C L Fitzalan Howard ¹	7	8
L R Fordham	8	8
W P Wyatt ¹	7	8

1. Jamie Cayzer-Colvin, Anne Farlow, Claire Fitzalan Howard and Will Wyatt were each unable to attend one of the meetings which were called at short notice, due to pre-existing commitments.

Further information on the matters reserved for the board



Statement of compliance

The board considers that the company has complied with the UK Corporate Governance Code (‘Code’) published in July 2018 for the duration of the reporting period. In making this assessment, the board gave particular consideration to Provision 19 of the Code as explained in Board composition on page 77.

A copy of the Code is available on the website of the Financial Reporting Council at www.frc.org.uk.

Pages 76 to 118 comprise the company’s corporate governance statement.

The board and, where relevant, its committees made appropriate preparations in response to the updated principles and provisions contained in the new Code published in January 2024, which will apply to the company’s financial year ending 31 March 2026 apart from Provision 29 which will apply to the company’s financial year ending 31 March 2027.

The board

Overall responsibility and operation

As part of the company’s governance framework, which is summarised on page 74, the board has adopted a formal schedule that sets out those matters which it specifically reserves for its own decision and those which are delegated to board committees and to executive management. Matters reserved for the board’s own decision include the following:

- responsibility for the company’s strategy, values and culture
- approval of the company’s half-year results, full-year results and annual report
- approval of the company’s dividend policy and dividend distributions
- the appointment, re-appointment and removal of the external auditor
- the appointment and removal of directors of the company, as prescribed by the company’s articles of association, and of certain other executives, including the Company Secretary
- the terms of reference of board committees and the membership thereof
- directors’ remuneration and terms of appointment
- setting annual budgets
- the company’s systems of risk management and internal control, including procedures for detection of fraud and prevention of bribery
- responsibility for the company’s arrangements to enable its employees to raise any matters of concern
- treasury policies, banking counterparties and counterparty exposure limits
- significant capital transactions
- political donations.

The roles of the Chair, the Chief Executive Officer and the Senior Independent Director are separated and clearly defined in separate statements of responsibilities. These responsibilities are summarised in the governance framework on page 74.

The matters reserved for the board and the statements of responsibilities of the Chair, the Chief Executive Officer and the Senior Independent Director are reviewed by the board annually and published on the company's website.

Appointment, induction and training

The company complies with the recommendation of the Code that all directors of FTSE 350 companies should be subject to annual re-election by shareholders.

On appointment, new directors are offered induction and training considered appropriate by the board, and subsequently as necessary. The annual performance evaluation of the board encompasses the identification of any individual training needs of board members so that, if necessary, these can be reviewed by the Chair with the directors concerned. The directors receive briefings at board meetings on regulatory and other issues relevant to the company and its business sector and, in addition, may attend external courses to assist in their professional development.

Board composition

The board currently comprises 11 directors. Excluding the Chair, three of the directors are executive and seven are non-executive. The board considers all of the non-executive directors to be independent other than Will Wyatt and The Hon C W Cayzer who were executive directors prior to becoming non-executive directors and are also members of the Cayzer family concert party ('Cayzer Concert Party').

David Stewart was appointed to the board as an independent non-executive director in March 2015, before taking on the role of company Chair in July 2017. The board, on the recommendation of the Nomination Committee, which was chaired by Guy Davison, Caledonia's Senior Independent Director, further extended David's tenure as Chair in May 2025 until no later than the company's annual general meeting in 2026, subject to his annual re-election by shareholders. This followed an initial extension of one year to July 2025 and lengthened David's anticipated service on the board by a little over two years. Whilst this is beyond the nine years recommended in Provision 19 of the Code his tenure as company Chair will not exceed nine years. As previously reported, the extensions were considered appropriate following a period of notable board development which included the appointment of three new non-executive directors and two executive directors in 2022 and 2023. In considering the further extension of David's tenure for a limited period, the Nomination Committee took into account the ongoing succession planning activity to identify a new Chair and the need to replace the skills and experience David brings to the board. Following a careful assessment including feedback obtained as part of the board evaluation, the board concluded that he continues to be an independent and effective chair.

As expected in the Code, at least half of the board's members throughout the year, excluding the Chair, were considered independent.

Board committees

As identified in the governance framework, which is summarised on page 74, the board has delegated certain specific areas of responsibility to the following standing committees: the Nomination Committee, the Audit and Risk Committee, the Governance Committee and the Remuneration Committee.

Further details of the work of each of these committees and their membership during the year are set out in their respective reports on pages 86 to 114.

The terms of reference of each committee are reviewed annually and are available on the company's website.

Board performance evaluation

The board conducts an annual evaluation of its performance and that of its committees and, in accordance with good practice, engages an independent third party facilitator to assist in this process every three years. For the year ended 31 March 2024, Board Level Partners ('BLP') was engaged to conduct an externally facilitated evaluation of the board, its committees and individual directors as reported in the 2024 annual report.

For the year ended 31 March 2025, the evaluation of the board as a whole and of its committees was undertaken internally, led by the Chair, and was conducted by inviting individual board members to complete questionnaires regarding the operation and effectiveness of the board and its committees. The analysis was collated by the Company Secretary and discussed by the Chair with each director separately.

The evaluation of the performance of the Chair was led by the Senior Independent Director and was discussed in a meeting of the non-executive directors. The performance of the executive directors was reviewed by the Chair and the non-executive directors.

The results of the 2025 evaluation process were considered by the board. The conclusion was that the board continued to function well in an atmosphere of open and constructive debate with a good breadth of skills, experience and viewpoints. Areas identified for development included:

- long-term succession planning
- embedding the updated risk management framework
- ongoing training and development.

Corporate governance report (continued)

Key stakeholders, engagement and board decision making

Details in respect of the company's key stakeholders, together with commentary on how the directors addressed the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 (the 'Companies Act') as they made decisions during the year, are set out in the Section 172 statement on pages 80 to 85.

Shareholders

Annual general meeting

As noted in the Section 172 statement, the company's annual general meeting remains an important part of Caledonia's shareholder communications programme. All resolutions proposed at the 2024 annual general meeting were passed.

The ninety-sixth annual general meeting of the company will be held at 6 Park Place, St. James's, London SW1A 1LR on Wednesday, 16 July 2025 at 11.30 am. The notice of the annual general meeting and details of all of the resolutions to be put to shareholders are set out in a separate circular published at the same time as this annual report.

General meeting

On 18 December 2024, a general meeting was held for the consideration by shareholders of a proposal to refresh the company's then existing authority to make market purchases of ordinary shares and at the same time to seek approval from independent shareholders of a waiver of the mandatory offer provisions set out in Rule 9 of The City Code on Takeovers and Mergers ('Rule 9 Waiver Resolution') in relation to the Cayzer Concert Party, which did not include a cap on the percentage of the ordinary shares that the Cayzer Concert Party can hold following market purchases. The background to and a detailed explanation of the proposals was provided in the circular containing a notice of general meeting made available to shareholders on 26 November 2024.

Both resolutions proposed at the general meeting were passed. The company is grateful to those shareholders who took the time to engage in advance of the general meeting and to all shareholders who voted in favour of the resolutions for their support.

Relations with controlling shareholders

As at 19 May 2025, being the latest practicable date prior to the publication of this annual report, the Cayzer Concert Party held 50.4% of Caledonia's voting rights.

Previously under the Financial Conduct Authority's Listing Rules, where a premium listed company had a controlling shareholder or shareholders (being a person or persons acting in concert who exercise or control 30% or more of the company's voting rights), the company was required to enter into a written and legally binding agreement which was intended to ensure that the controlling shareholder undertook to comply with certain independence provisions. The agreements specified under the Listing Rules described above (which were required to be in place by 17 November 2014) were entered into by the company on 30 October 2014 with The Cayzer Trust Company Limited ('Cayzer Trust') and separately with the Trustee of The Caledonia Investments plc Employee Share Trust ('Employee Share Trust'), which is deemed by The Panel on Takeovers and Mergers to form part of the Cayzer Concert Party.

The requirement specified under the Listing Rules described above was removed in July 2024. Following this change, the relationship agreements entered into by the company in 2014 with Cayzer Trust and the Employee Share Trust automatically terminated. The company and Cayzer Trust agreed to enter into a revised relationship agreement on 26 November 2024, conditional on the Rule 9 Waiver Resolution being passed. Under this new agreement, Cayzer Trust agreed to, and will use its reasonable endeavours to procure that other members of the Cayzer Concert Party will:

- conduct all transactions and arrangements with the company and other group members at arm's length and on normal commercial terms
- not undertake any action, including proposing a shareholders' resolution, that would have the effect of preventing the company complying with its obligations under the Listing Rules
- maintain a list of the members of the Cayzer Concert Party from time to time and work with the company to provide information to support the company's assessment of its compliance with the requirements to maintain investment trust status
- if necessary, discuss in good faith with the company any actions that the company considers may be reasonably necessary to protect the company's investment trust tax status.

The board confirms that, during the period under review and up to 19 May 2025, being the latest practicable date prior to the publication of this annual report, the company has the ability to carry on its business independently of the Cayzer Trust.

Directors' conflicts of interest

Each director has a duty under the Companies Act to avoid a situation where they have, or could have, a direct or indirect interest which conflicts, or may possibly conflict, with the company's interests. The Companies Act, however, allows directors of public companies to authorise conflicts and potential conflicts where the articles of association contain a provision to this effect. The Companies Act also allows the articles to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty.

There are safeguards in the company's articles of association which apply when the directors decide whether to authorise a conflict or potential conflict of interest. First, only independent directors, being those who have no interest in the matter being considered, are able to take the relevant decision and, second, in taking the decision, the directors must act in a way which they consider, in good faith, will be most likely to promote the success of the company. The directors are able to impose limits or conditions when giving authorisations if they think this is appropriate.

The board has adopted procedures to address the requirements of the Companies Act in relation to directors' conflicts of interest. Each new director on appointment is required to declare any potential conflict situations, which may relate to them or their connected persons. These are reviewed by the board and, if necessary, also by the Governance Committee, which then considers whether these situations should be authorised and, if so, whether any conditions to such authority should be attached.

Each board meeting includes a standing agenda item on conflicts of interest to ensure that all directors disclose any new potential conflict situations. These are then reviewed, again if necessary by the Governance Committee, and authorised by the board as appropriate. A register of directors' conflicts of interest is maintained by the Company Secretary and is reviewed annually by the Governance Committee.

The Corporate governance report was approved by the board on 19 May 2025 and signed on its behalf by:

David Stewart

Chair of the board
19 May 2025

The table below highlights where key content can be located elsewhere in this annual report to enable shareholders to evaluate how the company has applied the principles set out in the UK Corporate Governance Code.

	Page
Board leadership and company purpose	
Chair's statement	14
Chief Executive Officer's report	16
Section 172 statement	80
Key performance indicators	22
Sustainability	44
Key stakeholders	81
Division of responsibilities	
The board	76
Board committees	77
Membership and attendance	76
Composition, succession and evaluation	
Board of directors	72
Board composition	77
Board performance evaluation	77
Nomination Committee report	86
Board and committee diversity policy	86
Audit, risk and internal control	
Audit and Risk Committee report	88
Responsibility statements	119
Risk management	63
Going concern and viability	68
Internal control systems	91
Remuneration	
Annual statement by the Chair of the Remuneration Committee	96
Remuneration policy	99
Annual report on directors' remuneration	105

Section 172 statement

How we engage with stakeholders and make decisions

Section 172 of the Companies Act 2006 (the 'Companies Act') requires each of our board directors, individually and collectively, to act in the way they consider, in good faith, would most likely promote the long-term success of the company for the benefit of its members as a whole. In doing this they are required to have regard, amongst other relevant matters, to the:

- a. likely consequences of any decisions in the long term
- b. interests of the company's employees
- c. need to foster the company's business relationships with suppliers, customers and others
- d. impact of the company's operations on the community and environment
- e. desirability of the company maintaining a reputation for high standards of business conduct
- f. need to act fairly as between members of the company.

In discharging their duties, each director will seek to balance the interests, views and expectations of Caledonia's stakeholders, whilst recognising that every decision the board makes will not necessarily result in a positive outcome for all. However, the board's aim is to make sure that decisions are consistent and predictable. In so doing, it seeks to generate long-term compounding real returns that outperform inflation by 3%-6% over the medium to long term, and the FTSE All-Share index over 10 years. The company does not have customers. Rather, its shareholders are the stakeholders who most closely resemble customers.

In this section, we describe each of our key stakeholder groups, their importance and how we engaged with them during the year. Also provided are examples of the ways in which the board considered the interests of these stakeholders and had regard to the matters set out in section 172(a) to (f) of the Companies Act when making its decisions.

Further details on how the board operates can also be found in the Corporate governance report on page 76 and at www.caledonia.com.



Our stakeholders and their importance



Section 172 statement (continued)



Our shareholders

Why we engage	How we engage	How the board engages	Outcomes
Shareholders provide Caledonia's permanent capital and it is for their benefit that the directors are required to promote the company's success. We remain committed to a proactive and constructive dialogue with shareholders to ensure: • there is a good understanding of the company's purpose, performance and approach to environmental, social and governance matters • the board is aware of issues that are important to them.	We communicate with investors through numerous channels: • our Chief Executive Officer and Chief Financial Officer hold regular meetings with institutional investors, private client stockbrokers and fund managers, particularly following the publication of our half-year and annual results • a new programme of spotlight events for investors and analysts on each of our three pools providing insight on the investment philosophy, strategy and portfolio, the first of which was held on the Private Capital pool in January 2025 • investor conferences attended by retail investors and fund managers • regular market announcements, including monthly NAV announcements, half-year and annual results webcasts keep shareholders apprised of performance. Further details on relations with controlling shareholders can be found on page 78.	• The Chair and other non-executive directors are available to attend shareholder meetings if requested. • Caledonia's annual general meeting is an important part of our communications programme, providing directors with the opportunity to meet shareholders in person and to hear their opinions. • During the third quarter of the year, our Chair and Chief Executive Officer met with independent shareholders to seek their views on a range of matters including the possibility of taking steps to ensure that the company could continue to make share buybacks. • Views put forward by shareholders and analysts are reported back to the board, with periodic reports and presentations from the company's brokers and management on shareholder feedback and general market perception of the company.	• Shareholder perspectives and ongoing engagement are considered as part of strategy and other discussions. • During the year, work to implement changes to our investor relations and communications activities continued, to further refine our disclosures and ensure our investment proposition is well understood and recognised by the market. • Shareholder approval at the general meeting held on 18 December 2024 allowed us to continue repurchasing shares without a cap restricting the percentage of the ordinary shares that the members of the Cayzer family concert party are able to hold. • Sentiment towards investment companies, and in particular those investing in private assets, continues to weigh on discounts across the sector. We believe that the share price fundamentally undervalues the quality of the investment portfolio and its long term performance. During the year, we repurchased 1,729,061 shares at an average discount of 33.7%, resulting in a 59.2p accretion to NAV per share. • In making its decision regarding the 2025 interim and final dividends, the board considered shareholders' expectations, the net revenue generated by the company and the capacity of the company to pay dividends out of free cash flow, taking into account future dividend liquidity requirements and availability. • The board intends to increase future interim dividends to 50% of the prior year's total annual dividend, ensuring a more balanced dividend profile and providing a more predictable income stream to our shareholders. • The board is recommending a 10:1 share split to shareholders for approval at the 2025 annual general meeting. This will reduce the nominal value of ordinary shares from 5p to 0.5p and is expected to improve affordability and flexibility for smaller shareholders.



Our people

Why we engage

Our team is key to delivering long-term performance.

Recruiting, retaining and developing engaged and experienced employees who share our values and culture is central to delivering Caledonia’s purpose.

How we engage

We encourage honest and open communication, both formally and informally, to ensure employees remain closely involved with the success of the business.

Further details on our workplace can be found on page 62.

How the board engages

- Caledonia has a small number of employees which enables regular formal and informal access to board directors, irrespective of seniority, together with frequent colleague involvement in board and committee meetings. As such, the board believes that these existing arrangements are effective and therefore the methods for workforce engagement suggested by the UK Corporate Governance Code are not necessary.
- Formal periodic reports on staff-related matters, including any instances of concerns or grievances raised and suggestions received for improvements to the workplace culture, assist the board in understanding the views of employees.

Outcomes

- This year we launched our second colleague engagement survey to help us better understand the views of our employees and how we can continue to develop and improve. We are pleased that 92% of colleagues responded to the survey and their feedback will help shape our plans over the next two years.
- Following shareholder approval at the 2024 annual general meeting, we will launch our all employee Share Incentive Plan in Summer 2025. This is an HMRC approved plan and will offer all employees, irrespective of seniority, the opportunity to build up a tax efficient equity stake in the company.



Section 172 statement (continued)



Our portfolio companies and funds

Why we engage	How we engage	How the board engages	Outcomes
Our portfolio companies, both public and private, and private equity funds provide the source of returns to our shareholders.	Our focus remains on long term careful stewardship to create value for our shareholders. We seek to build rewarding relationships with, and a deep understanding of, our investments. Public Companies • We use in-house and third party research to closely monitor the performance of companies in the Income and Capital portfolios. • Meetings with management teams are an important part of our ongoing stewardship activities. • We make considered use of our voting rights at all shareholder meetings. Private Capital • Our employees serve as non-executive directors on the boards of portfolio companies in which we hold a significant investment, providing oversight and helping to ensure that our board is kept apprised of key developments and the views of a broader group of stakeholders. Funds • Alongside proactive monitoring of fund performance, we are represented by employees on numerous advisory committees established by the managers of the funds in which we invest. • A regular programme of meetings with fund general partners, other limited partners and investee businesses enables us to gain real insight into the ongoing management of our portfolio. Further details on our stewardship activities can be found on page 46.	Decision making is supported by comprehensive regular reporting to the board by the Heads of Public Companies, Private Capital and Funds, supported by members of their respective teams. Private Capital • Our programme of presentations from the leadership of portfolio companies provides directors additional insight to assist with investment decision-making. • In January 2025, the directors attended a conference and dinner with portfolio company management, which included business presentations and provided the opportunity to meet a broader group of senior management. • Following the acquisition of AIR-serv Europe, the board received a series of presentations from management providing an overview of the business and attended a tour of its Wigan site, providing first hand insight into the day to day operations of the business.	Public Companies • Over the course of the year, the team attended over 30 meetings with portfolio company management and used their voting rights at all shareholder meetings. Private Capital • As part of our long-term approach to investment, close engagement with our Private Capital companies contributes to a strong governance framework to support growth and create value. • Caledonia acquired a majority stake in Direct Tyre Management Limited, the UK's leading independent provider of outsourced tyre management services to fleet operators during the year. The acquisition was consistent with Caledonia's strategy of investing in quality, robust, well established private companies, with proven management teams, and seeking a long-term supportive shareholder. Funds • Over the course of the year, the team has attended in excess of 150 meetings with our portfolio fund managers, including annual meetings, advisory board meetings, in-person meetings in the UK, Asia or North America and virtual meetings held online.



Community

Why we engage	How we engage	How the board engages	Outcomes
We look to support the communities in which the company and our investee companies operate and charities which resonate with our history, values, culture and team. We support advancing new talent and social mobility within the investment management industry.	Charitable giving The Caledonia Investments Charitable Foundation ('Foundation') is the focus for Caledonia's charitable activity, providing support to many good causes each year. The company made a grant of £300,000 to the Foundation during the year. Volunteering As part of our ongoing charitable commitment and to further encourage employees to support the Foundation, together with other charities and good causes, we provide up to two additional days of leave each year to employees so they can volunteer their time. Intern and alumni programme With support from an independent facilitator and involvement from employees across the business, the programme provides interns with an invaluable insight into Caledonia, the investment management industry and helps build skills for their future careers. Further details on our community activities can be found on pages 58 to 60.	Charitable giving The Foundation reports formally on its activities to the board each year. Intern and alumni programme Each year, one of our non-executive directors is invited to participate in an event in which our interns pitch their investment ideas at the end of their month long programme.	Charitable giving Numerous charities received varying levels of support over the year. Notable multi-year donations were provided to: - the Cornwall Community Foundation which seeks to improve the lives of individuals within Cornwall - the Maritime Volunteer Service to purchase equipment and to train its members in maritime, engineering, operations and communications skills. A donation was also provided to Horatio's Garden for the continued development of gardens in NHS spinal injury wards, which marked the end of the Foundation's multi-year commitment. Other notable donations included those to Joshua Orphan and Community Care, supporting community-driven sustainable projects in Malawi, and The Passage, a UK charity working to prevent and end street homelessness. Volunteering Employees support the Foundation, charities and other good causes by volunteering their time, alongside fundraising and participating in charitable events. Intern and alumni programme 12 successful candidates who aspire to have a career in investment management were offered places on our annual internship programme. - Our intern alumni programme helps to foster enduring relationships with our interns as they begin their careers and provides us with access to potential future talent and networks.



Suppliers

Why we engage	How we engage	How the board engages	Outcomes
We value long-term supplier relationships built on transparency, reliability and quality to support our investment activities.	We benefit from good relationships, often built over many years, with suppliers and advisers who share our values.	The board is informed on key supplier matters where relevant.	We operate clear payment practices to ensure fair and prompt payment for the goods and services we receive. We agree payment terms when contracting with suppliers and abide by them when we are satisfied that we have received the goods or services in accordance with the agreed terms and conditions. Whilst we are not a signatory of the UK Prompt Payment Code, we paid more than 82% of our supplier invoices within 30 days during the year, with 94% paid within 60 days.

Nomination Committee report

The Nomination Committee focuses on evaluating the directors, considering the skills and attributes needed for the long term. It identifies suitable board candidates and assists with succession planning.

Membership and attendance

The membership and attendance record of the Committee during the year was as follows:

	Meetings attended	Meetings eligible to attend
D C Stewart (Chair)	3	3
F A Buckley	3	3
Hon C W Cayzer	3	3
G B Davison	3	3
M A Farlow	3	3
C L Fitzalan Howard	3	3
L R Fordham	3	3
W P Wyatt	3	3

 Further information on the Nomination Committee's terms of reference



Responsibilities

The Committee is responsible for:

- regularly reviewing the structure, size and composition of the board, including its skills, knowledge, experience and diversity
- considering succession planning for directors and, if requested by the board, other senior executives
- identifying and recommending to the board candidates to fill board vacancies, using external search consultants where necessary
- keeping under review the leadership needs of the company, both executive and non-executive
- reviewing the time commitment required from non-executive directors, ensuring they receive formal letters of appointment that set out clearly the company's expectations.

Diversity and inclusion

Caledonia's policy is to appoint candidates to roles based on merit and against objective criteria. The Committee seeks to ensure that the board and its committees have a diverse mix of skills, experience, perspectives, opinion and knowledge, which facilitates discussion and debate to enable the successful delivery of the company's strategy. It remains committed to increasing diversity and inclusion over time.

Whilst Caledonia has not adopted any measurable diversity and inclusion objectives to date, external search consultants are required to put forward diverse candidates for new positions. The Committee continued to focus on achieving the board composition targets set by the FTSE Women Leaders Review, the Parker Review and the Listing Rules during the year.

Detailed gender and ethnicity diversity analysis in respect of the board, including progress against the targets set out in the Listing Rules, and Caledonia more broadly, is provided on page 61.

Company Chair

I was appointed to the board as an independent non-executive director in March 2015, before taking on the role of Chair in July 2017. The board, on the recommendation of the Committee, which was chaired by Guy Davison, Caledonia's Senior Independent Director, has further extended my tenure until no later than the company's annual general meeting in 2026, subject to my annual re-election by shareholders. This followed an initial extension of one year to July 2025 and has lengthened my anticipated service on the board by a little over two years. Whilst this is beyond the nine years recommended in Provision 19 of the UK Corporate Governance Code (the 'Code'), my tenure as company Chair will not exceed nine years. As previously reported, these extensions were considered appropriate following a period of notable board development which included the appointment of three new non-executive directors and two executive directors in the past three years. In considering the further extension of my tenure for a limited period, the Committee took into account the ongoing succession planning activity to identify a new Chair, which is being led by Guy, and the balance of skills and experience on the board.

Work of the Nomination Committee

The Committee met on three occasions during the year. Areas of focus included:

- consideration of the tenure, independence, balance of executive, non-executive and independent non-executive directors and the gender balance of the board, particularly against targets including those set by the FTSE Women Leaders Review, the Parker Review and the Listing Rules, together with the expectations set out in the Code
- consideration of a detailed skills, experience and diversity matrix, which sought to identify future recruitment priorities based on identified gaps, industry and stakeholder expectations and good practice
- consideration of the contributions and effectiveness of the non-executive directors seeking re-election at the 2024 annual general meeting, prior to giving recommendations to the board and shareholders for their re-election
- consideration of the company's internal succession plan over the short, medium and long term
- the renewal of Guy Davison's letter of appointment, extending his term of office to 2027.

Committee evaluation

The activities of the Committee were considered as part of an internal effectiveness review which is summarised on page 77. The board found that the Committee functioned well, with the appropriate balance of membership, skills and experience.

David Stewart

Chair of the Nomination Committee
19 May 2025



Audit and Risk Committee report

The Audit and Risk Committee plays a significant role in ensuring that the company’s financial statements are properly prepared and the system of controls that is in place is effective and appropriate to manage and mitigate risk.

Membership and attendance

The membership and attendance record of the Audit and Risk Committee during the year was as follows:

	Member since	Meetings attended	Meetings eligible to attend
L R Fordham (Chair)	January 2022	3	3
G B Davison	January 2018	3	3
M A Farlow	March 2022	3	3

 Further information on the Audit and Risk Committee’s terms of reference



Dear Shareholder

I am pleased to present the Audit and Risk Committee’s report once again.

The Committee’s responsibilities include:

- monitoring the integrity of the company’s financial statements and reviewing any significant financial reporting judgements they contain, together with associated company announcements
- reviewing the company’s systems of internal control
- considering Caledonia’s approach to risk, including strategy, risk appetite and the identification of principal and emerging risks, together with the monitoring, management and mitigation of such risks
- overseeing the relationship with the external auditor
- considering annually whether an internal audit function is required.

The Committee comprised exclusively of independent non-executive directors with significant financial and sector experience and met three times in the year ended 31 March 2025, in May and November 2024 and in March 2025. Since the year end, the Committee met again in May 2025 to consider matters relating to the 2025 annual report and financial statements.

The Chief Executive Officer, the Chief Financial Officer, the Company Secretary and members of Caledonia’s finance team attended all meetings, together with the company’s external auditor, BDO LLP (‘BDO’). From time to time, other board members and/or senior executives may also be invited to join all or part of a meeting. The Committee also held separate discussions with BDO’s audit partner without management participation where appropriate.

The areas of focus for the Committee during the year included:

- the valuation of unlisted assets
- the company’s financial reporting, together with BDO’s audit findings and viability and going concern reviews
- the company’s Task Force on Climate-related Financial Disclosures (‘TCFD’) reporting
- the development of Caledonia’s risk management framework
- the company’s risk dashboard and controls assurance reports.

In the year ahead, amongst the usual areas of focus, the Committee will continue to consider management’s proposed approach to the changes to audit, risk and internal control set out in the 2024 edition of the UK Corporate Governance Code (the ‘2024 Code’). It is intended that a declaration of the effectiveness of Caledonia’s material controls will be made in the 2027 annual report, as set out in the 2024 Code. Work to support this declaration is well progressed.

I would like to express my thanks to my colleagues on the Committee for their diligence over the past year. We will once again be available at this year’s annual general meeting to answer any questions on the work of the Committee.

Lynn Fordham
Chair of the Audit and Risk Committee
19 May 2025

Work of the Committee

The Committee undertook the following activities during the year¹:

Area of responsibility	Activity	Meetings considered at		
		May	Nov	Mar
Reporting	Reviewed draft results and annual report for the financial year ended 31 March 2024, including key accounting judgements, going concern and viability, and considered whether the report was fair, balanced and understandable	✓		
	Reviewed draft half-year results and reporting for the six months ended 30 September 2024, including key accounting judgements, going concern and viability		✓	
	Reviewed accounting standard amendments, together with likely impact (if any)	✓		✓
	Reviewed TCFD reporting for the year ended 31 March 2024	✓		
	Reviewed approach to TCFD reporting for the year ended 31 March 2025			✓
Valuations	Considered valuations of unlisted investments as at 31 March 2024 and 30 September 2024, including assessments undertaken by the Valuation Committee	✓	✓	
Internal control	Considered control environment reporting for companies within the Private Capital pool	✓	✓	
	Considered controls assurance reports for human resources, the Enterprise Resource Planning ('ERP') system and investment custody services		✓	
	Considered approach to identifying key controls and proposed assurance map			✓
Risk	Reviewed the company's investment and operational risk dashboards	✓	✓	✓
	Considered the company's investment risk report	✓	✓	
	Received a comprehensive update on cyber security, disaster recovery and information technology matters			✓
	Considered principal risks, risk appetite and developments to risk management framework	✓	✓	✓
External audit	Reviewed BDO's external audit report on the draft results and annual report for the financial year ended 31 March 2024, together with the management representation letter	✓		
	Considered BDO's review of the results for the six months ended 30 September 2024		✓	
	Approved BDO's fee proposals for the year ended 31 March 2025 and engagement letters		✓	
	Reviewed BDO's external audit plan and strategy			✓
	Considered the FRC's Audit Quality Inspection and Supervision Report in respect of BDO, together with the FRC's overview of the audit quality of the largest audit firms, and BDO's response to the FRC's findings		✓	
Internal audit	Considered the need for an internal audit function	✓		
Governance	Reviewed the Committee's terms of reference		✓	
	Reviewed and approved the policy for the provision of non-audit services by the independent auditor			✓
	Reviewed and approved the policy for external audit services procured by investee companies			✓
Other matters	Considered ongoing investment trust status compliance	✓		

1. Since March, the Committee considered matters regarding the year ended 31 March 2025, which included:

- considering valuations of unlisted investments, including assessments undertaken by the Valuation Committee
- reviewing the results and annual report, accounting judgements, going concern and viability and consideration of whether the annual report was fair, balanced and understandable
- reviewing BDO's external audit report on the results and annual report for the financial year ended 31 March 2025
- approval of this report.

Audit and Risk Committee report (continued)

Significant matters considered

Topic	Description of the matter	Committee considerations
Financial statements	The Committee reviewed the form and content of the 2025 annual report and financial statements, including TCFD reporting. In conducting its review, the Committee considered reports prepared by management and the external auditor. Management's reports provided an analytical review of the financial statements, comparing the current to prior year financial position and results, and detailed the judgements and sources of estimation uncertainty involved in applying the accounting policies to the financial statements. The Committee also noted that there were no new accounting standards applicable for the current year. In addition, the Committee reviewed reports prepared by management to support the going concern and viability statements and, as requested by the board, compliance with the annual report's 'fair, balanced and understandable' provisions of the 2018 edition of the UK Corporate Governance Code (the '2018 Code'). The Committee recommended approval of the 2025 annual report and financial statements to the board.	The significant issue the Committee considered in relation to the 2025 financial statements was the valuation of unlisted investments as described below.
Valuations of unlisted investments	The Committee recognises that unlisted investments in the Private Capital and Funds pools are a significant component of the company's assets and that their valuation is subject to considerable judgement and uncertainty. The Chair of the Committee also chairs meetings of the Valuation Committee, which scrutinises the valuation of unlisted investments, adherence to the company's valuation policy and consistency of valuation methodologies over time. Reporting is provided to the Committee on the assessments undertaken, including the quality of review and challenge.	The Committee, supported by the work of the Valuation Committee, was conscious that Funds pool valuations are based on the latest NAVs provided by the underlying managers, generally either based on 30 September 2024 or 31 December 2024 valuations, adjusted for cash movements (distributions and drawdowns). The Committee considered market movements since the last NAVs were provided, including those which occurred after the year end and the volatility caused by US global trade policy and tariff announcements. The Committee took comfort from management having considered all available sources of information and performed its own analysis, with the conclusion that market index movements prior to Caledonia's year end did not, in isolation, provide a compelling reason to adjust manager NAVs. The key inputs into the valuation of Private Capital businesses were considered, including the broad range of factors impacting market multiples utilised in the valuation process. An additional exercise conducted by management to consider the impact of US trade policy and tariffs on the portfolio companies, both from a direct and indirect perspective, concluded that, at the time of the assessment, the overall impact was expected to be minimal. This conclusion also provided comfort. BDO's audit partner attends Valuation Committee meetings, with other members of the Audit and Risk Committee invited to participate.
Going concern and viability	The directors are required to make a statement in the annual report as to going concern and Caledonia's longer-term viability. The Committee provides advice to the board on the form and content of this statement, including the underlying assumptions. The Committee evaluated a report from management setting out its view of Caledonia's longer-term viability and the content of the proposed going concern and viability statements. This report was based on the group's base case of forecast liquidity over three years to May 2028, developed from the corporate financial plan. In making this assessment, the directors took comfort from the results of two stress tests over the five-year period to 31 March 2030 that considered the potential impact of significant market downturn conditions. The first stress test addressed two discrete scenarios: a 5% reduction in the value of Sterling versus the US dollar compared to the rate on 31 March 2025 and a 12-month delay to Private Capital pool realisations. The second stress test modelled a market downturn event over a two-year period reflecting: a fall in investment income from the Public Companies and Private Capital pools of 20% and 100% respectively, an inability to realise the Private Capital portfolio and a 50% reduction in distributions from the Funds pool. To simulate an extreme downside scenario, the impact of a market downturn event and all fund commitments falling due was also assessed. A three-year period was chosen given the group's long-term investment objective, the resilience demonstrated by the stress testing and the relatively low working capital requirements of the group.	Taking into account the assessment of the group's stress testing results, the Committee agreed to recommend the going concern and viability statements and three-year viability period to the board for approval. The outcome of this activity led the Committee to recommend to the board to make the statement on page 68.

Financial reporting

Fair, balanced and understandable statement

The Committee reviewed the draft annual report and, taken as a whole, considered it to be fair, balanced and understandable.

To assist in reaching this view, the Committee considered a report prepared by management highlighting the positive and negative statements it included to ensure that they fairly reflected the results for the year. The Committee recommended to the board that the statement of directors' responsibilities in respect of the annual report and the financial statements, set out on page 119, should be signed accordingly.

Assurance

The Committee obtains a range of assurance to provide comfort that the company's controls are providing adequate protection from risk. These include controls assurance reports from management. The Committee also receives input from the external auditor when evaluating the effectiveness of internal controls. Use is also made of external benchmarking and frameworks to provide additional assurance in certain areas of the company's operations. For example, the National Institute of Standards and Technology ('NIST') Cybersecurity Framework (CSF) 2.0 has been used to assess Caledonia's ability to prevent, detect and respond to cyber attacks and also to identify areas for improvement.

Internal control and risk management

The board of directors is responsible for the company's system of internal control and for reviewing its effectiveness. The system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Committee completed a review of the investment and operational risk dashboards prepared by management, identifying the principal business risks impacting the company, together with the mitigating controls in operation and actions identified for continuous improvement. Following the publication of the 2024 Code, the Committee also considered preparations to support the board's declaration of the effectiveness of the company's material controls in the 2027 annual report.

The Committee considered the effectiveness of the company's internal control environment and the structure in place to resolve identified weaknesses. It reviewed controls assurance reports on human resources, the ERP system and the investment custody services provided to Caledonia by its external custodian. The approach to governance and the control environment of investee companies within the Private Capital pool was also subject to review. Ongoing compliance with requirements for investment trust status was also considered.

A comprehensive update on cyber security, disaster recovery and information technology matters was once again provided to the Committee. This included:

- an overview of the cyber threat landscape
- an update on recent market incidents
- a summary of employee training and regular phishing simulations
- an explanation of Caledonia's maturity against the NIST Cybersecurity Framework
- technology improvements made during the year and the planned roadmap for further developments during the next 12 months and beyond
- the ongoing evolution of cyber resilience and disaster recovery preparedness.

Internal audit

As the company does not have an internal audit function, the Committee considers annually whether there is a need for one. The company is an investment trust and manages its non-consolidated subsidiaries as other private company investments, with each business operating its own risk management processes. The company closely monitors its control environment and those of its private company investments. Specialist external resources are also used when appropriate, for example in testing key cyber security controls. The Committee recommended to the board that an internal audit function was not required at the present time.

External auditor

External auditor	BDO LLP
Appointed	July 2021
Re-appointment	To be proposed at the 2025 annual general meeting
Lead partner	Peter Smith
Lead partner appointed	July 2021
Lead partner rotation	Following the conclusion of the audit for the year ending 31 March 2026

Audit and Risk Committee report (continued)

Audit effectiveness

Audit quality is reviewed continuously throughout the year by both the Chief Financial Officer and the Committee. The focus is centred on the following:

- the quality and seniority of the external auditor's staff
- the use of specialist staff in areas including the valuation of unlisted assets and pensions
- the appropriateness of the planned audit methodology as applied to Caledonia's business activity
- the level of challenge on key areas of judgement and professional scepticism displayed, together with the quality of reporting to the Committee
- the quality of delivery, including achieving key audit project milestones and reporting to the Committee.

The following series of indicators have been established to assess BDO's audit quality:

- FRC quality inspections results, when available
- the percentage of hours of continuity across the engagement team
- partner and manager hours, including independent partner reviews, as a percentage of the total hours on the engagement
- hours of specialist time
- percentage of hours spent ahead of year end compared to those planned
- percentage of key milestones achieved.

During the year, the Committee considered the FRC's Audit Quality Inspection and Supervision Report of BDO, published in July 2024, and sought assurance from the audit partner regarding BDO's response to the FRC's findings. In particular, the Committee sought comfort that BDO's increased market share had not negatively impacted audit quality, the changes made to processes in light of the FRC's report and what impact these may have on recruitment and staff morale. Regular updates on the progress of BDO's response have been sought by the Committee.

The Committee considered the following situations where the auditors had challenged management's assumptions, including:

- the valuation of unquoted investments, specifically the valuation of Private Capital and Fund investments and the risk posed by stale pricing, including the risk of management override of controls
- the valuation of defined benefit pension scheme assets and liabilities, including an expert review.

Independence, objectivity and non-audit work

To safeguard the auditor's independence and objectivity, the Committee maintains a schedule of specific non-audit activities which may not be undertaken by the external auditor, within the broad principles that the external auditor should not audit its own work, should not make management decisions on behalf of the company, should not be put into the role of advocate for the company and that no mutuality of interest should be created between the company and the external auditor. As a result of the rigorous review by the Committee on non-audit services carried out by BDO, reliance on the auditor's internal independence controls is limited.

The Committee has in place a policy for the provision of non-audit services, meeting the requirements of the FRC's Revised Ethical Standard 2024, which was last reviewed in March 2025. Certain non-audit services are prohibited. Permitted services are subject to approval by the Chief Financial Officer and the Committee. Total fees payable for non-audit work carried out by the company's auditor are subject to limits.

The lead audit partner is required to rotate every five years and other key audit engagement partners every seven years. The lead audit partner will therefore be replaced following the conclusion of the audit for the year ending 31 March 2026. No contractual obligations restrict the Committee's choice of external auditor.

For the financial year ended 31 March 2025, the total fees for non-audit services were £114,900, 25% of the total audit fees (2024: £188,500, 18%). For 2025, non-audit fees represented 14% of the average audit fees paid in the previous three financial years and were solely related to BDO's independent review of the company's half-year report. For 2024, the majority of non-audit fees were related to BDO's independent review of the company's half-year report and the balance was incurred by Seven Investment Management, a former investee company, in connection with CASS assurance activities. These services were closely related to the work performance by BDO during the audit or required by law or regulation. Analysis is provided in note 2 to the financial statements on page 139.

During the year, BDO provided non-audit services to associated company Stonehage Fleming. As the company does not control Stonehage Fleming, the Committee has limited oversight over the fees incurred. However, BDO confirmed that appropriate safeguards are in place and an assessment to possible threats to independence from non-controlled affiliates was performed.

The Committee concluded that BDO remains independent and objective, and that the level of non-audit to audit fees remains acceptable.

Key audit matters raised by the external auditor

The following key audit matters were raised by the external auditor:

- valuation of unquoted Private Capital investments
- valuation of Fund investments.

Areas reviewed by the external auditor at the Committee's request

The Committee did not request any specific areas for review by BDO beyond the normal cycle of audit activity.

Private meetings

During the year, the Chair of the Committee met separately and privately with the Chief Financial Officer and BDO. The Committee also met BDO without management present.

Committee evaluation

The activities of the Committee were considered as part of an internal effectiveness review which is summarised on page 77. The board found that the Committee functioned well, with the appropriate balance of membership, skills and experience.

Statement of compliance

This report has been prepared in compliance with the Competition and Markets Authority 2014 Order on statutory audit services for large companies.

Lynn Fordham

Chair of the Audit and Risk Committee
19 May 2025



Governance Committee report

The Governance Committee monitors and reviews the ability of each director to act in the interests of shareholders as a whole and to exercise independence of judgement.

Membership and attendance

The membership and attendance record of the Committee during the year was as follows:

	Meetings attended	Meetings eligible to attend
G B Davison (Chair)	5	5
F A Buckley	5	5
M A Farlow	5	5
C L Fitzalan Howard	5	5
L R Fordham	5	5

 Further information on the Governance Committee's terms of reference



Responsibilities

The Committee is responsible for:

- keeping under review corporate governance matters relating to the company
- monitoring and reviewing the company's compliance with the Listing Rules relating to companies with controlling shareholders
- considering the ability of each director to act in the interests of shareholders as a whole and to exercise independence of judgement free from relationships or circumstances that are likely to, or could appear to, affect their judgement
- reviewing actual or potential conflict situations relating to directors, which may require the prior authorisation of the board under the Companies Act 2006, and making recommendations to the board as to whether such situations should be authorised and, if so, whether any conditions, such as duration or scope, should be attached
- an annual review of all actual or potential conflict situations previously authorised by the board to ensure they remain appropriate
- making recommendations to the board in circumstances where it believes that a director may be subject to a conflict of interest that may prejudice their ability to exercise independence of judgement, including that the director abstains from participating in any decision of the board or any of its committees on the matter concerned.

Work of the Committee

The Committee met five times during the year. Particular focus was given to the governance related matters arising from the company seeking from independent shareholders an uncapped waiver of the mandatory offer provisions set out in Rule 9 of The City Code on Takeovers and Mergers in relation to the Cayzer family concert party ('Cayzer Concert Party'). These provisions concerned the obligation that could arise on the Cayzer Concert Party to make a general offer for the entire issued share capital of the company as a result of purchases by the company of ordinary shares. This included, for example, receiving updates on consultation and engagement with independent shareholders, considering the implications for the company and the independent shareholders of seeking the waiver and undertaking a comprehensive review, and associated negotiations of a new relationship agreement between the company and The Cayzer Trust Company Limited ('Cayzer Trust'), as described on page 78, with the support of our advisers. This agreement was subsequently recommended to the board for approval.

Other principal matters considered by the Committee included:

- the review and approval of the Corporate governance and Governance Committee reports for the year ended 31 March 2024
- the influence of the Cayzer Concert Party on Caledonia's board and whether it was in the general interest of the non-Cayzer Concert Party shareholders, with the conclusion that it was
- considering potential governance related matters emerging from succession planning for the company's Chair
- the review and approval, on behalf of the board, of statements of compliance with the independence provisions of the Listing Rules relating to listed companies with controlling shareholders
- the review of potential conflict situations notified by directors in accordance with the Companies Act 2006 and the making of recommendations to the board in relation thereto
- proposed changes to the UK Corporate Governance Code and Listing Rules.

Committee evaluation

The activities of the Committee were considered as part of an internal effectiveness review which is summarised on page 77. The board found that the Committee functioned well, with the appropriate balance of membership, skills and experience.

Guy Davison

Chair of the Governance Committee

19 May 2025



Directors’ remuneration report

Annual statement by the Chair of the Remuneration Committee

The Remuneration Committee ensures that remuneration arrangements remain closely aligned to Caledonia’s business model and strategy, the ultimate aim of which is to generate long-term compounding real returns that outperform inflation over the medium to long term, and the FTSE All-Share index over 10 years.

Membership and attendance

The membership and attendance record of the Remuneration Committee during the year was as follows:

	Member since	Meetings attended	Meetings eligible to attend
M A Farlow (Chair)	March 2022	3	3
F A Buckley	March 2023	3	3
C L Fitzalan Howard	July 2019	3	3
D C Stewart	July 2015	3	3

 Further information on the Remuneration Committee’s terms of reference



The Companies Act 2006 requires the company’s auditor to report to the shareholders on certain parts of the Directors’ remuneration report and to state whether, in its opinion, those parts of the report have been properly prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The parts of the Annual report on directors’ remuneration that have been audited are indicated in the report. The Annual statement by the Chair of the Remuneration Committee and the Remuneration policy are not subject to audit.

Dear Shareholder

On behalf of the board, I am pleased to introduce Caledonia’s Directors’ remuneration report for the year ended 31 March 2025.

Remuneration policy

Our remuneration policy was approved by shareholders at the 2023 annual general meeting by a majority of almost 99%, following consultation with the company’s largest shareholders. The principal elements of this policy are reproduced on pages 99 to 104 for ease of reference. During the year, the policy operated as intended with respect to company performance, pay structure and quantum. No changes to the policy are proposed this year.

Our remuneration policy is designed to align the remuneration of Caledonia’s leadership team with the experience of our shareholders through the measurement of NAVTR growth and exposure to share price performance and dividends. The policy therefore includes equity-based remuneration in the form of deferral of bonus into shares, long-term performance share scheme awards and shareholding requirements. The Committee aims to ensure that the overall quantum and structure of pay are competitive, but not excessive. Remuneration is linked to the company’s long-term strategy and performance and the policy seeks to motivate Caledonia’s leadership team to generate sustainable long-term returns. The Committee believes that the current policy aligns the interests of the company’s leadership with those of shareholders. For example, Mat Masters, our Chief Executive Officer, holds around eleven times his basic salary in the company’s equity via Performance Share Plan awards, mandatory bonus deferral and compliance with our shareholding requirements.

The Committee continues to keep abreast of developments impacting executive pay including, for example, the new UK Corporate Governance Code published by the Financial Reporting Council in January 2024. Small adjustments were made in the year to ensure that the company will comply in full in the current financial year. This included the approval of a new, standalone malus and clawback policy, covering all of the company’s discretionary share plans.

Caledonia has a small number of employees based in a single office. This enables the Committee to set the remuneration of both executive directors and senior management in context. Regular reporting provides us with wide-ranging data, including employee attrition rates, promotion decisions and training and development, together with gender pay gap analysis to ensure Caledonia maintains equal pay for work of equal value.

Notwithstanding that Caledonia is not legally required to do so, we have once again reported pay ratio information in relation to the Chief Executive Officer, in accordance with The Companies (Miscellaneous Reporting) Regulations 2018. This information is set out on page 113.

Remuneration for the year ended 31 March 2025

The Annual report on directors’ remuneration set out on pages 105 to 114 describes in detail how our remuneration policy has been applied for the year ended 31 March 2025. It is also summarised in Remuneration at a glance on page 98. However, I would like to highlight the following points.

Annual bonus

Half of the bonus for Mat Masters and Rob Memmott was determined by reference to company performance and half subject to the delivery of individual performance objectives. For Jamie Cayzer-Colvin, who has specific responsibility for the Funds pool, 25% of his bonus was determined by reference to company performance, 25% to his pool's performance, 35% to his pool's objectives and 15% to individual performance objectives.

For the 2025 financial year, the company performance element of the annual bonus was assessed by reference to the relative performance of the company's NAVTR against inflation, which for bonus purposes was taken as 3%, or actual inflation if greater, with a 10% pay-out if the company's NAVTR matched inflation, increasing incrementally to the maximum entitlement payable if outperformance of 7% or more was achieved. As described in the remuneration policy, the phased transition from the Retail Prices Index ('RPI') to the Consumer Prices Index including owner occupiers' housing costs ('CPIH') as the measure of inflation for bonus purposes over the three year policy period has continued, weighted 50:50 on RPI:CPIH for the year ended 31 March 2025.

Caledonia delivered NAVTR for the year of 3.3%, matching the increase in inflation (for bonus purposes) of 3.3%, resulting in a payment of 10% for this element. The Funds pool achieved a total return over the year on a constant currency basis of 4.6% which, for Jamie, resulted in no payment for this element. The Committee considered the formulaic outcome to be appropriate and that no exercise of discretion was necessary. After assessing their individual performance and, for Jamie, the attainment of pool objectives, the Committee awarded overall bonuses to Mat and Rob of 55% of basic salary and 52.5% of basic salary to Jamie.

Performance share scheme awards

The remaining two-thirds of the performance share scheme awards granted in 2020 (measured over five years) and the first one-third of the awards granted in 2022 (measured over three years) reached the end of their performance periods in March this year. In each case, the awards were measured by reference to Caledonia's annualised NAVTR over the relevant periods, which was 13.5% for the 2020 awards and 5.4% for the 2022 awards. This led to full vesting of this portion of Mat Masters' and Jamie Cayzer-Colvin's 2020 awards and partial vesting of the 2022 awards.

Mat was previously Head of the Capital portfolio before taking on broader responsibility for the Income strategy in 2019 and his appointment as Chief Executive Officer in 2022. The Capital portfolio's annualised total return (relevant for 53.3% of his 2020 award) was 13.1% (excluding Polar Capital) and the Income portfolio's annualised return (relevant for 26.7% of his 2020 award) was 8.5%. This meant that this portion of his 2020 awards vested in full. The Funds pool's annualised total return, relevant for 60% of Jamie's 2020 and 2022 awards, was 18% and 5.7% respectively, which resulted in this element of his 2020 awards vesting in full and was below the return needed for any of this element of his 2022 awards to vest.

The Committee once again conducted analysis before concluding that no windfall gains have arisen in connection with the vesting of the performance share scheme awards granted in 2020 and 2022. Further analysis is set out on page 106.

The details of the vesting scales for these awards can be found on page 106. The Committee considers that these performance outcomes are appropriate.

The remaining two-thirds of the 2022 performance share scheme awards will be tested in March 2027 at the end of the five-year performance period.

Remuneration for the year ending 31 March 2026

Looking ahead to the 2026 financial year, the basic salaries of Rob Memmott and Jamie Cayzer-Colvin have been increased with effect from 1 April 2025 by 3.5%, broadly in line with inflation, which was the same standard increase applied to the company's other employees.

Mat Masters' basic salary has been increased with effect from 1 April 2025 by 6.8% to £525,000 to recognise progression in his role since appointment as Chief Executive Officer in 2022 and the successful delivery of several strategic initiatives. The Committee also took into account, amongst other factors, the higher salary of Mat's predecessor in the role which, at £540,000, had been unchanged since 2019.

The non-executive director basic fee has been increased by 3.1%. No changes have been made to the fees paid to the chairs and members of the Audit and Risk and Remuneration Committees or to the fee paid to the company's Chair.

We plan to grant performance share scheme awards to the executive directors following the release of our 2025 full-year results in line with our normal grant cycle. These awards will be subject to the same performance measures used for the awards made during 2024, which are summarised in the notes to the remuneration policy table on page 101.

In the coming year, the Remuneration Committee will be undertaking the triennial review of the remuneration policy in preparation for seeking shareholder approval for a revised policy at the 2026 annual general meeting.

The Committee has sought to address each of the following six factors set out in the UK Corporate Governance Code when determining remuneration policy and practice:

Clarity – our policy is understood by directors and senior management and has been clearly articulated to shareholders and investor bodies.

Simplicity – we believe the current remuneration structure is simple and have sought to avoid complex structures which may have the potential to deliver unintended outcomes.

Risk – our policy and approach to target setting seeks to discourage inappropriate risk-taking. We have also embedded malus and clawback provisions where appropriate.

Predictability – incentive arrangements are clearly set out and are subject to individual participation caps.

Proportionality – there is a clear link between the outcome of individual awards, delivery of Caledonia's strategy and long-term performance.

Alignment to culture – pay and policies are cascaded to Caledonia employees and are consistent with Caledonia's purpose, values and strategy.

Directors' remuneration report (continued)

Annual statement by the Chair of the Remuneration Committee

Share Incentive Plan

Following shareholder approval at last year's annual general meeting, our all-employee Share Incentive Plan will be launched during the 2026 financial year. The Share Incentive Plan is an HMRC approved plan and will offer all employees, irrespective of seniority, the opportunity to build up a tax-efficient equity stake in the company. This is in line with our long-term approach and will further encourage a share ownership culture amongst employees.

Committee evaluation

The activities of the Committee were considered as part of an internal effectiveness review which is summarised on page 77. The board found that the Committee functioned well, with the appropriate balance of membership, skills and experience.

Finally, I would like to take this opportunity once again to thank my colleagues on the Committee for their continued diligence and support over the past year.

Anne Farlow

Chair of the Remuneration Committee
19 May 2025

Remuneration at a glance

Element	Year 1	Year 2	Year 3	Year 4	Year 5	Year 5+	Application in the year ended 31 March 2025	Application in the year ending 31 March 2026
Salary							Salary Mat Masters: £491,500 Rob Memmott: £437,000 Jamie Cayzer-Colvin: £400,500	Salary Mat Masters: £525,000 Rob Memmott: £452,300 Jamie Cayzer-Colvin: £414,600
Pension							Pension entitlement 15% of salary	
Other benefits							Other benefits Family private medical insurance, death-in-service insurance, permanent health insurance Directors' and officers' liability insurance Mat Masters and Jamie Cayzer-Colvin: a legacy cash allowance in lieu of a company car	
Bonus Malus and clawback provisions apply							Annual bonus Mat Masters: £270,325 Rob Memmott: £240,350 Jamie Cayzer-Colvin: £210,263	Annual bonus Maximum bonus potential: 100% of salary
Performance share scheme Malus and clawback provisions apply							PSS award 150% of salary Mat Masters: 21,620 shares Rob Memmott: 19,223 shares Jamie Cayzer-Colvin: 17,617 shares	PSS award 150% of salary
Shareholding requirement							Shareholding requirement Mat Masters: 200% of salary Rob Memmott and Jamie Cayzer-Colvin: 150% of salary	

Directors' remuneration report

Remuneration policy

Introduction

Set out below are the material elements of the directors' remuneration policy approved by shareholders at the annual general meeting held on 19 July 2023. This policy came into effect from that date and will apply until a revised remuneration policy is approved by shareholders, which it is expected will be proposed at the annual general meeting in 2026.

Implementation of the policy

There have been no changes to the current policy since its implementation and the extracts included below are for information only and to provide context for the 2025 Annual report on directors' remuneration which follows. Executive directors' service contract information has been updated.

The full directors' remuneration policy is contained on pages 75 to 82 of the company's 2023 annual report, which is available in the 'Results & reports' section of Caledonia's website at www.caledonia.com.

Under the current statutory regime, a company may make a remuneration payment to a director or a payment for loss of office only if it is consistent with the most recently approved remuneration policy or, if not, an amendment to the policy to allow the payment must be separately approved by shareholders. The Remuneration Committee considers that an effective remuneration policy needs to be sufficiently flexible to take account of future changes in the company's business environment, and in remuneration practice generally. In framing its policy, the Remuneration Committee has therefore sought to combine a level of breadth and flexibility to enable it to react to changed circumstances without the need for a specific shareholder approval, whilst at the same time incorporating sufficient detail and transparency to enable shareholders to understand how it will operate in different scenarios and feel comfortable that payments made under it are justified.

Components of remuneration where the Remuneration Committee wishes to retain a level of discretion are identified in the relevant sections of the policy. The Remuneration Committee may also make minor amendments to the remuneration policy to aid its operation or implementation without seeking shareholder approval, for example to take account of a change in legislation or for regulatory, exchange control, tax or administrative purposes, provided that any such change is not to the material advantage of the directors.

Remuneration structure

Executive directors

The table below sets out Caledonia's policy in relation to each component of executive director remuneration, with further explanations in the notes that follow.

Salary (fixed pay)

Purpose and link to strategic objectives	To support the recruitment and retention of executive directors of the calibre required to manage and grow the company successfully.
Operation	Reviewed annually.
Opportunity and recovery or withholding provisions	Salary increases are normally awarded by reference to any increase in the salaries of other Caledonia staff/the cost of living, but may take into account other factors such as external market positioning, change in the scope of the individual's responsibilities or level of experience, development in the role and levels of pay elsewhere in the company. Normally year on year increases in basic salaries will not exceed inflation by more than 5%, other than where there is a significant change in role or responsibilities or in such other circumstances as the Remuneration Committee may determine. No recovery or withholding provisions.
Performance measurement framework	Not applicable.

Legacy arrangements

The policy is essentially forward-looking in nature. In view of the long-term nature of the company's remuneration structures — including obligations under service contracts, pension arrangements and incentive schemes — a substantial number of pre-existing obligations will remain outstanding at the time that the new policy is approved, including obligations that are 'grandfathered' by virtue of being in force prior to the introduction of the binding remuneration policy regime in the UK on 27 June 2012 or which were incurred under the previous remuneration policies approved by shareholders. It is the company's policy to honour in full any pre-existing obligations that have been entered into prior to the effective date of this policy.

Objectives

The key objectives of the Remuneration Committee in setting the company's remuneration policy are as follows:

- remuneration of executive directors should be linked to the company's long-term performance and its business strategy
- performance-related remuneration should seek to align the interests of executive directors with those of the shareholders
- a significant proportion of executive directors' remuneration should be linked to the performance of the company and receivable only if demanding performance targets are achieved
- remuneration packages for executive directors should be competitive, but not excessive, in terms of market practice, in order to attract, retain and motivate executive directors of the quality needed to manage and grow the company successfully.

Directors' remuneration report (continued)

Remuneration policy

Benefits (fixed pay)

Purpose and link to strategic objectives	To provide a range of benefits alongside basic salary to recruit and retain high calibre executive directors.
Operation	Executive directors are provided with family private medical insurance cover, death-in-service insurance, and permanent health insurance and, in the case of Mr Masters and Mr Cayzer-Colvin, a legacy cash allowance in lieu of a company car. They are also entitled to receive minor benefits that are available to other Caledonia staff. The executive directors are also covered by the company's directors' and officers' liability insurance policy and have the benefit of an indemnity under the company's articles of association. Where there is a valid business reason for doing so, the company may pay for the cost of spouses or partners accompanying directors on business trips and reimburse directors for hotel accommodation and travel expenses (including payment of any tax thereon). Executive directors are also eligible to receive other minor benefits and expenses payments (again including payment of any tax thereon). Executive directors will be eligible to participate in any all-employee share schemes of the company on the same basis as other employees.
Opportunity and recovery or withholding provisions	A taxable benefits package that is competitive with the marketplace. The value of taxable benefits provided, other than ad hoc items incurred in connection with Caledonia's business that may be deemed taxable benefits such as travel and other expenses, will not in aggregate exceed 10% of basic salary. No recovery or withholding provisions.
Performance measurement framework	Not applicable.

Short-term incentives (variable pay)

Purpose and link to strategic objectives	To reward performance on an annual basis against key financial, operational and individual objectives.
Operation	Discretionary annual bonus scheme and deferred bonus plan under which a proportion of bonus may be compulsorily deferred into shares. Bonus is not pensionable.
Opportunity and recovery or withholding provisions	The maximum potential bonus is 100% of basic salary. Any bonus over 50% of basic salary is compulsorily deferred into shares for a period of three years. Participants will also receive an amount or additional number of shares equal to the value of the dividends that would have accrued on the deferred shares. All bonus payments are subject to the overriding discretion of the Remuneration Committee, which also retains discretion to amend the proportions of bonus subject to compulsory deferral or not to require any deferral in exceptional circumstances. In order to be entitled to an annual bonus, an executive director must normally be in the group's employment and not under notice of termination (either given or received) at the time the bonus is paid. The Remuneration Committee has the right to cancel or reduce any cash bonus or deferred bonus shares granted after the effective date of this policy which have not yet been paid or vested. The Remuneration Committee also has the right to recover all or part of cash bonus paid or deferred bonus shares and dividend shares or equivalent amounts awarded after 29 July 2020 within the two years following date of payment or vesting as applicable.
Performance measurement framework	By reference to a combination of company performance against external benchmarks and individual performance against personal objectives. Executive directors with responsibility for pools of capital will have a proportion of bonus determined by reference to pool performance and objectives.

Long-term incentives (variable pay)

Purpose and link to strategic objectives	To motivate executive directors to deliver long-term shareholder value, thereby aligning the interests of management with those of shareholders. To encourage long-term retention of key executives.
Operation	A performance share scheme under which participants are granted awards (normally in the form of nil-cost options) over the company's shares.
Opportunity and recovery or withholding provisions	The maximum value of awards that may be granted in any year is 200% of basic salary, although the company's current intention is to grant annual awards of no more than 150% of basic salary. Participants will also receive an amount or additional number of shares equal to the value of the dividends that would have accrued on the shares awarded. Performance is measured over three years for one-third of awards which is subject to a post-vesting holding period, on an after-tax basis, of two years. The remaining two-thirds of awards is subject to performance over five years, with no post-vesting holding requirement. The Remuneration Committee has the right to cancel or reduce long-term incentive awards which have not yet vested. The Remuneration Committee also has the right to recover all or part of the value of long-term incentive awards and dividend equivalents received within two years of the date that such awards vested and became exercisable.
Performance measurement framework	For executive directors who are not directly responsible for a pool of capital, awards under the performance share scheme are subject to the performance of the company's annualised diluted net asset value per share total return ('NAVTR') measured over three or five years. For executive directors directly responsible for a pool of capital, the awards are subject to a combination of the performance of the company's annualised NAVTR as above and the annualised total returns achieved by the relevant pool for which he or she is responsible, again measured over three or five years. The rules of the scheme provide discretion to the Remuneration Committee to amend the performance targets or impose different performance targets and to determine the appropriate proportion of any award subject to each performance measure.

Pension related benefits (fixed pay)

Purpose and link to strategic objectives	To provide a means of retirement saving as part of a range of benefits alongside basic salary to recruit and retain high calibre executive directors.
Operation	Executive directors are offered defined contribution funding, based on a percentage of salary, to a personal pension scheme or a cash salary supplement (or a combination of both) at their choice.
Opportunity and recovery or withholding provisions	Executive directors receive the same percentage of basic salary as a pension contribution as all Caledonia's staff, currently 15%. If a director chooses to take a cash supplement in lieu of some or all of their pension entitlement, the payment is reduced by such amount as is necessary to make the cash supplement cost neutral for the company after taking into account National Insurance contributions. No recovery or withholding provisions.
Performance measurement framework	Not applicable.

Notes to the policy table

1. Performance measures and targets

Annual bonus

For the Chief Executive Officer and the Chief Financial Officer, a maximum of 50% of bonus is determined by reference to company performance and 50% by reference to individual performance objectives. For executive directors responsible for a specific pool of capital, 25% of bonus is determined by reference to the company's performance, 25% to pool performance, 35% to pool objectives and 15% to individual performance objectives. In all cases, the company performance element is determined by reference to the relative performance of the company's NAVTR against inflation. The inflation benchmark will transition from RPI to CPIH over the three-year policy period, weighted 67:33 on RPI:CPIH for the 2024 financial year, moving to 50:50 for 2025, 33:67 for 2026 and 100% on CPIH for 2027.

Inflation is taken as the higher of the weighted RPI/CPIH benchmark over the bonus year or 3%, being broadly in line with its historic long-term average. Bonus payments for this element currently commence with a 10% pay-out if NAVTR matches the inflation benchmark, increasing incrementally to the maximum entitlement payable if outperformance of 7% or more is achieved. Pool performance is judged by the Remuneration Committee by reference to the return achieved by the pool against a set target return and by objectives such as deal flow and delivery of portfolio strategy. Individual performance is assessed by reference to personal objectives set at the start of the year, including non-financial measures such as risk management, environmental, social and governance matters, marketing of the company, team leadership and engagement, management skills and promotion of Caledonia's corporate culture and profile both internally and externally.

The Remuneration Committee retains discretion to amend or adopt alternative annual bonus targets and/or levels in future years in order to achieve better alignment with the company's strategic objectives.

Compulsory deferral of bonus

Deferred bonus plan

Shares subject to compulsory deferral will normally only vest if the director remains an employee of the Caledonia group for a three-year period commencing on the first day of the financial year in which the award is made.

Long-term incentive plans

Performance share scheme

One-third of awards granted will be measured over three years and two-thirds over five years. In all cases, shares that vest will become immediately exercisable/transferable and, if the award is structured to grant nil-cost options, will lapse if not exercised within ten years of grant.

Awards granted to the Chief Executive Officer and Chief Financial Officer will vest on a graduated basis, with vesting currently commencing at 10% on the achievement of an annualised NAVTR of 3%, rising incrementally to 100% vesting on achievement of an annualised NAVTR of 10%, measured over three and five years. For Mr Cayzer-Colvin, who is head of the Funds pool, 60% of his performance share scheme awards will be measured against the annualised total returns achieved by the Funds pool, measured over three and five years. Awards will similarly vest on a graduated basis, with vesting commencing at 10% on achievement of an annualised Funds pool total return of 6%, rising incrementally to 100% vesting on achievement of an annualised total return of 13.5%. The remaining 40% of Mr Cayzer-Colvin's performance share scheme awards will be measured against Caledonia's annualised NAVTR as above.

Malus and clawback provisions

The Remuneration Committee has the right to cancel or reduce any cash bonus or deferred bonus shares granted which have not yet been paid or vested and long-term incentive awards which have not yet vested, in the event of a material misstatement of the company's financial results, miscalculation of a participant's entitlement, individual misconduct or an event resulting in material loss or reputational damage to the company or any member of the

group. The Remuneration Committee may, acting fairly and reasonably, reduce the level of vesting to take account of any matter which it considers appropriate including the broader performance of the company, the shareholder experience and the conduct of the participant.

The Remuneration Committee also has the right to recover all or part of cash bonus paid or deferred bonus shares and dividend shares or equivalent amounts awarded after 29 July 2020 within the two years following date of payment or vesting as applicable and the value of long-term incentive awards and dividend equivalents received within two years of the date that such awards vested and became exercisable, in the event of a material miscalculation of a participant's entitlement, a material misstatement or restatement of the company's financial results for the years to which the performance periods relate, or material personal misconduct that would justify summary dismissal, result in significant reputational damage to the company, have a material adverse effect on the company's financial position, or reflect a significant failure of the company's risk management or control.

Rationale for choice of performance measures for the short and long-term incentive plans

The Remuneration Committee has chosen NAVTR as the basis of performance measurement for the company for both its short-term and long-term incentive arrangements as it regards this as the best indicator of the success or failure of management decisions in terms of creating value for the company.

For the company performance element of the annual bonus scheme, the board has taken the view that benchmarking against a stock market index or indices over a short period is not relevant given Caledonia's long-term investment horizon and the nature of its portfolio. The Remuneration Committee has therefore instead chosen UK inflation, subject to a minimum of 3%, as the comparator, as on this basis executives will only be rewarded to the extent that they are able to deliver positive real returns for shareholders. The Remuneration Committee will review the rate of increase in UK inflation at the start of each financial year and may adjust the level of outperformance required for the incremental and maximum bonus payments in order to ensure that they remain a fair measure of performance.

For awards under the performance share scheme, the Remuneration Committee has chosen Caledonia's annualised NAVTR as the performance measurement, as it believes that this is the most effective method of aligning directors' rewards with the long-term strategic objective of the company of delivering annualised returns over rolling ten-year periods of between inflation +3% and inflation +6% over the medium and longer term. For Mr Cayzer-Colvin, the Remuneration Committee believes that a significant proportion of his variable pay should be weighted towards the annualised total return performance of the Funds pool of capital for which he is responsible and has therefore determined that 60% of his performance share scheme awards should be tested by reference to this.

The targets for each component of the long-term incentive plans have been set by the Remuneration Committee with the aim of delivering increasing reward for greater outperformance. The Remuneration Committee keeps these under review and may adjust the measures and levels at which incremental and maximum entitlements are earned in order to ensure that they remain sufficiently challenging and aligned with the company's strategy and key performance indicators.

2. How the remuneration policy for executive directors relates to remuneration of Caledonia group employees generally

Caledonia applies a similar reward philosophy for group employees. Executive directors' remuneration packages tend to be higher than those of other employees, but also include a higher proportion of variable pay.

Directors' remuneration report (continued)

Remuneration policy

Chair and non-executive directors

The table below sets out each component of the Chair's and the non-executive directors' remuneration and the approach taken by the company in relation thereto.

Component	Approach
Chair's and non-executive directors' fees	The Chair's fee is determined by the Remuneration Committee and the non-executive directors' fees are set by the board (excluding the non-executive directors). These are reviewed periodically taking into account the responsibilities and time commitments required and non-executive director fee levels generally. The Chair receives an annual fee, which includes their basic non-executive director's fee, but does not receive any other remuneration. Non-executive directors receive basic fees, which are subject to an aggregate annual limit for non-executive directors' ordinary remuneration contained in the articles of association, currently £600,000. In addition, special fees are paid to the chair and members of the Audit and Risk and Remuneration Committees and also for the role of Senior Independent Non-Executive Director and Chair of the Governance Committee. Additional fees may be payable for other additional board responsibilities and/or time commitment.
Additional fees payable for services to other group companies	Exceptionally, non-executive directors may receive fees in connection with subsidiary and investee companies for services provided to them. Fees for services provided to such companies are set and reviewed by the boards of those companies, but will not exceed £100,000 per annum in aggregate for any non-executive director.
Other benefits	The Chair and the non-executive directors are all covered under the company's directors' and officers' liability insurance policy and have the benefit of an indemnity under the company's articles of association. The Chair is also provided with an office and secretarial support. The company may, where appropriate, pay for the cost of spouses or partners accompanying non-executive directors on trips where there is a business reason for doing so and reimburse non-executive directors for hotel accommodation and travel expenses (in each case including payment of any tax thereon).

Remuneration policy for new appointments

Executive directors

In the case of the appointment of a new executive director, the Remuneration Committee would typically seek to align the remuneration package with the above remuneration policy.

The Remuneration Committee however retains the discretion to make special remuneration commitments on the appointment of a new executive director, including the use of awards made under Rule 9.3.2 of the UK Listing Rules (formerly Rule 9.4.2), if such were necessary to ensure the recruitment of a candidate. In doing so, the Remuneration Committee would take into consideration all relevant factors, including, but not limited to, overall quantum, type of remuneration offered and comparability with the packages of other Caledonia senior executives and the total variable pay would not exceed the maxima stated in the policy table for executive director remuneration above.

The Remuneration Committee may in addition make bonus commitments or share awards on the appointment of an external candidate to compensate for remuneration arrangements forfeited or foregone on leaving a previous employer, taking into account factors such as any performance conditions attached to these awards, the form in which they were granted, for example cash or shares, and the time over which they would have vested. The aim would be to ensure that replacement awards would be made on no greater than a comparable basis.

In order to attract and retain suitable executives, the Remuneration Committee retains discretion, in exceptional circumstances, to offer service contracts with up to an initial 24 month notice period, which then reduces to 12 months at the end of this initial period. If it considers it appropriate, the Remuneration Committee may also offer a lower salary initially, but with a series of increases to achieve the desired salary positioning over a period of time, as the individual develops into the role.

If a new appointment is the result of an internal promotion, the Remuneration Committee would expect to honour any pre-existing contractual arrangements or benefits package agreed with the relevant individual. In the event that a new director needs to relocate to take up the role, the Remuneration Committee may agree a reasonable relocation package and tax equalisation arrangements.

In recruiting any new executive director, the Remuneration Committee would apply the overall policy objective that executive directors' remuneration should be competitive, but not excessive. In the event that the Remuneration Committee determines that it is necessary for special commitments or sign-on arrangements to be offered to secure the recruitment of a new executive director, an explanation of why these are required and details thereof would be announced at the time of appointment.

Chair and non-executive directors

Terms for the appointment of any new Chair or non-executive director would also be determined by the Remuneration Committee or the board within the above remuneration policy.

Executive directors' service contracts and the Chair's and non-executive directors' letters of appointment

Executive directors

Executive directors have service contracts with Caledonia Group Services Ltd, a wholly-owned subsidiary of the company, details of which are summarised below:

	Date of contract	Notice period for company and director	Unexpired term
M S D Masters	15 May 2008	12 months	12 months
R W Memmott	22 May 2023	12 months	12 months
J M B Cayzer-Colvin	19 Apr 2005	12 months	12 months

If notice is served by either party, the director can continue to receive basic salary, benefits and pension payments for the duration of the notice period, during which time the company may require the individual to continue to fulfil their current duties or may assign a period of gardening leave. Alternatively, the company may, in its discretion, terminate the contract without notice and make a lump sum payment in lieu of notice. This lump sum would include an amount equivalent to the basic salary and benefits (based on a fixed percentage of salary specified in the service contract) for the unexpired period of notice to which the payment relates. Mr Masters' and Mr Cayzer-Colvin's service contracts provide that an amount equivalent to 80% of the average of the annual bonuses paid for the previous three financial years would also be included in the payment in lieu of notice. Mr Masters' and Mr Cayzer-Colvin's service contracts also include provisions whereby a liquidated sum is payable in the event of termination within one year following a change of control. The payment would be calculated on the same basis as a payment in lieu of notice, except that an amount equivalent to 100% of the average of the annual bonuses paid for the previous three financial years would be included.

Mr Memmott's service contract contains provisions whereby, as an alternative to the payment of a lump sum in lieu of notice, the company may elect to pay the equivalent amount in equal monthly instalments, such instalments to be reduced by 50% of one-twelfth of the basic salary in excess of £20,000 per annum that Mr Memmott receives from any alternative employment that he takes up during the notice period.

Executive directors' service contracts may be terminated without notice and without any further payment (other than in respect of amounts due at the date of termination) on the occurrence of certain events such as gross misconduct.

Chair and non-executive directors

The Chair and the non-executive directors do not have service contracts, but are appointed under letters of appointment, which provide for termination without notice or compensation.

Inspection

Executive directors' service contracts and the Chair's and non-executive directors' letters of appointment are available for inspection at the registered office of the company.

Policy on external non-executive directorships held by executive directors

It is the company's policy to allow executive directors to hold non-executive directorships unrelated to the company's business to broaden their commercial experience, provided that the time required is not material. Normally the company will retain any fees arising from such non-executive directorships, but may permit the executive director to retain fees on a case-by-case basis.

Policy on payments for loss of office

Executive directors

It is the policy of the company that, other than in exceptional circumstances on recruitment as stated above, no executive director should be offered a service contract that requires more than one year's notice of termination or which contains provision for predetermined compensation in excess of one year's total emoluments. In the event of a termination, the Remuneration Committee will consider a director's past performance and the circumstances of the departure in exercising any discretions relating to the arrangements for loss of office, including contractual obligations, prevailing best practice, the reason for the departure and any transition or handover required.

The termination provisions in executive directors' current service contracts are described above in the section on executive directors' service contracts. It is the Remuneration Committee's intention that all future executive directors' service contracts should include provisions enabling the company to reduce compensation payments in the event that the director takes up alternative employment within the notice period. However, if a new director is appointed internally, the Remuneration Committee would expect to honour any existing contractual arrangements agreed with the relevant individual before he or she becomes a director.

In applying the company's right to make a lump sum payment in lieu of notice, the Remuneration Committee would normally expect to prorate the lump sum for the unexpired period of notice to which the payment relates.

The company's annual bonus scheme provides that an employee must be in the group's employment and not under notice of termination (either given or received) in order to be entitled to receive a bonus for the relevant financial year. The Remuneration Committee would expect to apply this principle to executive director terminations, but retains discretion to make bonus payments on termination if it believes it appropriate to do so. If any bonus payment is made, the Remuneration Committee also retains discretion as to whether it will require any part of the bonus to be deferred into shares under the deferred bonus plan.

Directors' remuneration report (continued)

Remuneration policy

Executive directors would also be entitled under their service contracts to be paid on termination for any accrued, but untaken, holiday entitlement. The Remuneration Committee may, where it considers it appropriate in the circumstances, make payments for loss of statutory rights or waiver thereof and a contribution towards legal and outplacement fees. The Remuneration Committee may also make a payment to ensure that any restrictive covenants remain enforceable.

Where the director holds unvested awards under the company's long-term incentive schemes, the Remuneration Committee may exercise its discretions as to vesting in accordance with the relevant scheme rules. In good leaver circumstances, for example where cessation of employment is by reason of death, retirement, injury, disability, ill-health, redundancy, or such other reason as the Remuneration Committee may decide, the Remuneration Committee will normally determine the level of vesting based on the attainment of the performance targets, either at the time of cessation or at the normal test date if permitted by the scheme rules, but in the case of the former may decrease or increase the level of vesting if the Remuneration Committee considers that the targets would have been met to a lesser or greater extent at the end of the performance period. The number of shares that vest will normally be reduced to reflect the proportion of the performance period that the director was in employment, although the Remuneration Committee has discretion not to scale down the number of shares if it believes it appropriate in the circumstances. The Remuneration Committee has the discretion to assess good leaver treatment for participants should circumstances change after the date they leave but prior to vesting. Any holding period will continue to apply in respect of shares held by a leaver, unless otherwise determined by the Remuneration Committee.

Where the director holds unvested awards under the company's deferred bonus plan, the Remuneration Committee may exercise its discretion as to vesting in accordance with the relevant scheme rules. In good leaver circumstances, awards will vest on leaving employment.

Following termination, the company may continue insurance related benefits for the former employee until the end of the insurance policy period. The company's directors' and officers' liability insurance policy also provides for a six-year period of run-off cover for former directors. A director may remain in employment after ceasing to be a director for a limited period to allow time for an effective handover or for a successor to be appointed.

In the event of a change of control before the expiry of the performance measurement period of a long-term incentive award, the vesting level of the award will be determined by the Remuneration Committee based on the extent to which the Remuneration Committee considers that the performance targets have been achieved and vested shares will then be scaled down to reflect the shortened measurement period. The Remuneration Committee may modify such vesting levels if it considers that the performance target would be met to a greater or lesser degree at the testing date and/or if the application of time prorating would be inappropriate in the circumstances.

Chair and non-executive directors

The Chair and the non-executive directors have no entitlement to any compensation on termination of their appointments, although they would have the benefit of run-off cover under the directors' and officers' liability insurance policy as described above. However, in appropriate circumstances they may receive de minimis retirement gifts from the company.

Executive directors' minimum shareholding guidelines

In order to align the interests of executive directors with those of shareholders, the Remuneration Committee has adopted guidelines for minimum shareholdings, which executive directors will be expected to attain through the retention of all post-tax share awards vesting under the company's long-term incentive plans until the minimum shareholding is met. For these purposes, shareholdings include those of connected persons and also the value, net of any exercise costs, income tax and National Insurance contributions, of unexercised awards granted under its performance share scheme for which the performance targets have been met. Also included are bonuses deferred compulsorily under the company's deferred bonus plan, again net of income tax and National Insurance contributions.

In addition, executive directors are subject to a post-cessation shareholding requirement of two years, with the Committee retaining discretion to override this arrangement, for example, for regulatory reasons, on compassionate grounds or where an executive experiences financial hardship.

For the Chief Executive Officer, the minimum guideline shareholding has been set at 200% of basic salary and for other executive directors 150% of basic salary.

Directors' remuneration report

Annual report on directors' remuneration

The following report sets out details and explanations of remuneration paid to directors over the financial year ended 31 March 2025 and describes how Caledonia's remuneration policy will be implemented for the 2026 financial year.

Single total figure of remuneration for each director (audited)

Executive directors

The table below provides an analysis of total remuneration of each executive director for the financial year ended 31 March 2025 and a comparison with the previous financial year.

	M S D Masters		R W Memmott ^a		J M B Cayzer-Colvin		W P Wyatt ^b	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<i>Fixed remuneration and benefits</i>								
Salary	492	473	437	245	401	385	n/a	n/a
Taxable benefits ¹	19	25	10	4	28	29	n/a	n/a
Pension related benefits	66	63	58	32	53	51	n/a	n/a
Total fixed remuneration	576	561	505	281	481	465	n/a	n/a
<i>Variable remuneration</i>								
Short-term incentives ²	270	338	240	175	210	234	n/a	n/a
Long-term incentives ³	578	477	—	—	592	681	391	624
Total variable remuneration	848	815	240	175	802	915	391	624
Total	1,424	1,376	745	456	1,284	1,380	391	624

Due to rounding, individual columns do not necessarily add up to the total.

- a. Rob Memmott was appointed to the board as Chief Financial Officer on 1 September 2023.
- b. Will Wyatt ceased to be an executive director on 27 July 2022. The figures relating to long-term incentives reflect certain awards he retained from his employment. The fees he received as a non-executive director after that date are excluded from the table above and are shown in the table of non-executive director fees on page 107.

1. Taxable benefits

Taxable benefits principally comprised private medical insurance cover, a small Christmas supplement paid to all Caledonia's employees and business-related expense reimbursements deemed to be taxable by HMRC. The taxable benefits for Mat Masters and Jamie Cayzer-Colvin also included legacy cash allowances of £7,776 and £15,024 respectively in lieu of a company car.

In addition to taxable benefits, other non-taxable benefits were provided to executive directors, including death-in-service insurance (4x basic salary), permanent health and income protection insurance, directors' and officers' liability insurance and certain other benefits of minor value provided to all of Caledonia's employees.

2. Short-term incentives

Bonus metrics

For Mat Masters and Rob Memmott, a maximum of 50% of bonus was determined by reference to company performance and 50% by reference to individual performance objectives. For Jamie Cayzer-Colvin, who has specific responsibility for the Funds pool, 25% of his bonus was determined by reference to the company's performance, 25% to his pool's performance, 35% to his pool's objectives and 15% to individual performance objectives.

Company performance

For the 2025 financial year, the company performance element was determined by reference to the relative performance of the company's NAVTR against inflation, which for bonus purposes was taken as 3%, or actual inflation if greater (weighted 50:50 on RPI:CPIH), with bonus payments for this element commencing with a 10% pay-out if the company's NAVTR matched inflation, increasing incrementally to the maximum entitlement payable if outperformance of 7% or more was achieved. The company's NAVTR was 3.3% over the year against an increase in inflation (for bonus purposes) of 3.3%, giving a payment of 10% for this element.

Funds performance

Jamie Cayzer-Colvin's pool performance was assessed by reference to the return achieved by the Funds pool over the year on a constant currency basis, with payments commencing on achievement of a total return of 6%, rising to a maximum pay-out against a total return of 13.5%. The Funds pool's return over the year was 4.6%, giving no payment for this element.

Individual performance objectives

The Committee assessed performance against the individual objectives which included the following:

Name	Objective
M S D Masters	- Supporting evolution of Funds pool strategy - Provide leadership to investor relations strategy - Evaluation of share buy back programme
R W Memmott	- Oversight of finance team changes including onboarding of new team members - Implementation of improvements to the provision of systemised, integrated and strategically focused management information - Establishment of new Revolving Credit Facility arrangements - Planning and execution of the first in a series of "spotlight" events for investors and analysts - Continued development of investor relations capability and activity
J M B Cayzer-Colvin	- Supporting succession planning and team development - Supporting the integration of data management across company functions - Oversight of enhancement to Cayzer House facilities - Driving Caledonia's charitable activities and internship programme

The Committee decided to award the maximum bonus for individual performance for Mat Masters, Rob Memmott and Jamie Cayzer-Colvin.

Funds pool objectives

In assessing Jamie Cayzer-Colvin's achievement of his pool objectives, the Committee took account of:

- evolution of the Funds pool strategy
- assessment of secondary market opportunities
- development of collaboration in relation to data management across company functions
- engagement with general and limited partners
- development of portfolio management processes.

It was concluded that Jamie Cayzer-Colvin should be awarded a bonus of 35% of salary for attainment of pool objectives.

Directors' remuneration report

Annual report on directors' remuneration (continued)

Total bonuses

The total bonuses awarded to the executive directors for the year were therefore determined as follows:

	M S D Masters		R W Memmott		J M B Cayzer-Colvin	
	Award %	Max %	Award %	Max %	Award %	Max %
Performance						
Company	5	50	5	50	2.5	25
Pool	n/a	n/a	n/a	n/a	–	25
Objectives						
Pool	n/a	n/a	n/a	n/a	35	35
Individual	50	50	50	50	15	15
Total	55	100	55	100	52.5	100

In accordance with the company's remuneration policy, the following amounts included in the short-term incentives row for 2025 will be compulsorily deferred via the deferred bonus plan for a period of three years in the form of nil-cost options:

	M S D Masters		R W Memmott		J M B Cayzer-Colvin	
	2025 £,000	2024 £,000	2025 £,000	2024 £,000	2025 £,000	2024 £,000
Compulsorily deferred	25	102	22	–	10	41
Cash	246	236	219	175	200	193
Total ^a	270	338	240	175	210	234

a. Due to rounding, individual columns do not necessarily add up to the total.

3. Long-term incentives

The long-term incentive awards for which performance measurement periods ended during the year were two-thirds of the awards granted in 2020 under the performance share scheme and one-third of the awards granted under that scheme in 2022. All such awards were nil-cost options. The performance measures and outturn following testing for the awards made to the executive directors were:

	Year of award	Performance measure	% of award	Performance outturn %	% vested
M S D Masters	2020	NAVTR ^a	20	13.5	100
		Capital portfolio TR ^b	53.3	13.1	100
		Income portfolio TR ^c	26.7	8.5	100
	2022	NAVTR ^a	100	5.4	48
W P Wyatt	2020	NAVTR ^a	100	13.5	100
J M B Cayzer-Colvin	2020	NAVTR ^a	40	13.5	100
		Funds pool TR ^d	60	18.0	100
	2022	NAVTR ^a	40	5.4	48
		Funds pool TR ^d	60	5.7	–

- Vesting on a graduated basis, commencing at 10% on achievement of an annualised NAVTR of 3%, rising incrementally to 100% vesting on an annualised NAVTR of 10% over five years for the 2020 awards and over three years for the 2022 awards.
- Vesting on a graduated basis, commencing at 10% on achievement of an annualised total return of 4%, rising incrementally to 100% vesting on achievement of an annualised total return of 11% over five years for the 2020 awards. The performance metric excluded Polar Capital which, if included, increased the outturn for the 2020 awards to 13.2%.
- Vesting on a graduated basis, commencing at 10% on achievement of an annualised total return of 3.5%, rising incrementally to 100% vesting on achievement of an annualised total return of 7% over three years.
- Vesting on a graduated vesting basis, commencing at 10% on achievement of an annualised total return of 6%, rising incrementally to 100% vesting on achievement of an annualised total return of 13.5% over five years for the 2020 awards and over three years for the 2022 awards. The performance metric for the 2020 and 2022 awards was measured on a constant currency basis (17.1% and 5.8% respectively on a Sterling basis).

The remaining two-thirds of the awards granted in 2020 will vest on 4 August 2025. The first one-third of the awards granted in 2022 will vest on 30 May 2025 and will be subject to a post-vesting holding period of two years. The values, as reflected in the 2025 long-term incentives row above, are calculated using the three-month average share price to 31 March 2025 of 3737.23p, together with the value of dividends that will have accrued on the shares at vesting. The overall value of the long-term incentives shown in the table above are therefore analysed as follows:

	Estimated value of long-term incentive awards at vesting £	Value of dividend equivalents at vesting £	Estimated total at vesting ^a £
M S D Masters	511,365	66,465	577,831
J M B Cayzer-Colvin	521,680	70,499	592,179
W P Wyatt	344,012	47,323	391,335

a. Due to rounding, individual rows do not necessarily add up to the total.

The estimated value attributable to share price appreciation since grant in 2020 and 2022, based on the three-month average share price to 31 March 2025, for Mat Masters, Jamie Cayzer-Colvin and Will Wyatt was £270,510, £142,811 and £101,000 respectively. No discretion was exercised by the Committee in respect of share price appreciation.

The Committee was satisfied that no windfall gains have arisen in connection with the vesting of the performance share scheme awards granted in 2020 and 2022, taking into account the share price at the time of grant and progression in the share price over the period relative to NAVTR and typical market returns.

The 2024 figures shown in the long-term incentives and total rows on page 105 have been restated to replace estimated values for performance share scheme awards included in last year's report. The estimated values, which included dividend equivalents, were £452,892 for Mat Masters, £647,012 for Jamie Cayzer-Colvin and £593,873 for Will Wyatt. The restated figures, which reflect the values on the vesting dates, are as follows:

	Value of long-term incentive awards at vesting £	Value of dividend equivalents at vesting £	Total value at vesting £
M S D Masters	422,427 ^a	54,132	476,559
J M B Cayzer-Colvin	602,901 ^b	77,758	680,659
W P Wyatt	551,134 ^c	72,995	624,129

- 7,792 shares granted in 2019 vested on 30 May 2024. The mid closing price was 3505p per share. 4,218 shares granted in 2021 vested on 4 June 2024. The mid closing price was 3540p per share.
- 11,520 shares granted in 2019 vested on 30 May 2024. The mid closing price was 3505p per share. 5,625 shares granted in 2021 vested on 4 June 2024. The mid closing price was 3540p per share.
- 12,062 shares granted in 2019 vested on 30 May 2024. The mid closing price was 3505p per share. 3,626 shares granted in 2021 vested on 4 June 2024. The mid closing price was 3540p per share.

Chair and non-executive directors

Fees and other remuneration paid to the Chair and the non-executive directors during the year ended 31 March 2025 and the previous year were as follows:

	Fees		Taxable expenses ³		Total ⁷	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
D C Stewart	165	165	—	—	165	165
F A Buckley	51	49	— ⁴	—	51	49
Hon C W Cayzer ¹	54	52	1 ⁵	—	55	52
G B Davison	58	56	—	—	58	56
M A Farlow	60	58	—	—	60	58
C L Fitzalan Howard	51	49	—	—	51	49
L R Fordham	59	57	—	—	59	57
W P Wyatt ²	49	47	— ⁶	3	50	50

- The Hon C W Cayzer received an additional fee of £5,000 per annum in respect of his services as a trustee of the Caledonia Pension Scheme.
- Will Wyatt became a non-executive director on 27 July 2022. This table reflects the fee received in respect of his non-executive role. The figures relating to long-term incentives reflecting certain awards retained from his employment are shown in the single total figure of remuneration table on page 105.
- Taxable expenses include expense reimbursements relating to travel, accommodation and subsistence in connection with board and committee attendance during the year, which are deemed by HMRC to be taxable in the UK. Amounts are the value of the expense plus the grossed-up tax paid by the company. Non-taxable expense reimbursements have not been included in the table.
- Farah Buckley incurred taxable expenses during 2025 at a total cost, including tax, of £154.
- The Hon C W Cayzer incurred taxable expenses during 2025 at a total cost, including tax, of £905.
- Will Wyatt incurred taxable expenses during 2025 at a total cost, including tax, of £498.
- Due to rounding, amounts stated do not necessarily add up to the total column.

The Chair and the non-executive directors did not receive any short-term incentives, long-term incentives or pension related benefits.

Total pension entitlements (audited)

Defined contribution

Pension benefits paid to executive directors during the year, either as contributions to personal pension arrangements or as cash supplements, were as follows:

	Pension contribution		Cash supplement		Total	
	2025 £	2024 £	2025 £	2024 £	2025 £	2024 £
M S D Masters	6,758	7,383	58,846	55,793	65,604	63,176
R W Memmott	—	—	57,601	32,294	57,601	32,294
J M B Cayzer-Colvin	—	—	52,790	50,747	52,790	50,747

Defined benefit

On 26 April 2017, The Hon C W Cayzer reached his retirement age of 60 and now receives an annual pension under the Caledonia Pension Scheme, a final salary defined benefit scheme.

Directors' remuneration report (continued)

Annual report on directors' remuneration

Scheme interests awarded during the financial year (audited)

The table below sets out the awards made to each executive director during the year under the performance share scheme and deferred bonus plan.

Scheme	Type of award	Basis of award	Date of grant	Face value of award £'000	Share price at grant ¹	Shares comprised in award number ²	Receivable if minimum performance achieved ³	End of performance/ retention period ⁴
M S D Masters								
Performance share scheme	Nil-cost option	150% of salary	28.05.24	737	3410p	21,620	10%	31.03.29
Deferred bonus plan	Compulsory award, nil-cost option	% of bonus in excess of 50% of salary	28.05.24	102	3410p	2,979	100%	31.03.27
Total scheme interests awarded				839		24,599		
R W Memmott								
Performance share scheme	Nil-cost option	150% of salary	28.05.24	656	3410p	19,223	10%	31.03.29
Total scheme interests awarded				656		19,223		
J M B Cayzer-Colvin								
Performance share scheme	Nil-cost option	150% of salary	28.05.24	601	3410p	17,617	10%	31.03.29
Deferred bonus plan	Compulsory award, nil-cost option	% of bonus in excess of 50% of salary	28.05.24	41	3410p	1,214	100%	31.03.27
Total scheme interests awarded				642		18,831		

1. Based on the mid-market closing price on the dealing day immediately preceding the grant date.
2. The number of shares comprised in the awards under the performance share scheme and the deferred bonus plan was determined by reference to the company's share price at the time that the awards were made.
3. The performance targets for awards under the performance share scheme are set out under the statement of directors' share scheme interests on page 106. Compulsory awards under the deferred bonus plan are subject to a continued service condition only.
4. One-third of the awards under the performance share scheme are subject to performance testing at 31 March 2027, followed by a two-year holding period, with the remaining two-thirds subject to performance testing at 31 March 2029.

External directorships

The executive directors do not receive any fees for external directorships.

Payments to past executive directors (audited)

W P Wyatt

Will Wyatt retired as Caledonia's Chief Executive and ceased employment with the Caledonia group on 27 July 2022. He continues to serve on the board as a non-independent non-executive director.

Will exercised all of the vested 2019 performance share scheme award over 12,062 shares and all of the vested part of his 2021 performance share scheme award over 3,626 shares on 6 June 2024. As reported in last year's annual report, the awards were subject to performance testing as at 31 March 2024 and vested in May and June 2024 respectively. The total pre-tax value was £629,108, including dividend equivalents of £72,995.

Will's pro rata entitlement to a performance share scheme award made in 2020 was subject to performance testing on 31 March 2025, of which 9,205 shares will vest on 4 August 2025. As he remains a director, the details are reported in the single total figure of remuneration table on page 105.

T J Livett

Tim Livett retired as Caledonia's Chief Financial Officer and stepped down from the board on 1 September 2023. He ceased employment with the group on 31 October 2023.

Tim exercised all of the vested 2019 performance share scheme award over 11,813 shares and all of the vested part of his 2021 performance share scheme award over 5,416 shares on 25 June 2024. The awards were subject to performance testing as at 31 March 2024 and vested in May and June 2024 respectively. The total pre-tax value was £685,318, including dividend equivalents of £78,426.

Tim's pro rata entitlement to a performance share scheme award made in 2020 was subject to performance testing on 31 March 2025, of which 10,435 shares will vest on 4 August 2025. One-third of his pro rata entitlement to a performance share scheme award made in 2022 was subject to performance testing on 31 March 2025, of which 1,389 shares will vest on 30 May 2025 and to which a two-year holding period will apply.

In line with Caledonia's post-cessation shareholding requirements, Tim continues to hold the minimum guideline shareholding.

Payments for loss of office (audited)

There were no payments made for loss of office during the year.

Statement of directors' shareholdings and scheme interests (audited)

Executive directors' minimum shareholding guidelines

Executive directors' minimum shareholding guidelines are set out on page 104. Mat Masters and Jamie Cayzer-Colvin have attained the minimum guideline shareholding as at 31 March 2025. Rob Memmott, who joined the company on 1 September 2023, has begun to meet the guidelines. The values of the relevant shareholdings of each executive director as at 31 March 2025, calculated by reference to Caledonia's closing share price on that date of 3540p, and the percentage level by which the value of the minimum guideline shareholding has been achieved were as follows:

	Value of shareholding ¹ £m	Attainment of guideline %
M S D Masters	2.8	281
R W Memmott	0.1	15
J M B Cayzer-Colvin	9.0	1,501

1. Shareholdings include those of connected persons; the value, net of any exercise costs, income tax and National Insurance contributions, of unexercised awards granted under the performance share scheme for which the performance targets have been met; and bonuses deferred compulsorily under the company's deferred bonus plan net of income tax and National Insurance contributions.

Directors' shareholdings

The interests of the directors who served during the year and their connected persons in the ordinary share capital of the company as at 31 March 2025 were as follows:

	Beneficial		Non-beneficial	
	2025 number	2024 number	2025 number	2024 number
D C Stewart	6,944	6,944	–	–
M S D Masters	67,145	58,376	–	–
R W Memmott	2,852	2,852	–	–
J M B Cayzer-Colvin ¹	244,235	249,435	203,754	198,554
F A Buckley	250	250	–	–
Hon C W Cayzer ¹	41,092	41,092	15,500	15,500
G B Davison	8,100	8,100	–	–
M A Farlow	2,000	2,000	–	–
C L Fitzalan Howard	2,000	2,000	–	–
L R Fordham	1,330	1,330	–	–
W P Wyatt ¹	1,239,467	1,224,644	97,705	96,705

1. Will Wyatt's beneficial interests included 1,066,991 shares (2024: 1,054,794 shares) held by The Dunchurch Lodge Stud Company and 10,135 shares (2024: 9,869) held by Knossington Holdings Company, both private family companies controlled by Mr Wyatt and certain of his connected persons, and 1,000 shares in which The Hon C W Cayzer had a non-beneficial interest (2024: 1,000 shares). His non-beneficial interests included 14,500 shares (2024: 14,500 shares) in which The Hon C W Cayzer also held a non-beneficial interest. The Hon C W Cayzer's beneficial interests included 5,200 shares (2024: 5,200 shares) in which Mr Wyatt and Mr Cayzer-Colvin had non-beneficial interests.

There have been no changes in the directors' interests shown above notified up to the date of this report.

Directors' remuneration report (continued)

Annual report on directors' remuneration

Directors' share scheme interests

The interests of directors as at 31 March 2025 in the share-based incentive schemes operated by the company are set out in the following table.

	Share price at date of award	Unvested with performance conditions ¹	Unvested without performance conditions ²	Vested but un- exercised ³	Total
M S D Masters	<i>Performance share scheme awards</i>				
Granted 04.08.20 (nil-cost)	2640p	–	10,795	–	10,795
Granted 04.06.21 (nil-cost)	3102.5p	9,331	–	–	9,331
Granted 30.05.22 (nil-cost)	3740p	12,032	2,888	–	14,920
Granted 30.05.23 (nil-cost)	3445p	20,573	–	–	20,573
Granted 28.05.24 (nil-cost)	3410p	21,620	–	–	21,620
<i>Performance share scheme total</i>		63,556	13,683	–	77,239
	<i>Deferred bonus plan – compulsory awards⁴</i>				
Granted 30.05.22 (nil-cost)	3740p	–	–	3,870	3,870
Granted 28.05.24 (nil-cost)	3410p	–	2,979	–	2,979
<i>Deferred bonus plan total</i>		–	2,979	3,870	6,849
Total share scheme interests		63,556	16,662	3,870	84,088

During the year, Mat Masters exercised performance share scheme and deferred bonus plan awards over a total of 16,603 shares at a pre-tax gain of £589,822 plus an additional sum of £71,220 in respect of dividend equivalents.

W P Wyatt	<i>Performance share scheme awards</i>				
Granted 04.08.20 (nil-cost)	2640p	–	9,205	–	9,205
Granted 04.06.21 (nil-cost)	3102.5p	4,351	–	–	4,351
<i>Performance share scheme total</i>		4,351	9,205	–	13,556
Total share scheme interests		4,351	9,205	–	13,556

During the year, Will Wyatt exercised performance share scheme awards over a total of 15,688 shares at a pre-tax gain of £556,112 plus an additional sum of £72,995 in respect of dividend equivalents.

R W Memmott	<i>Performance share scheme award</i>				
Granted 24.11.23 (nil-cost)	3585p	17,573	–	–	17,753
Granted 28.05.24 (nil-cost)	3410p	19,223	–	–	19,223
<i>Performance share scheme total</i>		36,796	–	–	36,796
Total share scheme interests		36,796	–	–	36,796

J M B Cayzer-Colvin	<i>Performance share scheme awards</i>				
Granted 30.05.19 (nil-cost)	2910p	–	–	11,520	11,520
Granted 04.08.20 (nil-cost)	2640p	–	13,018	6,510	19,528
Granted 04.06.21 (nil-cost)	3102.5p	11,248	–	5,625	16,873
Granted 30.05.22 (nil-cost)	3740p	9,799	941	–	10,740
Granted 30.05.23 (nil-cost)	3445p	16,763	–	–	16,763
Granted 28.05.24 (nil-cost)	3410p	17,617	–	–	17,617
<i>Performance share scheme total</i>		55,427	13,959	23,655	93,041
	<i>Deferred bonus plan – compulsory awards⁴</i>				
Granted 30.05.22 (nil-cost)	3740p	–	–	4,666	4,666
Granted 28.05.24 (nil-cost)	3410p	–	1,214	–	1,214
<i>Deferred bonus plan total</i>		–	1,214	4,666	5,880
Total share scheme interests		55,427	15,173	28,321	98,921

During the year, Jamie Cayzer-Colvin exercised deferred bonus plan awards over a total of 4,431 shares at a pre-tax gain of £157,071 plus an additional sum of £16,485 in respect of dividend equivalents.

1. Performance conditions

Performance share scheme

Of the awards shown as unvested with performance conditions, for nil-cost options granted to Will Wyatt on 4 June 2021, to Mat Masters on 30 May 2022 and 30 May 2023, to Rob Memmott on 24 November 2023 and to Mat Masters and Rob Memmott on 28 May 2024 shares will vest on a graduated basis, with vesting commencing at 10% if the company achieves an annualised NAVTR of 3%, rising incrementally to 100% vesting on achievement of an annualised NAVTR of 10%.

For Jamie Cayzer-Colvin, who is Head of the Funds pool, 60% of his performance share scheme awards granted on these dates will be measured against the annualised total returns achieved by the Funds pool. Awards will similarly vest on a graduated basis, with vesting commencing at 10% on achievement of an annualised Funds pool total return of 6%, rising incrementally to 100% vesting on achievement of an annualised total return of 13.5%. The remaining 40% of Jamie Cayzer-Colvin's performance share scheme awards for these grants will be measured against Caledonia's NAVTR as above.

Mat Masters was previously Head of the Capital portfolio before taking on broader responsibility for the Income portfolio from 2019 until his appointment as Chief Executive Officer. For nil-cost options granted on 4 June 2021, 53.3% will be measured by reference to the annualised total return achieved by the Capital portfolio, with awards vesting on a graduated basis, commencing at 10% on achievement of an annualised total return of 4%, rising incrementally to 100% vesting on achievement of an annualised total return of 11%. 26.7% will be measured by reference to the annualised total return achieved by the Income portfolio over the performance measurement period, with graduated vesting commencing at 10% on achievement of an annualised total return of 3.5%, rising incrementally to 100% vesting on achievement of an annualised total return of 7%. The remaining 20% of the performance share scheme awards for these grants will be measured against Caledonia's NAVTR as above.

The relevant performance conditions will be tested over three years for one-third of the shares comprised in an award and over five years for the remaining two-thirds of the shares comprised in an award.

The nil-cost options granted on 4 August 2020, shown as unvested without performance conditions, were performance-tested against their relevant target as at 31 March 2025 and achieved a vesting level of 100% for those measured against Caledonia's NAVTR. The proportion of Mat Masters' nil-cost options awarded at that date measured against the Capital and Income portfolios both achieved a vesting level of 100%. Jamie Cayzer-Colvin's nil-cost options awarded at that date measured against the Funds pool's return achieved a 100% vesting level. The awards will vest on 4 August 2025.

The one-third of the shares comprised in the nil-cost options granted on 30 May 2022, also shown as unvested without performance conditions, subject to three-year performance testing was tested as at 31 March 2025 and achieved a vesting level of 48% for those measured against Caledonia's NAVTR. Jamie Cayzer-Colvin's nil-cost options awarded at that date measured against the Funds pool's return achieved a 0% vesting level. The awards will vest on 30 May 2025.

Other exercise conditions

2. Performance share scheme

Nil-cost options that vest following the three- or five-year performance testing become immediately exercisable on the third or fifth anniversary of grant, as applicable.

3. Vested but unexercised

Shares vested but unexercised represent those awards that are immediately exercisable without any conditions.

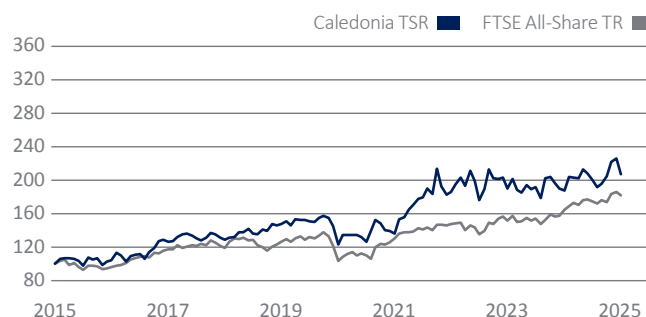
4. Deferred bonus plan

Compulsory awards under the deferred bonus plan normally vest if the director remains an employee of the group for a three-year period commencing on the first day of the financial year in which the award is made.

Performance graph of total shareholder return and table of Chief Executive Officer's total remuneration

The graph below shows the company's total shareholder return ('TSR') against that of the FTSE All-Share Total Return index for the 10 financial years ended on 31 March 2025. TSR has been calculated assuming that all dividends are reinvested on their ex-dividend dates. The FTSE All-Share Total Return index has been chosen as it is the benchmark by which the company measures its delivery of value over the longer term.

TSR growth over 10 years



The table below shows the total remuneration received by the Chief Executive Officer in each of the 10 financial years to 31 March 2025, prepared on the same basis as in the single total figure in the table on page 105, and the percentage of the maximum potential short- and long-term incentives received in those years.

Years ended 31 March	Chief Executive Officer	Total remuneration £'000	Incentives vested as a percentage of maximum	
			Short-term %	Long-term %
2016	W P Wyatt	1,648	45.0	100.0
2017	W P Wyatt	1,799	100.0	85.0
2018	W P Wyatt	1,795	40.0	84.7
2019	W P Wyatt	1,864	90.7	94.7
2020	W P Wyatt	805	–	20.9
2021	W P Wyatt	1,896	85.0	87.9
2022	W P Wyatt	2,326	100.0	100.0
2023	W P Wyatt ¹	1,154	–	100.0
2023	M S D Masters ¹	1,250	45.0	100.0
2024	M S D Masters	1,376 ²	71.5	96.4
2025	M S D Masters	1,424	55.0	81.4

1. Mat Masters succeeded Will Wyatt as Chief Executive Officer on 27 July 2022.

2. Restated from last year's single total figure table to reflect the company's share price on the vesting date of the 2019 and 2021 performance share scheme awards.

Directors' remuneration report (continued)

Annual report on directors' remuneration

Percentage change in remuneration of the directors

The following table shows the percentage change in the basic salary/fees, value of taxable benefits and short-term incentives paid to directors in the year against the prior financial year, compared with the average percentage changes in those components of pay of Caledonia's other employees, excluding directors, on a per capita basis.

Standard salary increases awarded from 1 April 2024 were 4%. The per capita percentage increase in basic salary for employees shown in the table is higher than this due to the effect of non-standard increases awarded for promotions, increased responsibilities or other such adjustments. The average per capita percentage change for employee taxable benefits decreased over the year principally due to changes in benefit cover for certain employees under the company's private medical insurance plan and small variances in employee benefits. The average per capita percentage change for employee bonus decreased over the year due to lower bonus awards being made. Mat Masters, Rob Memmott and Jamie Cayzer-Colvin were awarded bonuses of 55%, 55% and 52.5% of salary respectively, compared with 71.5%, 71.5% and 60.75% in the previous financial year. Certain members of Caledonia's staff were awarded bonuses of varying levels in each year depending on company performance, investment pool performance (where relevant) and individual performance. Increases in non-executive fees include any changes to responsibilities made during the year.

	2025			2024			2023			2022			2021		
	Basic salary/ fees %	Benefits %	Bonus %	Basic salary/ fees %	Benefits %	Bonus %	Basic salary/ fees %	Benefits %	Bonus %	Basic salary/ fees %	Benefits %	Bonus %	Basic salary/ fees %	Benefits %	Bonus %
Executive directors															
M S D Masters ¹	4.0	(23.9)	(20.0)	5.0	45.6	66.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
W P Wyatt ²	n/a	n/a	n/a	n/a	n/a	n/a	(67.5)	(70.7)	(100)	n/a	(4.1)	17.7	n/a	12.9	100
R W Memmott ³	4.0	60.4	(20.0)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
J M B Cayzer-Colvin	4.0	(4.6)	(10.1)	5.1	5.1	33.0	5.0	15.6	(49.6)	1.5	8.9	12.8	2.5	6.2	100
Chair and non-executive directors															
D C Stewart	—	(100)	n/a	—	100	n/a	10.0	—	n/a	—	—	n/a	—	—	n/a
F A Buckley	3.6	(17.8)	n/a	4.8	100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Hon C W Cayzer	3.4	100	n/a	4.5	—	n/a	11.4	—	n/a	—	—	n/a	6.6	—	n/a
G B Davison	3.1	—	n/a	4.2	—	n/a	13.1	—	n/a	—	(100)	n/a	3.5	100	n/a
M A Farlow	3.0	—	n/a	6.0	—	n/a	n/a	—	n/a	—	—	n/a	n/a	n/a	n/a
C L Fitzalan Howard	3.6	—	n/a	4.8	—	n/a	13.3	—	n/a	—	—	n/a	43.8	n/a	n/a
L R Fordham	3.1	—	n/a	8.9	(100)	n/a	10.7	100	n/a	n/a	—	n/a	n/a	n/a	n/a
W P Wyatt ²	3.7	(84.5)	n/a	5.0	100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Staff per capita (excluding directors)															
	7.5	(1.4)	(2.0)	10.1	4.7	98.8	10.2	17.5	(43.2)	4.0	7.5	22.9	7.4	5.2	157.5

1. Mat Masters was appointed to the board on 1 April 2022, succeeding Will Wyatt as Chief Executive Officer on 27 July 2022.

2. Will Wyatt served as Chief Executive until 27 July 2022 and has served as a non-executive director since 27 July 2022.

3. Rob Memmott was appointed to the board on 1 September 2023.

Pay ratio information in relation to the total remuneration of the Chief Executive Officer

With fewer than 250 UK employees, Caledonia is not required to disclose Chief Executive Officer to employee pay ratios under The Companies (Miscellaneous Reporting) Regulations 2018. However, as recommended by The Investment Association, the Committee has decided voluntarily to publish the information below. The ratios compare the total remuneration of the Chief Executive Officer, as set out on page 105, against the lower quartile, median and upper quartile total remuneration of the company's employees as at 31 March 2025. This disclosure will build up over time to cover a rolling 10 year period.

A significant proportion of the Chief Executive Officer's total earnings potential is comprised of share-based incentives, which are linked to Caledonia's performance and share price movement over the longer term. This will inevitably lead to an element of volatility in the year-on-year total remuneration of the Chief Executive Officer and consequently variations in the ratios, as some employees do not participate in the long-term incentive scheme or participate at lower levels. As the majority of awards under the scheme vest over five years, participants will only build up equivalent annual vesting to the Chief Executive Officer over this period of time, which may further distort the comparison.

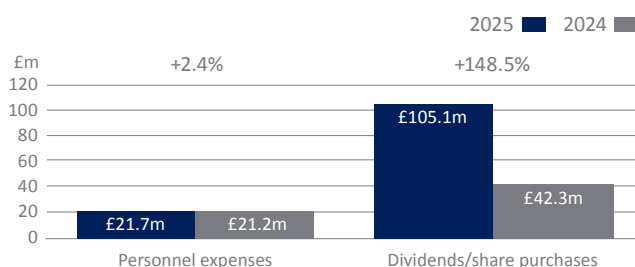
In order to provide further context, the table includes ratios based on basic salary only to demonstrate over time that the underlying pay structures do not show a divergent trend between the Chief Executive Officer's pay and that of employees generally and also that employees are paid fairly.

Year	Methodology	Pay ratios			Basis	Remuneration values			
		P25 (lower quartile)	P50 (median)	P75 (upper quartile)		Chief Executive Officer	P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2020	<i>Option A</i>	14:1	9:1	4:1	Total remuneration (£'000)	814	57	94	217
	Salary only	12:1	7:1	4:1	Salary only (£'000)	540	46	73	144
2021	<i>Option A</i>	30:1	15:1	6:1	Total remuneration (£'000)	1,828	61	122	329
	Salary only	12:1	7:1	4:1	Salary only (£'000)	540	46	78	138
2022	<i>Option A</i>	42:1	19:1	6:1	Total remuneration (£'000)	2,294	54	122	392
	Salary only	12:1	7:1	4:1	Salary only (£'000)	540	45	76	138
2023	<i>Option A</i>	20:1	14:1	6:1	Total remuneration (£'000)	1,268	63	91	227
	Salary only	9:1	6:1	3:1	Salary only (£'000)	450	50	70	135
2024	<i>Option A</i>	20:1	13:1	5:1	Total remuneration (£'000)	1,351	68	106	268
	Salary only	9:1	6:1	3:1	Salary only (£'000)	473	51	77	143
2025	<i>Option A</i>	20:1	13:1	6:1	Total remuneration (£'000)	1,424	70	114	256
	Salary only	9:1	6:1	3:1	Salary only (£'000)	492	56	83	150

1. The employees at the lower, median and upper quartiles were determined as at 31 March in the relevant year.
2. 'Option A' methodology, as set out in The Companies (Miscellaneous Reporting) Regulations 2018, which requires determination of the total full-time equivalent earnings of all UK employees for the relevant financial year, has been used as this is considered the most statistically accurate under the reporting regulations.
3. To determine full-time equivalent earnings, joiners during the year are assumed to have worked for the full year with salary, benefits and bonus pro rata accordingly. Reduced hours employees similarly have been assumed to have worked on a full-time basis. No adjustments have been made to the value of share-based incentives that vested during the year for relevant employees, other than that awards held by reduced hours employees have been recalculated to reflect the number of shares that would have been granted based on the full-time equivalent salary of the participant at the time of grant.

Relative importance of spend on pay

The graph below shows the personnel expenses for the year of group companies consolidated under IFRS 10, compared with amounts distributed to Caledonia's shareholders by way of dividends and share purchases.



Statement of implementation of remuneration policy in the 2026 financial year

The company expects to operate the remuneration policy as described in the approved remuneration policy set out on pages 99 to 104 without any changes in the financial year ending 31 March 2026.

Basic salaries of executive directors

For the 2026 financial year, the Committee has awarded an increase in basic salary of 3.5% to Rob Memmott and Jamie Cayzer-Colvin, broadly in line with inflation, which was the same standard increase given to the rest of the company's employees. The Committee has awarded an increase in basic salary of 6.8% to Mat Masters for reasons described on page 97.

The executive directors' salaries for the 2025 financial year are as follows:

	Salary for year to 31 March	
	2026 £	2025 £
M S D Masters	525,000	491,500
R W Memmott	452,300	437,000
J M B Cayzer-Colvin	414,600	400,500

Directors' remuneration report (continued)

Annual report on directors' remuneration

Chair's and non-executive directors' fees

The Chair's fee will be unchanged for the year ahead. The non-executive director basic fee has been increased by 3.1%. No changes have been made to the fees paid for chairing and membership of the Audit and Risk and Remuneration Committees or to the fee paid to the Senior Independent Director.

The fees are as follows:

	Fees for year to 31 March	
	2026 £	2025 £
Chair	165,000	165,000
Non-executive director basic fee	50,500	49,000
Chair of the Audit and Risk Committee	10,000	10,000
Member of the Audit and Risk Committee	2,500	2,500
Chair of the Remuneration Committee	8,000	8,000
Member of the Remuneration Committee	2,000	2,000
Senior Independent Director/Chair of the Governance Committee	6,000	6,000

No additional fees are paid for membership of the Governance and Nomination Committees. It is proposed that the aggregate annual limit for non-executive directors' ordinary remuneration contained in the company's articles of association, currently £600,000, will be increased at the forthcoming annual general meeting.

Annual bonus scheme and long-term incentive schemes

RPI was previously used as a reference point for inflation in the overall bonus calculation. Whilst RPI is still published by the Office for National Statistics, it is recognised that the CPIH is now the leading and preferred indicator of inflation in the UK. Since 2023, Caledonia has used CPIH in place of RPI as the measure for UK inflation. However, given the differential between the two inflation rates, the Committee has commenced a phased transition from RPI to CPIH as the inflation benchmark for bonus purposes over the course of the three-year remuneration policy period. The inflation benchmark was weighted 67:33 on RPI:CPIH for the 2024 financial year and 50:50 for the 2025 financial year, moving to 33:67 for 2026 and 100% on CPIH for 2027.

No other changes to the performance metrics or award opportunities for the company's annual bonus or long-term incentive schemes are anticipated for the 2026 financial year.

Approach

The Committee will keep the implementation of the remuneration policy under review in order to take account of any changes in the company's business environment and remuneration practice generally, but with the overall aim of ensuring that Caledonia's remuneration arrangements continue to support the company's strategy and deliver long-term shareholder value by attracting and retaining talent and rewarding executives appropriately in the light of the company's performance.

Consideration by the directors of matters relating to directors' remuneration

The current members of the Committee are Anne Farlow (Chair), Farah Buckley, Claire Fitzalan Howard and David Stewart.

During the year, the Committee received advice from Freshfields LLP (formerly Freshfields Bruckhaus Deringer LLP), the company's principal legal advisers, which covered matters including the

preparation of the directors' remuneration report and share plans. Ellason LLP, appointed by the Committee following a formal tender process completed in 2022, provides remuneration advice. The Committee is satisfied that advice received was objective and independent. Ellason has no connection with individual directors and is a member of the Remuneration Consultants Group (the professional body for remuneration consultants) and adheres to its code of conduct. The fees for Ellason for work relating to the Committee for 2025 were £26,175 (2024: £22,070). Fees incurred are charged on the basis of each firm's standard terms of business. Ellason did not provide any other services to the company. The Committee assesses the performance of its advisers, the associated level of fees and reviews the quality of advice provided to ensure that it is objective and independent of any support provided to management.

The Committee also consulted with the Chief Executive Officer in relation to the remuneration of the executive directors and other senior executives and internal support was provided to the Committee by the Company Secretary. No executive participates in discussions in respect of their own remuneration. Given the composition of the Committee and this requirement, we are comfortable that no conflicts arose in respect of decision-making by the Committee.

Statement of voting at general meetings

At the annual general meeting of the company held on 17 July 2024, the votes lodged for the resolutions relating to directors' remuneration and the remuneration policy were as follows:

	Number	%
<i>To approve the 2024 Directors' remuneration report (other than the directors' remuneration policy)</i>		
Votes in favour	34,772,485	98.5
Votes against	536,700	1.5
Total votes cast	35,309,185	
Votes withheld	18,589	

The votes lodged for the most recently approved remuneration policy, being at the annual general meeting held on 19 July 2023 were as follows:

	Number	%
<i>To approve the remuneration policy</i>		
Votes in favour	35,087,565	98.8
Votes against	412,670	1.2
Total votes cast	35,609,903	
Votes withheld	109,668	

This report was approved by the board on 19 May 2025 and signed on its behalf by:

Anne Farlow

Chair of the Remuneration Committee
19 May 2025

Directors' report

The Directors' report for the year ended 31 March 2025 has been prepared in accordance with the disclosure requirements of the following:

- Companies Act 2006
- The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended)
- Financial Conduct Authority's Listing Rules ('LRs') and Disclosure Guidance and Transparency Rules ('DTRs').

The Directors' report, together with the Strategic report on pages 14 to 68, represents the management report for the purpose of compliance with DTR 4.1.5R(2).

Information included elsewhere

The following information required to be included in the Directors' report has been included elsewhere and is incorporated by reference:

Disclosure	Section of annual report	Page(s)
Information on exposure to liquidity risk ¹	Strategic report	67
Likely future developments in the business ¹	Strategic report	66-67
Engagement with suppliers, customers and others ¹	Corporate governance report, Section 172 statement	80-85
Greenhouse gas emissions, energy consumption and energy efficiency action ¹	Strategic report	53-55
Disclosure of information to auditors	Responsibility statements	119
Financial risk management objectives and policies	Note 23	147-152

1. In accordance with section 414C (11) of the Companies Act 2006.

Dividends

Dividend policy

The company's policy is to pay an increasing annual dividend per share in real terms, which it has now done for 58 consecutive years. In addition, the company may supplement the annual dividend with special dividends when the board considers it appropriate, for example if the company has surplus cash reserves in excess of its strategic investment plans.

The board historically aimed for the annual dividend to be fully covered by net revenue for the relevant financial year in a period of normal trading but modified this approach in 2023 to reduce the strategic level of net revenue cover from fully covered to around 0.5x and also to factor in net cash inflow from the maturing funds portfolio. The expectation is that this will provide an aggregate cash flow cover for the dividend of at least 1x over the medium term. The company has available distributable reserves of £2,592m, broadly equivalent to 66 years' payment of the current annual dividend to maintain an increasing annual dividend per share in real terms.

The board intends to increase future interim dividends to 50% of the prior year's total annual dividend, ensuring a more balanced dividend profile and providing a more predictable income stream to our shareholders.

2025 dividend distributions

An interim dividend of 19.69p per share (2024: 18.93p) was paid on 9 January 2025 and the board has recommended a final dividend of 53.91p per share (2024: 51.47p), giving total annual dividends for the year of 73.6p per share (2024: 70.4p).

Shares

Share capital structure

The company has two classes of share capital, ordinary shares of 5p each and deferred ordinary shares of 5p each.

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All voting rights are, however, suspended in respect of any of the company's shares that are held in treasury or by group companies.

The deferred ordinary shares carry no voting rights and are not redeemable. They carry the right to a fixed cumulative preference dividend of 1% per annum of the nominal value of a deferred ordinary share, being 0.05p per share, or £4,000 in aggregate, for all such shares currently in issue. The company is required to pay the dividend to the extent that it has distributable profits. On a winding-up or other return of capital, the deferred ordinary shares carry the right to the payment of the amount paid up on the shares only after holders of the ordinary shares have received the sum of £100,000 in respect of each ordinary share. All of the deferred ordinary shares are held by Sterling Industries Ltd, a wholly-owned subsidiary of Caledonia.

At 31 March 2025, 52,882,698 ordinary shares and 8,000,000 deferred ordinary shares were in issue. The ordinary shares therefore represented approximately 87% and the deferred ordinary shares approximately 13% of the total issued share capital by nominal value. Of the ordinary shares in issue at 31 March 2025, 3,000 shares were held by a group company. As stated above, all voting rights are suspended on these shares.

During the year the company purchased 1.7m of its ordinary shares at a total cost of £62.7m. These shares had a nominal value of £86,453, represented 3.27% of the issued ordinary share capital as at 31 March 2025 and were immediately cancelled. These shares were purchased to take advantage of the wide discount of the company's share price to its net asset value. Since the year end a further 247,372 ordinary shares have been purchased and cancelled at a total cost of £9.0m. The company's issued share capital after these transactions, as at 19 May 2025, being the last practicable date prior to signature of these accounts was 52,635,326 ordinary shares and 8,000,000 deferred ordinary shares.

Proposed share sub-division

The board is recommending a 10:1 share sub-division to shareholders for approval at the 2025 annual general meeting. This will reduce the nominal value of ordinary shares of 5p each to 0.5p and is planned for implementation on or after 17 July 2025.

Directors' report (continued)

Restrictions on the transfer of shares

There are no specific restrictions on the transfer of the company's shares, although the articles of association contain provisions whereby the board may refuse to register a transfer of a certificated share which is not fully paid, provided that such refusal does not prevent dealings in the share from taking place on an open and proper basis. The board may also refuse to register the transfer of a certificated share unless it is (a) lodged, duly stamped (if stampable), at the registered office or at such other place as the board may appoint, accompanied by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer; (b) in respect of only one class of shares; and (c) in favour of not more than four transferees.

The directors may refuse to register a transfer of shares if a shareholder has not supplied information to the company in default of a request duly served under section 793 of the Companies Act 2006 and such shares represent at least 0.25% of the class of shares concerned.

Substantial interests

As at 31 March 2025, the company had received formal notifications of the following holdings in its ordinary shares in accordance with the requirements of the DTRs:

	Number of voting rights	Percentage of voting rights
The Cayzer Trust Company Ltd	19,341,264	36.01% ¹

1. Percentage holding based on total voting rights at 28 October 2024.

Employee Share Trust

The Caledonia Investments plc Employee Share Trust (the 'EST') and The Caledonia 2024 Employee Benefit Trust (the '2024 EBT') acquire and hold ordinary shares in the company for subsequent transfer to employees exercising options under the company's performance share scheme or deferred bonus plan. The voting rights of shares held by the EST and the 2024 EBT are exercisable by the independent trustee however, in practice, these are not voted. Each trust is financed by an interest free loan facility from Caledonia and the trustee has waived all dividends payable in respect of the ordinary shares held by the trusts.

At 31 March 2025, the EST held 133,025 ordinary shares, representing 0.25% of the total issued voting share capital. The 2024 EBT did not hold any ordinary shares.

Restrictions on voting rights

The directors may direct that a shareholder shall not be entitled to attend and vote either personally or by proxy or exercise any other right conferred by membership in relation to general meetings of the company in respect of some or all of the shares held by them if they or any person with an interest in such shares has been duly served with a notice under section 793 of the Companies Act 2006 and is in default for the prescribed period in supplying to the company the information required or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular.

Agreements which may restrict the transfer of shares or exercise of voting rights

The company is not aware of any arrangements which may restrict the transfer of any of its shares or the exercise of any voting rights.

Authority to allot shares

At the annual general meeting of the company held on 17 July 2024 (the '2024 AGM'), shareholders granted to the directors authority to allot ordinary shares up to a nominal amount of £906,000, representing approximately one-third of the ordinary share capital then in issue, with authority to allot additional ordinary shares up to a nominal value of £906,000, representing approximately a further one-third of the ordinary share capital then in issue, by way of pre-emptive rights issues only, in accordance with guidance issued at that time by the Investment Association. The directors were further authorised to issue ordinary shares up to a nominal amount of £135,933 other than pro rata to existing ordinary shareholders. These authorities last until 17 October 2025 or, if earlier, the conclusion of the next annual general meeting.

Authority to purchase shares

At the 2024 AGM, shareholders also granted authority for the company to make market purchases of up to 5,437,344 of its own ordinary shares, being approximately 10% of the ordinary share capital then in issue, at a price not more than the higher of (a) 5% above the average of the middle market quotations for ordinary shares during the five business days preceding any such purchase; and (b) the higher of (i) the price of the last independent trade in ordinary shares; and (ii) the highest current independent bid relating thereto on the trading venue where the purchase is carried out, nor less than 5p, being the nominal value of an ordinary share. At the same time, shareholders who were not members of the Cayzer family concert party ('Cayzer Concert Party') gave their approval for a waiver by The Panel on Takeovers and Mergers (the 'Panel') of the obligation that could arise on the Cayzer Concert Party under Rule 9 of the City Code on Takeovers and Mergers to make a general offer for Caledonia on the implementation by the company of the above authority to purchase its own shares ('Rule 9 Waiver'). The approval was subject to the maximum percentage of voting rights in which the Cayzer Concert Party is interested not exceeding 49.9% as a result of purchases by the company.

At a general meeting of the company held on 18 December 2024 (the '2024 GM'), shareholders approved a new authority (replacing the market purchase authority referred to above) for the company to make market purchases of up to 2,681,322 of its own ordinary shares, being approximately 5% of the ordinary share capital then in issue, subject to the same price restrictions set out above. This authority lasts until 26 May 2026 or, if earlier, the conclusion of the annual general meeting to be held in 2026. At the same time, shareholders who were not members of the Cayzer Concert Party gave their approval for a further Rule 9 Waiver. The approval was not subject to a maximum percentage of voting rights in which the Cayzer Concert Party is interested as a result of purchases by the company.

The company has subsequently utilised the authority to purchase the company's shares granted at the 2024 GM and will continue to utilise the authority (or, if approved, the replacement authority to be sought at the 2025 annual general meeting) when it considers it is in the company's and shareholders' best interests to do so and will

result in an increase in net asset value per ordinary share. In considering whether to exercise the authority, the board will continue to take into account the liquidity of the company's shares, its ongoing investment strategy and the level of any discount at which the ordinary shares are trading in the market relative to the net asset value per ordinary share.

Change of control rights

There are no special change of control rights in relation to the company's shares.

Awards granted under the company's performance share scheme and its deferred bonus plan may become exercisable or vest as a result of a change of control, although the number of shares comprised in those awards may be reduced. The service contracts of certain directors and other senior executives also contain provisions whereby a liquidated sum is payable by the company in the event of termination within one year following a change of control.

Further details of these change of control rights applicable to directors are set out in the Directors' remuneration report.

The company is party to a revolving credit agreement that gives the lenders the right to require early repayment of outstanding loans and cancellation of its available commitments upon a change of control of the company occurring. At the date of this report, change of control provisions were included in the revolving facility agreement dated 5 August 2024 between the company and each of Industrial and Commercial Bank of China Limited London Branch, BNP Paribas S.A., London Branch, The Royal Bank of Scotland International Limited, London branch and NatWest Markets Plc. The company is not aware of any other agreements with change of control provisions that are significant in terms of their potential impact to the business.

Directors

The directors of the company are shown on pages 72 and 73. All of the directors served throughout the year.

Directors' indemnity

Each of the directors has the benefit, under the company's articles of association, of an indemnity, to the extent permitted by the Companies Act 2006, against any liability incurred by them for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

Appointment and removal of directors

The appointment and removal of directors is governed by the company's articles of association and prevailing company law.

The articles of association provide that at every annual general meeting one-third of the directors, or if not a multiple of three, the number nearest to one-third, shall retire by rotation and therefore be required to seek re-election by shareholders. New directors may be appointed by the board, but are subject to election by shareholders at the next annual general meeting of the company following their appointment. However, to comply with the provisions of the UK Corporate Governance Code (the 'Code'), the company requires that all directors should be subject to annual election by shareholders. Shareholders may also appoint new directors by ordinary resolution. The articles of association limit the number of directors to not less than three and not more than 12, unless the shareholders resolve otherwise.

In accordance with the Financial Conduct Authority's Listing Rules, the election of those directors determined by the board to be independent under the Code must be subject to the approval of both all shareholders of the company and separately those shareholders who are not controlling shareholders, being the Cayzer Concert Party.

Articles of association

An ordinary resolution to increase the aggregate annual limit for non-executive directors' ordinary remuneration contained in the articles of association, currently £600,000, to £750,000 will be proposed at this year's annual general meeting.

Political donations

The company made no political donations and incurred no political expenditure during the year.

Research and development

The company does not engage in research and development.

Overseas branches

The company does not have any overseas branches.

Investment trust status

Caledonia has been accepted as an approved investment trust by HM Revenue & Customs, subject to continuing to meet eligibility conditions. The directors are of the opinion that the company has conducted its affairs in a manner which will satisfy the conditions for continued approval as an investment trust under section 1158 of the Corporation Tax Act 2010.

Registered office and number

The registered office of the company is at: Cayzer House, 30 Buckingham Gate, London SW1E 6NN. The company is registered in England under number 235481.

Post balance sheet events

There are no post balance sheet events.

The Directors' report was approved by the board on 19 May 2025 and signed on its behalf by:

Richard Webster

Company Secretary

Directors' report (continued)

Cross references to information required to be disclosed by Listing Rule 6.6.1R

To comply with Listing Rule 6.6.4R, the following table provides references to where relevant information required to be disclosed under Listing Rule 6.6.1R can be found.

Listing Rule	Required information	Location
6.6.1R(11)	Details of any arrangement under which a shareholder has waived or agreed to waive any dividends.	Directors' report – page 116. Waiver of all dividends by the trustee of The Caledonia Investments plc Employee Share Trust and The Caledonia 2024 Employee Benefit Trust.
6.6.1R(12)	Where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review.	As above.
6.6.1R(13)(a)	A statement made by the board that the company continues to comply with the requirement in LR 6.2.3R	Corporate governance report – page 78. Relations with controlling shareholders.

Responsibility statements

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the group and parent company financial statements in accordance with UK adopted international accounting standards. Under company law, the 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 the company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006 (the 'Companies Act').

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the annual report financial statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the group's performance, business model and strategy.

Website publication

The directors are responsible for ensuring the annual report and financial statements are made available on a website.

Financial statements are published on the company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant information of which the company's auditor is unaware
2. the director has taken all 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 company's auditor is aware of that information.

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act.

Responsibility statements under the Disclosure Guidance and Transparency Rules and the UK Corporate Governance Code

Each of the directors, whose names and functions are listed on pages 72 and 73 confirm that, to the best of their knowledge:

1. the group and parent company financial statements, which have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole
2. the annual report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that it faces.

Signed on behalf of the board by:

Mat Masters

Chief Executive Officer
19 May 2025

Rob Memmott

Chief Financial Officer
19 May 2025