Directors’ remuneration policy

The previous remuneration policy for Executive Directors, the Chairman and independent Non-Executive Directors was adopted following shareholder approval at the Annual General Meeting held on 21 May 2024.

This new Remuneration Policy (the Policy) was approved by shareholders at our Annual General Meeting in May 2025 to support delivery of the Strategic Plan and sustainable growth following the stabilisation of the business in 2024. This policy took effect from 20 May 2025. Details of how the Policy will be applied in 2025 are included in the Directors’ Remuneration Report in the 2024 Annual Report and Accounts.

It is intended that the Policy will apply for up to three years from the date of approval. The Committee will consider annually how the Policy is operated to ensure it remains aligned with the business strategy and regulatory requirements.

In determining the new Policy, the Committee has undertaken a thorough review of remuneration arrangements across the business, the Bank’s strategic priorities, FTSE market practice and investor guidance. The views of our shareholders on remuneration matters are also important to us and, as a result, we take into account feedback and guidance from our key shareholders and the shareholder representative bodies and considered their guidelines in formulating proposals.

The Committee is satisfied that any conflicts of interest have been mitigated in the preparation of this Policy.

Summary of Policy changes

This section sets out the key changes in the new Remuneration Policy from that set out and summarised in the 2023 Annual Report and Accounts

Component	Overview of changes
Annual Bonus	To provide greater flexibility to reward exceptional performance, the maximum opportunity has been increased to 150% from 100%. The new structure aligns the operation with FTSE banking market practice with the majority or all of the bonus being based on the Balanced Scorecard and the remainder being based on individual strategic and cultural metrics. Consistent with remuneration rules from the Bank’s regulators, all or part of any bonus can be paid in cash (upfront and or deferred).
New Long-Term Incentive Plan	A new long term incentive plan, the Shareholder Value Alignment Plan (SVAP) is being established. The SVAP will deliver value to participants based on the sustainable long-term value created for shareholders. The rationale for its inclusion is set out in the Statement from the Committee Chair. Where an Executive Director participates in the SVAP, they will not be eligible to participate in any other long term incentive plan for the duration of this policy. For the avoidance of doubt, existing awards granted under the current LTIP are unaffected by the introduction of the SVAP. The current LTIP is being retained.

Executive Directors - Fixed remuneration

Component	Description
Salary	
Purpose and link to strategy	Salary is set pay at a level which enables us to attract and retain the right caliber of colleagues, with the required level of skills, experience, and cultural alignment.
Operation	Salaries for Executive Directors are reviewed annually by the People and Remuneration Committee (the Committee) with any increase usually taking effect from 1 April. When determining salary levels, the Committee considers factors including: • Relevant external market data and alignment to market-competitive levels • Scope and size of role • Individual's skills, expertise, experience, and ability to grow with the role and organisation • Salary increases across Metro Bank • Economic factors, e.g., inflation and affordability
Maximum potential	Salary increases in percentage terms for Executive Directors will normally be in line with increases awarded to other colleagues, but there may be instances where a higher amount is agreed at the discretion of the Committee, including, but not limited to, where there has been a clear increase in the scope of role or change in responsibilities
Performance measures	There are no performance measures related specifically to salary
Pension	
Purpose and link to strategy	The pension arrangements comprise part of a competitive remuneration package and facilitate long-term retirement savings for Executive Directors, and without exposing Metro Bank to any unnecessary financial risk or unacceptable cost.
Operation	Paid as a cash allowance and/or contribution to a defined contribution plan. Pension contributions may also be made in lieu of any waived salary (and the cash amount of any annual bonus).
Maximum potential	For current and any new Executive Directors, the pension allowance will be in line with employer contribution for the majority of the workforce
Performance measures	There are no performance measures related specifically to pension contributions
Benefit	
Purpose and link to strategy	We support the health, wellbeing, and security of our Executive Directors through additional core benefits.
Operation	A range of benefits may be provided, including standard benefits such as holiday and sick pay, and may also include the provision of a car and driver (or other car-related service), private medical insurance, health screening, life insurance, and tax preparation and tax return assistance. Benefits can be provided in kind and/or in cash in lieu of the benefit. Other benefits may be offered if considered appropriate and reasonable by the Committee. Executive directors are reimbursed for expenses, such as travel and subsistence, and any associated tax incurred in the performance of their duties. Additional benefits may be provided in certain circumstances including, but not limited to, relocation. Executive Directors also have access to additional voluntary benefits which are available to all colleagues, including ShareBuy, our Share Incentive Plan (SIP)
Maximum potential	The maximum opportunity will vary according to the market, individual circumstances, and other factors. Benefits are set at an appropriate level by the Committee based on the role and individual circumstances The cost may fluctuate from year to year even if the level of benefit provided remains unchanged.
Performance measures	There are no performance measures related specifically to benefits.

Executive Directors Variable Remuneration

Annual Bonus

Component	Description
Purpose and link to strategy	To recognise and reward the delivery of annual financial and strategic objectives which contribute towards the delivery of longer-term strategy.
Operation	Annual bonus is determined by an assessment of the Balanced Scorecard outcome and personal performance. The Balanced Scorecard will normally determine all or at least 80% of the bonus outcome with the remainder based on achievement against individual performance objectives. The Committee has discretion to adjust the annual bonus outcome if it is not aligned with underlying financial performance, the current and future risks and the wider stakeholder experience. Minimum and maximum performance levels for each measure are defined in the Balanced Scorecard. Awards will, in conjunction with any Long Term Incentive Plan, be structured to meet the regulatory requirements on variable pay. Currently this requires 60% of variable pay to be deferred for up to 7 years and 50% of variable pay to be in shares (with any shares subject to a post-vesting retention period of 12 months). The Committee can, in specified circumstances, apply malus or clawback to all or part of annual bonus in line with the 2024 UK Corporate Governance Code. Dividends or dividend equivalents will only be payable during the vesting period if permitted under relevant regulatory remuneration guidelines. Dividends or dividend equivalents can be accrued from the vesting date. The share price used to calculate a deferred share award may be discounted in relation to the dividend yield if dividends or dividend equivalents are not payable. On the occurrence of corporate events and other reorganisation events, the Committee may apply discretion to adjust: the vesting of deferred annual bonus awards and/or the number of shares underlying a deferred annual bonus award
Maximum potential	Up to 150% of salary for a financial year
Performance measures	The choice of measures is reviewed by the Committee each financial year, with threshold, target and stretch levels of performance set for each measure. For 2025, the balanced scorecard will be based on at least 60% on financial performance with the remainder on other metrics which may include Risk and Regulatory, Customer and People metrics. Additionally, the Committee has discretion each year to establish a gateway requirement of CET1 or a profit hurdle before any bonus is payable.

Shareholder Value Alignment Plan

Purpose and link to strategy	To incentivise and reward the creation of long term shareholder value.
Operation and performance measures	Executive Directors will be granted an award under the SVAP following the AGM in 2025. There will be no further awards under any other long term incentive plan for the life of this Policy. As a pre-condition, participation in the Plan is subject to the Committee confirming satisfactory conduct of the participant in the financial year prior to grant and that the Bank is expected to have sufficient capital and liquidity to operate the Plan. The participants in the Plan will share in the growth in the value of the Company. Awards will be in the form of a share instrument which provides the right to nil cost options to the value of the Participant Allocation determined at each Test, with vesting in tranches over a seven year period from grant (i.e. over the period to April 2032) or such shorter period as permitted by relevant regulatory remuneration guidelines. Vested awards may be paid as a cash equivalent instead of shares The Participant Allocation is based on the individual's share of the Participant Value Pool which will be calculated as 5% of the growth in value of the Company. **Participant Value Pool:** The plan incentivises growth over the five-year period to 31 December 2029 and there will be 3 testing dates when value can be realised in the Participant Value Pool. The baseline Company value from which growth is measured will be the market value equivalent to a share price of 80p and growth will be calculated based on total shareholder return, i.e. adjusted for dividends declared, and other capital events during the period. • Test 1: based on the value created as at 31 Dec 27 (a 20 Dealing Day average to 31 December 27) • Test 2: based on the period to 31 Dec 28 – based on any rolling 20 Dealing Day average during 2028 (if further incremental growth above Test 1) • Test 3: based on the period to 31 Dec 29 – based on any rolling 20 Dealing Day average during 2029 (if further incremental growth above Test 1 or Test 2) The Participant Value Pool is calculated based on 5% of the growth in value from 80p, as determined based on the Tests described above. The value is adjusted for dividends declared, and other capital events during the period. There is a minimum growth hurdle such that the market value at each Test must be at least 50% higher than the baseline value (currently equivalent to a share price of at least £1.20) before participants are eligible to receive their allocation. **Participant Allocation:** The Participant Value Pool is split between participants based on each individual's Participant Allocation. The Participant Allocation gives the individual a right to receive the requisite value of nil-cost options., including taking into account expected dividend yield over the remaining vesting period. The Committee has the discretion to adjust the value of awards in exceptional circumstances where the share price outturn does not reflect company performance. **Vesting and release:** The nil-cost options will vest in tranches between three and seven years from the grant of the SVAP, with each tranche subject to a 1 year holding period, or such shorter period as determined by the relevant regulatory remuneration guidelines at the Committee's discretion. Prior to vesting the committee will consider if (i) capital and liquidity positions are above regulatory minima;(ii) there have been no material risk issues, in the judgement of the committee and (iii) if the Bank is profitable. Vesting may be reduced, and/or delayed to the extent appropriate. Dividends or dividend equivalents will only be payable during the vesting period if permitted under relevant regulatory remuneration guidelines. Dividends or dividend equivalents may be accrued from the vesting date even if the SVAP award has not been exercised. The share price used to calculate a deferred share award may be discounted in relation to the dividend yield if dividends or dividend equivalents are not payable. Malus and clawback provisions will apply to these awards in line with the 2024 UK Corporate Governance Code. On the occurrence of corporate events and other capital reorganisation events, the Committee may apply discretion to adjust the vesting of SVAP awards and/or the number of shares underlying an SVAP award to neutralise the impact on the value to an individual.
Maximum potential	The maximum Participant Allocation for the CEO (or any other Executive Director) is 2.5% out of the 5% Participant Value Pool.
Caps on payout	There is a total cap on the Participant Value Pool of £120m and value of the Participant Allocation to any individual of £60m (as calculated at the time of the Tests). Payouts at this capped level currently requires a share price of £4.37.

Long Term Incentive Plan (LTIP)

Purpose and link to strategy	To incentivise and reward the creation of long-term shareholder value thereby creating shareholder alignment
Operation	If an Executive Director participates in the SVAP, they would not be considered for LTIP awards. Awards granted will be in the form of nil/nominal cost options or conditional awards of shares. Awards will usually have performance assessed on the third anniversary of grant or, if later, when the Committee determines that the performance conditions have been satisfied. The vesting of the award will be in line with regulatory requirements In line with applicable regulations, which currently require the vesting to be in tranches over years three to seven from grant, subject to a holding period per regulatory guidelines. The Committee has the discretion to adjust the level of vesting where it is not considered to be in line with the underlying performance of the Company; the wider stakeholder experience; the Board's risk appetite framework; in relation to any individual conduct issues or in any other circumstances at the discretion of the Committee. Dividends or dividend equivalents will only be payable during the vesting period if permitted under relevant regulatory remuneration guidelines. Dividends or dividend equivalents can be accrued from the vesting date. The share price used to calculate a deferred share award may be discounted in relation to the expected dividend yield if dividends or dividend equivalents are not payable. Malus and clawback provisions will apply to these awards in line with the 2024 UK Corporate Governance Code and other applicable regulatory requirements. On the occurrence of corporate events and other reorganisation events, the Committee may apply discretion to adjust the vesting of LTIP awards and/or the number of shares underlying an LTIP award.
Maximum potential	Up to 100% of salary for a financial year, subject to an exceptional circumstances limit of 200% of salary. Threshold vesting performance for the LTIP will be set at up to 25% of maximum opportunity.
Performance measures	Awards are subject to the achievement of performance targets linked to the long-term success of the Company. Performance measures and weighting will be aligned to the Company's strategy. The performance measures will be determined prior to grant and ordinarily the majority of the award will be based on financial and/or relative Total Shareholder Return (TSR) metrics, with the remainder on other metrics which may include strategic, risk or customer metrics.

Remuneration approach when appointing new Executive Directors

The Committee's approach to recruitment is to attract diverse experience and expertise by paying competitive remuneration enabling us to attract and retain key talent from the marketplace. Any new executive director's remuneration package would include the same elements and be subject to the same variable remuneration maximums as those for the existing executive directors. The policy is summarised below.

Element	Details
Salary	Base salary will be determined by virtue of the individual's role, experience, and responsibility. External market data will also be considered.
Benefits and Pension	Dependent on circumstances but will be set in line with the policy for existing Executive Directors. Where the new Executive Director is required to relocate, Metro Bank may provide relocation support. The level of the relocation package will be assessed on a case by case basis but may include, for example, a housing allowance / support, school fees, periodic trips home, family travel, and the tax thereon, as well as reflecting cost of living differences
Variable remuneration	The maximum variable remuneration opportunity for the performance period in which the Executive Director joined would be determined by the Remuneration Policy
Shareholding requirement	In line with the policy for existing Executive Directors
Buyout	The Committee may consider buying out forfeited remuneration and forfeited opportunities and/or compensating for losses incurred as a result of joining Metro Bank subject to proof of forfeiture or loss. The value of any buy-out award will not exceed, in broad terms, the aggregate value of the remuneration forfeited. Any award will be structured within the requirements of the applicable remuneration regulations and will be no more generous overall than the remuneration forfeited in terms of the existence of performance measures, timing of vesting and form of delivery. The value of buy-out awards is not included within the maximum variable remuneration level where it relates to forfeited remuneration from a previous role or employer.
Legacy matters	Where a senior executive is promoted to the Board, their existing contractual commitments agreed prior to their appointment may still be honoured in accordance with the terms of the relevant commitment, including vesting of any pre-existing deferred or long-term incentive awards.

Other policy matters – Executive Directors

Component	Description
Shareholding requirement	
Purpose and link to strategy	A requirement for executive directors to hold a specified value of shares for alignment with the interests of shareholders during employment
Operation	Executive Directors are subject to a minimum shareholding requirement of 200% of salary, normally expected to be built up over a period of five years commencing from the date of appointment as an Executive Director (or, if later from the date of any changes to the terms of the shareholding requirements) Executive Directors are expected to retain all shares vesting under the deferred bonus (or equivalent), SVAP and the LTIP (in all cases net of tax and payment of any nominal exercise price) until such time as this shareholding requirement has been met. Shares that count towards the requirement are beneficially owned shares, vested share awards subject to a retention period and unexercised share awards for which performance conditions have been satisfied (on a net-of-tax basis). Executive Directors are expected to maintain the shareholding requirement (or their actual shareholding at the date of leaving, if lower) for at least two years post-employment.
Contractual arrangements	
Purpose and link to strategy	Service agreements contain a maximum of 12 months' notice from the employer and the Executive Director
Operation	May be required to work and/or serve a period of garden leave during the notice period and/or may be paid in lieu of notice if not required to remain in employment for the whole notice period
Legacy arrangements	
Purpose and link to strategy	Honour existing commitment
Operation	Any previous commitments or arrangements entered into with current or former Executive Directors will be honoured, including remuneration arrangements entered into under the previously approved directors' remuneration policy The Committee reserves the right to make any remuneration payment and/or payments for loss of office notwithstanding that they are not in line with the Policy set out in this report, where the terms of the payment were determined before the Policy or any previous policy came into effect, or if the individual was not a Director at the date the remuneration was determined and the remuneration was not set in consideration or in anticipation of becoming a Director
External roles	
Purpose and link to strategy	To encourage self-development and allow for the introduction of external insight and practice
Operation	Executive Directors are permitted to accept one appointment on a Board or Committee of a listed company, subject to approval of the Board. When reviewing the appropriateness of an external appointment, the Board will consider: • Any regulatory guidance that may be in place at the time • Whether the appointment would interfere or conflict with the business of the Company Any fees received in respect of these appointments can be retained directly by the relevant Executive Director.

Remuneration on or after termination

Component	Description
Salary/fees and benefits	The Executive Director is entitled to be given notice of termination of the relevant length and receive their normal base salary and benefits in that time. Metro Bank has discretion to make a payment in lieu of base salary in respect of any unexpired notice period and may decide to pay this in instalments, subject to reduction if the Executive Director finds alternative employment. Benefits continue until the last day of contractual employment and the accrued but unused holiday will be paid out. The Committee may pay reasonable reimbursement of professional fees, such as legal fees and tax advice (and any associated tax), in connection with such termination arrangements. Career transition (or outplacement) support may also be provided
Annual Bonus	Annual bonus may accrue during a notice period, however (unless decided otherwise by the Committee at its discretion) the Executive Director usually has to be employed at the normal annual bonus payment date in order to be eligible to receive it. No annual bonus is payable after termination and previous unvested deferred bonus awards will usually lapse. If the Executive Director leaves for compassionate reasons (e.g. ill health, retirement with the agreement of the employer, sale of the employing company out of the group, redundancy or death) or in other circumstances at the Committee's discretion, a pro rata annual bonus may be payable for the period of the year that the Executive Director is actively employed and would usually be payable at the normal time provided any performance conditions are met.
LTIP	If an Executive Director ceases employment prior to vesting, the default position is that the unvested LTIP awards would lapse. Vested but unexercised awards would be unaffected. If an Executive Director leaves for compassionate reasons (e.g. ill health, retirement with the agreement of the employer, redundancy or death) or in the event of sale of the employing company out of the group, or in other circumstances at the Committee's discretion, LTIP awards may continue, subject to the achievement of performance conditions, and vest at the normal time (or on cessation of employment in exceptional circumstances). The award will normally be scaled back pro rata to the proportion of the performance period employed, unless the Committee decides otherwise in exceptional circumstances.
SVAP	If an Executive Director ceases employment prior to vesting, the default position is that the unvested awards would lapse and no further participant allocation will be provided under subsequent test dates. However, if the Executive Director leaves for specific reasons detailed in the SVAP Plan Rules (e.g. ill health, retirement with the agreement of the employer, sale of the employing company out of the group, redundancy or death) or in other circumstances at the discretion of the Committee, their award under will usually continue on the same terms and will usually vest at the normal time provided any conditions are met, with a time pro rata reduction of awards. Unless the Committee determines otherwise, there will be no further participant allocation under subsequent tests after cessation. The pro-rata reduction will ordinarily be based on period employed as a proportion of the period between grant and the Test 1 date of 31 December 2027, unless the Committee determines otherwise. The Committee may, at its discretion, determine that awards may vest, subject to performance, before the normal vesting date, for example in the case of death.
Pension	Pension contributions continue to be made during the notice period.
Post shareholding requirement	Executive Directors will be required to maintain the lower of the in-employment shareholding requirement or the level achieved at the cessation date for a period of two years post-cessation
Other	Executive Directors' contracts can be terminated by either party on giving no more than 12 months' notice. On termination, additional payments can be made by way of damages for breach of any legal obligation or by way of settlement or compromise of any claim raised by the Executive Director.

Notes to the remuneration policy for Executive Directors

Committee's judgement and discretion

In addition to assessing performance and making judgements on the appropriate levels of annual bonus and LTIP awards, the Committee has certain operational discretions that it may exercise when considering Executive Directors' remuneration, including but not limited to:

i. determining whether a leaver is an eligible leaver under Metro Bank's share plans and treatment of remuneration arrangements
ii. following a corporate event the Committee may amend any performance conditions applicable to variable remuneration awards if any event occurs which causes the Committee to consider an amended performance condition would be more appropriate and not materially less difficult to satisfy
iii. deciding whether to apply malus or clawback to an award.

In the event of a variation of Metro Bank's share capital or a demerger, special dividend or any other event that may affect Metro Bank's share price, the number of shares subject to an award and/or any exercise price applicable to the award, will also be adjusted.

The delivery of deferred variable remuneration shall be operated in accordance with the rules of the respective plans.

Ability for the Committee to amend the policy for emerging and future regulatory requirements

The Committee will follow any statutory requirements when operating the Policy and may make minor amendments to the Policy for regulatory, exchange control, or administrative purposes without obtaining shareholder approval for that minor amendment.

The Committee retains the discretion to make reasonable and proportionate changes to the remuneration policy if the Committee considers this appropriate to respond to changing legal or regulatory requirements or guidelines (including but not limited to any FCA or PRA revisions to its remuneration rules). Where proposed changes are considered by the Committee to be material, Metro Bank will engage with its major shareholders and any changes would be formally incorporated into the policy when it is next put to shareholders for approval.

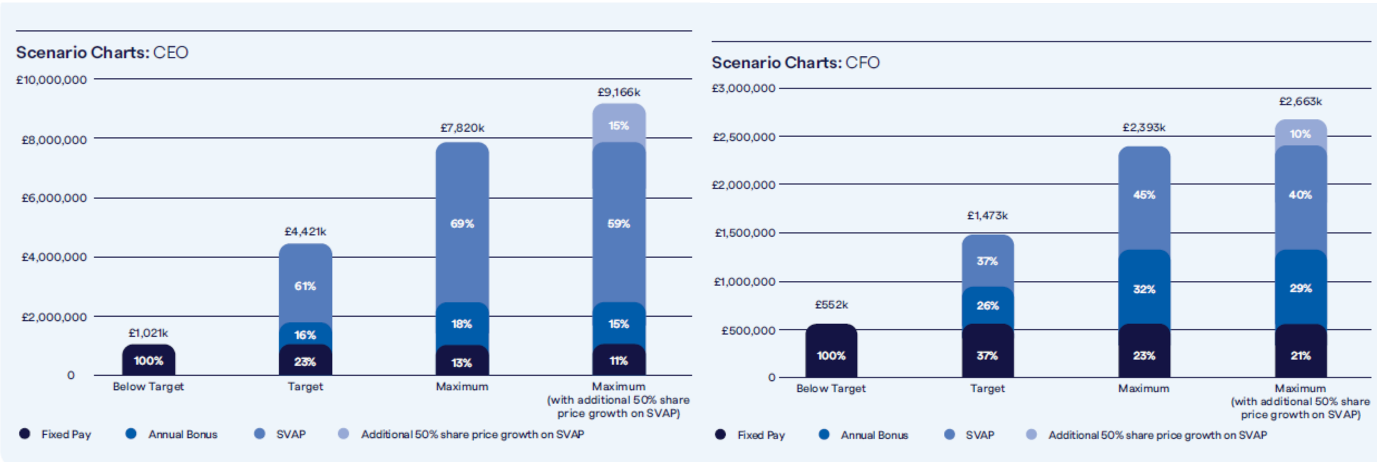
Illustration of Application of Remuneration Policy

The charts below illustrate the potential total remuneration for each current Executive Director under the Policy for the 2024 performance year. Four scenarios are considered:

	Fixed pay	Annual Bonus	SVAP
Minimum:	– base salary (as at 1 Jan 2024)	0% payout	0% payout
On-target:	– pension contribution of 8% of salary	50% payout - assuming on-target performance	Value of SVAP, assuming 1x growth in market value, annualised over the 5 year performance period
Maximum:	– benefits (based on 2023 value)	100% payout - assuming full payout	Value of SVAP, assuming 2x growth in market value, annualised over the 5 year performance period
Maximum with 50% share price growth		As for Maximum	Maximum payout, illustrating a further 50% share price growth

Minimum (fixed pay only), on-target and maximum potential relates to annual variable remuneration that may be awarded:

Scenario charts: CEO/CFO Included in the ARA 2024



Note
1. These illustrations consider the cash amount of annual variable remuneration before conversion into share awards and the current value of the equivalent SVAP share instruments. No account is taken of the effect of share price changes or dividends on the value received from share awards or shares received under them, other than as noted.

Chair and independent Non-Executive Directors' remuneration policy

Element	Details
Purpose and strategy link	Attract a Chair and Non-Executive Directors who, together with the Board as a whole, have a broad range of skills and experience to determine Metro Bank's strategy and oversee its implementation
Fees	The Board sets NED fees and the Committee sets the Chair's fees. The Chair and NEDs excuse themselves from any discussion on their fees. maximum aggregate annual fees that can be paid to the Chair and Non-Executive Directors are capped at £3,000,000.
Benefits	Non-Executive Directors do not participate in any pension, bonus or long term incentive arrangements or receive any other benefits. Travel and expenses incurred in the normal course of business, e.g., in relation to attendance at Board and Committee meetings, are met by Metro Bank. All Non-Executive Directors are reimbursed for reasonable expenses and any tax arising on those expenses will typically be settled by Metro Bank. In exceptional circumstances the Chair and other NEDs may be accompanied by their spouse or partner to meetings or events, by prior approval. Such costs (and any associated tax) are paid by Metro Bank.
Fees on recruitment	Will be set in line with the Policy for the Chair and existing Non-Executive Directors.
Contractual	Appointment letters for the Non-Executive Directors provide for a notice period of three months, during which time they are entitled to be paid their normal fees or payment in lieu without liability for compensation. There is no provision for any other early termination compensation and no payment for loss of office.
Other	When appointing any new Non-Executive Directors to the Board, the Nomination Committee will consider regulatory guidance relating to outside appointments and whether the candidate can devote sufficient time to their Board roles

Statement of consideration of shareholder views

The Committee welcomes shareholders' views on executive remuneration and seeks to maintain an active and open dialogue with investors regarding any changes to Metro Bank's executive remuneration arrangements. The Directors have regular open discussions with investors and are available for feedback on reward matters.

The Committee takes very seriously the view of shareholders when making any changes to executive remuneration and will continue to acknowledge any feedback in reviewing our policy in future.

Consideration of employment conditions elsewhere in Metro Bank

Our remuneration approach is consistent for all colleagues including our Executive Directors. The focus is on simplicity, rewarding the right behaviours and outcomes for customers and the business, focusing on long-term growth and discouraging unnecessary risk-taking.

The base salary for Executive Directors is limited by reference to colleague pay, and ahead of our annual reward review process, the Committee review the quantum to be made available for salary increases, annual bonus awards and other incentives. Colleagues can express their views on pay through regular surveys and feedback, as well as through our DNED.

Workforce engagement

Metro Bank runs annual employee engagement surveys, as well as more regular 'pulse' surveys which provides colleagues with the opportunity to give feedback and express their views on a variety of topics including their own remuneration, working environment and workforce policies and practices. Any comments relating to Executive Directors' remuneration are fed back to the Committee and/or the Board. Nick Winsor, as the DNED, attends the Committee periodically, with Nick presenting to the Committee on his engagement with the Metro Bank's Colleagues once per annum. People diversity in all its forms is a core element of our talent strategy and succession planning.