



The Gym Group plc (‘the Company’)

(Incorporated and registered in England and Wales
under number 08528493)

Notice of Annual General Meeting 2024

Notice is hereby given that the Annual General Meeting of The Gym Group plc will be held at 11.00am on Thursday 9 May 2024 at No 1 Croydon, 12-16 Addiscombe Road, Croydon CR0 0XT to consider and, if thought fit, pass resolutions 1 to 20 overleaf.

Important information:

This document is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other independent professional adviser immediately. If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

A shareholder may appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the meeting, provided that each proxy is appointed to exercise the rights attached to different Ordinary share held by that shareholder. A proxy need not be a member of the Company. To be valid, any instruction or instrument appointing a proxy must be received by the Company's registrar, Link Group, by no later than 11.00am on Tuesday 7 May 2024.

Please note no Proxy Form will accompany these documents, and you are encouraged to appoint your proxy electronically. If you would prefer to use a paper proxy form to appoint your proxy, you may request one from the Company's registrar by calling the shareholder helpline. Details of the helpline and further information on how to appoint a proxy to vote on your behalf through the Company's electronic proxy appointment service (available via <https://www.signalshares.com>), via the CREST system and via the Proximity platform are set out on pages 14 to 15 of this document.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of The Gym Group plc will take place at 11.00am on Thursday 9 May 2024 at No 1 Croydon, 12-16 Addiscombe Road, Croydon CR0 0XT to transact the business set out in the resolutions below.

Voting on all resolutions will be by way of a poll. Resolutions 1 to 16 will be proposed as ordinary resolutions; this means that for each of those ordinary resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 17 to 20 will be proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

The Board considers that Resolutions 1 to 20 are in the best interests of the Company and its shareholders as a whole and recommends that you vote in favour of such resolutions, as the Directors intend to do in respect of their own beneficial holdings.

Ordinary Resolutions

1. To receive the Annual Report and Accounts for the financial year ended 31 December 2023.
2. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the financial year ended 31 December 2023 set out on pages 92 to 107 (inclusive) of the Company's Annual Report and Accounts for the financial year ended 31 December 2023.
3. To approve the Directors' Remuneration Policy as set out in Appendix 1 to take effect from the date on which this resolution is passed.
4. THAT the rules of The Gym Group plc Incentive Plan (the "TGG Incentive Plan"), produced in draft to the meeting and a summary of the main provisions of which is set out in Appendix 2 to this Notice of Meeting, be approved and the Directors be authorised to do all such acts and things necessary to establish and give effect to the TGG Incentive Plan, and to establish further plans based on the TGG Incentive Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under any further plans based on the TGG Incentive Plan will count against any limits on individual or overall participation in the TGG Incentive Plan.
5. THAT the rules of The Gym Group plc Performance Share Plan (the "PSP"), produced in draft to the meeting and a summary of the main provisions of which is set out in Appendix 2 to this Notice of Meeting, be approved and the Directors be authorised to do all such acts and things necessary to establish and give effect to the PSP, and to establish further plans based on the PSP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under any further plans based on the PSP will count against any limits on individual or overall participation in the PSP.
6. To re-elect John Treharne as a Director.
7. To elect Will Orr as a Director.
8. To re-elect Luke Tait as a Director.
9. To re-elect Elaine O'Donnell as a Director.
10. To re-elect Wais Shaifta as a Director.
11. To re-elect Richard Stables as a Director.
12. To re-elect Simon Jones as a Director.
13. To re-appoint Ernst & Young LLP as auditors until the conclusion of the next Annual General Meeting of the Company at which the accounts are laid.
14. To authorise the Audit and Risk Committee for and on behalf of the Board to determine the remuneration of the auditors.

15. THAT, in accordance with section 366 of the Companies Act 2006, the Company and all companies that are subsidiaries of the Company at the date on which this resolution is passed or at any time when this resolution has effect are generally and unconditionally authorised to:

- (a) make political donations to political parties and/or independent election candidates not exceeding £30,000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £30,000 in total; and
- (c) incur political expenditure not exceeding £30,000 in total,

provided that the aggregate amount of such donations and expenditure shall not exceed £50,000 during the period beginning with the date of the passing of this resolution and ending on 30 June 2025 or, if sooner, the conclusion of the Annual General Meeting of the Company to be held in 2025.

For the purposes of this authority the terms 'political donation', 'political parties', 'independent election candidates', 'political organisation' and 'political expenditure' have the meanings given by sections 363 to 365 of the Companies Act 2006.

16. THAT:

- (a) the Directors be authorised, in accordance with article 7 of the Company's Articles of Association and section 551 of the Companies Act 2006, to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:
 - (i) up to a maximum nominal amount of £5,970.57 (such amount to be reduced by the nominal amount of any equity securities (as defined in article 8 of the Company's Articles of Association) allotted under paragraph (ii) below in excess of £5,970.57); and
 - (ii) comprising equity securities (as defined in article 8 of the Company's Articles of Association) up to a maximum nominal amount of £11,941.16 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue (as defined in article 8 of the Company's Articles of Association);
- (b) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, or, if earlier, at the close of business on 30 June 2025; and
- (c) all previous unutilised authorities under section 551 of the Companies Act 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the Companies Act 2006 by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).

Special Resolutions

17. THAT, if Resolution 16 is passed and in accordance with article 8 of the Company's Articles of Association, the Directors be authorised to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority given by that resolution under section 551 of the Companies Act 2006 and/or to sell Ordinary shares held by the Company as treasury shares for cash, in either case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to:

- (a) allotments for rights issues (as defined in article 8(b)(ii) of the Company's Articles of Association); and
- (b) the allotment of equity securities and/or sale of treasury shares (in each case otherwise than under paragraph (a) above) having a nominal amount not exceeding in aggregate £1,791.17, and
- (c) the allotment of equity securities and/or sale of treasury shares (in each case otherwise than under paragraph (a) or paragraph (b) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (b) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (or, if earlier, at the close of business on 30 June 2025), but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Notice of Annual General Meeting continued

18. THAT, if Resolution 16 is passed, and in addition to any authority granted under Resolution 17, the Directors be authorised to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority given by Resolution 16 under section 551 of the Companies Act 2006 and/or to sell Ordinary shares held by the Company as treasury shares for cash, in either case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to:

- (a) the allotment of equity securities and/or sale of treasury shares having a nominal amount not exceeding in aggregate £1,791.17, such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice; and
- (b) the allotment of equity securities and/or sale of treasury shares (in each case otherwise than under paragraph (a) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (a) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (or, if earlier, at the close of business on 30 June 2025) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

19. THAT the Company is generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of that Act) of Ordinary shares of £0.0001 each in the capital of the Company (**'Ordinary shares'**) on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:

- (a) the maximum number of such Ordinary shares that may be purchased by the Company under this authority shall not exceed 17,911,737;
- (b) the minimum price that may be paid by the Company for any Ordinary share purchased under this authority (exclusive of expenses payable by the Company in connection with the purchase) shall not be less than £0.0001, being the nominal value of each Ordinary share, and the maximum price which may be paid (exclusive of expenses payable by the Company in connection with the purchase) shall not be greater than the higher of an amount equal to:
 - (i) 105% of the average trading price of the Ordinary shares as derived from the middle market quotations for an Ordinary share on the London Stock Exchange Daily Official List for the five trading days immediately preceding the date on which that Ordinary share is purchased; and
 - (ii) the higher of the price of the last independent trade of an Ordinary share and the highest current independent bid for an Ordinary share on the trading venue where the purchase is carried out;
- (c) this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2025, or, if earlier, on 30 June 2025 unless renewed before that time, provided that the Company may effect purchases following the expiry of such authority if such purchases are made pursuant to contracts for purchases of Ordinary shares which are entered into by the Company prior to the expiry of such authority; and
- (d) all existing authorities for the Company to make market purchases of Ordinary shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this resolution and which has not yet been executed.

20. THAT a general meeting (other than an Annual General Meeting) may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company.

By order of the Board

Krishan Pandit
Company Secretary
11 April 2024

Registered Office: Fifth Floor, No 1 Croydon, 12-16 Addiscombe Road, Croydon, England, CR0 0XT
Incorporated in England and Wales with company number 08528493

Directors' Biographies

John Treharne

Chair of the Board

Committees: Nomination (Chair), Sustainability

Career: John founded The Gym Group in 2007 and has over 30 years' experience in the health and fitness industry. John launched Dragons Health Club plc in 1991, before its flotation on AIM in 1997 and sale to Crown Sports plc in 2000. John was appointed Chair of the Board and the Nomination Committee in July 2022, and took on the role of Executive Chair in January 2023, with a focus on supporting the transition to a new CEO. John stood down as Executive Chair in September 2023 when Will Orr joined the Board as CEO, and resumed his former Non-Executive role and duties as Chair of the Board.

Board skills and experience: John's wealth of operational and leadership experience and knowledge of industry trends offers the Board valuable context to develop its strategy and inform its decisions. As founder of The Gym Group, John has an unmatched network of industry connections and corporate knowledge used to support the business and the Board's evolution, and as Chair, John provides stability and continuity in leadership.

Other appointments: ukactive (Board member), Europe Active (Board member)

Luke Tait

Chief Financial Officer

Committees: None

Career: Luke is the Group's Chief Financial Officer ('CFO') and joined The Gym Group in October 2022. Luke was formerly Group CFO of Nando's Group Holdings Limited, the global restaurant business, which he joined in 2017. Prior to this, he held various finance roles at SSP plc, including CFO of the UK and US businesses and Group Corporate Finance Director, finishing his time as Group Financial Controller. Luke is a chartered management accountant.

Board skills and experience: Luke brings a broad experience to the Board from global leisure businesses to lead the finance function. In his first full year as CFO in 2023, Luke has worked with the leadership and stakeholders across the business to ensure the Group is well placed to capitalize on the significant market opportunities ahead.

Other appointments: None

Will Orr

Chief Executive Officer

Committees: Sustainability

Career: Will joined The Gym Group as Chief Executive Officer ('CEO') in September 2023. Will was formerly MD of Times Media Limited, publisher of the Times and Sunday Times, and previously held Managing Director roles for RAC and British Gas (Centrica Plc). Will is a Fellow of the Marketing Society and has an MBA from London University.

Board skills and experience: Will brings significant experience developing and delivering sustainable customer growth strategies (including pricing, proposition, digital marketing, and retention strategies) as well as operational expertise in businesses where customer experience is critical.

Other appointments: None

Elaine O'Donnell

Senior Independent Non-Executive Director

Committees: Nomination, Audit and Risk (Chair), Remuneration, Sustainability.

Career: Elaine is a highly experienced financial professional and is Senior Independent Director and Chair of the Audit and Risk Committee. She is also Senior Independent Director and Chair of the Audit Committee of On the Beach Group plc, and Chair of the Audit and Risk Committee and Non-Executive Director of SThree plc. She was formerly Chair of Games Workshop plc until 31 December 2022, having served in various roles on that Board since 2013. Elaine was previously a Partner at Ernst & Young and is a chartered accountant.

Board skills and experience: Elaine brings to the Board extensive experience as a Non-Executive Director and plc Chair, and Committee member of a diverse range of businesses. Elaine's financial knowledge and expertise, in addition to her online retail industry experience, supports the Board in its oversight of the Group's financial reporting and related controls.

Other appointments: On the Beach Group plc (Senior Independent Director and Chair of the Audit Committee), SThree plc (Chair of the Audit & Risk Committee).

Directors' Biographies continued

Wais Shaifta

Independent Non-Executive Director

Committees: Nomination, Audit and Risk, Remuneration (Chair), Sustainability (Chair)

Career: Wais is currently CEO of PrivateDoc and has substantial e-commerce expertise from a number of leading online businesses. Prior to his current role, Wais was CEO at Push Doctor, one of the leading digital healthcare companies in Europe, working in partnership with the NHS to connect thousands of patients a week with clinicians. Before joining Push Doctor, Wais was Director of Global Operations at Treatwell, and prior to that was International Operations Director at Just Eat.

Board skills and experience: Wais' background in leading technology businesses gives him a strong understanding of the vital role technology plays in our drive to be ever more relevant to members. Wais's experience of healthcare businesses means he is well aligned with our purpose to provide access to affordable fitness for all.

Other appointments: PrivateDoc Limited (CEO), Reach plc (Non-Executive Director), Samaipata (Operating Partner), Snappy Group (Non-Executive Director).

Simon Jones

Independent Non-Executive Director

Committees: Nomination, Audit and Risk, Remuneration, Sustainability.

Career: Simon is CEO of Away Resorts and, prior to this role, was Managing Director for Premier Inn and Restaurants, UK and Global Commercial Director at Whitbread, leading the UK business for Premier Inn and Whitbread's portfolio of restaurant brands since 2016.

Simon was also Marketing and Strategy Director at Premier Inn and, before joining Whitbread in 2012, had over 15 years' experience as a strategy consultant, working with a variety of clients across the retail and hospitality space, latterly as a partner at OC&C Strategy Consultants.

Board skills and experience: Simon has extensive commercial and operational experience in building UK-wide businesses whose customer proposition is based on value and quality, which supports the Board's discussions and future growth plans.

Other appointments: Away Resorts (CEO).

Richard Stables

Non-independent Non-Executive Director

Committees: Nomination

Career: Richard is an experienced corporate financier, having spent 32 years at Lazard. Currently, Richard is a Partner at Fulcrum Advisory Partners LLP, an independent advisory firm, a Senior Advisor to Blantyre Capital and a Non-Executive Director of Archer Ltd. Richard is a chartered accountant.

Board skills and experience: Richard brings his strong experience of corporate finance and understanding of the UK financial markets to support the Board in its strategic direction and decision-making, deepening the Board's skillset for the future.

Other appointments: Fulcrum Advisory Partners LLP (Partner), Blantyre Capital (Senior Advisor), Archer Ltd (Non-Executive Director).

Explanatory Notes to the Notice of Annual General Meeting

Resolutions 1 to 16 are being proposed as ordinary resolutions. For an ordinary resolution to be passed, a simple majority of the votes cast must be in favour of the resolution.

Resolutions 17 to 20 are being proposed as special resolutions. For a special resolution to be passed, at least 75% of the votes cast must be in favour of the resolution.

Resolution 1 – To receive the Annual Report and Accounts

The Directors are required to present the Company's Annual Report and Accounts (the '**2023 Annual Report**') to the AGM.

Resolution 2 – To approve the Directors' Remuneration Report

The Directors' Remuneration Report has been prepared in accordance with the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It meets the requirements of the Financial Conduct Authority's Listing Rules and describes how the Board has implemented the current Directors' Remuneration Policy and applied the principles of good governance relating to Directors' remuneration.

In addition, and subject to the approval of the new Directors' Remuneration Policy (the "new Policy") under Resolution 3, the implementation of the new Policy in respect of the TGG Incentive Plan for 2024 is as follows:

- The maximum opportunity of 2024 awards for Executive Directors will be 275% of salary.
- The following performance measures and weightings will apply to the 2024 awards
 - Group Adjusted EBITDA Less Normalised Rent (50% weighting)
 - Mature Site ROIC (30% weighting)
 - Customers: % of members visiting 4+ times per month (10% weighting)
 - Employees: Employee engagement (10% weighting)
- Subject to the achievement of these measures, awards will be delivered partly in cash and partly in shares as follows:
 - 35% of any award will be paid in cash following the end of the performance period; and
 - 65% of any award, will be delivered in shares, deferred for a further two years. The deferred element in respect of the 2024 awards will be granted shortly after approval of Resolution 3 at the 2024 AGM. The number of shares granted will be based on 65% of the maximum opportunity and the average share price over the 5 days prior to the grant date. Following the end of the performance period, the number of shares will be reduced to reflect the performance outcome - these shares will then vest on the 3rd anniversary of grant.
- Vesting of the deferred share element will be subject to continued employment and one or more performance underpins. For 2024, the performance underpin will be based on Adjusted EBITDA, such that 25% of the deferred shares will lapse if the Group Adjusted EBITDA Less Normalised Rent in 2025 or 2026 is below the level achieved in 2024.
- The deferred share element will be subject to a 2 year post-vesting holding period for Executive Directors, bringing the overall term and share price exposure period of the plan to 5 years (from grant to release of shares) in accordance with the requirements of the UK Corporate Governance Code.

This replaces the 2024 implementation of the existing annual bonus and long term incentive set out on page 94 of the 2023 Annual Report.

The Directors' Remuneration Report is set out in full on pages 92 to 107 of the 2023 Annual Report. As required by the Companies Act 2006, an ordinary resolution to approve the Report (excluding the Directors' Remuneration Policy) is proposed at the AGM. This vote is advisory and the Directors' entitlement to receive remuneration is not conditional upon the resolution being passed by shareholders.

Resolution 3 – To approve the Directors' Remuneration Policy

Background

The current Directors' Remuneration Policy (the "current Policy") was approved by shareholders at the 2022 AGM with over 96% support and would ordinarily apply until the 2025 AGM. However, as highlighted in the 2022 Directors' Remuneration Report, the Remuneration Committee (the "Committee") has conducted an earlier review of the remuneration arrangements given the importance of having the right remuneration structures in place to support their vision for the next phase of growth, in the context of significant leadership changes (most recently with the appointment of Will Orr as CEO in September 2023 as well as the appointment of Luke Tait as CFO in October 2022 and other changes within the senior team).

Explanatory Notes to the Notice of Annual General Meeting continued

The Committee reviewed the remuneration arrangements not just for the Executive Directors but also for the wider senior management team, to ensure they are fit for purpose. In doing so, the Committee carefully considered the Company's strategic objectives, developments in market practice over recent years, the views of the management team and the environment in which the Company operates.

The Committee recognised the following reasons for adopting an alternative approach to variable remuneration:

- Refreshed approach in line with the CEO's new business strategy: Following the recent appointment of a new CEO and a newly formed leadership team, the Committee believes it is appropriate to take a refreshed approach to incentivising senior management in order to effectively support the Company's growth ambitions and strategy. This strategy, agreed with the Board, is to increase returns on the core business to continue increasing cash to open quality sites in the UK and, in doing so, create opportunity for longer term growth, for example in new territories or adjacent markets. Sustained EBITDA growth and progressive improvement in ROIC will be the key measures of success, and would be expected to drive an increase in shareholder returns. Further details are set out in the 2023 Results presentation.
- Retention of key talent and improvement in line of sight: Feedback from the current participants (and recruitment candidates) indicated that the existing Performance Share Plan was not viewed as being fit for purpose. The reason for this was twofold:
 - From an incentivisation and motivational perspective, participants do not feel that there is real connectivity between their performance and the rewards received. This is, in part, due to concerns over the impact of external factors on outcomes of some measures, such as Total Shareholder Return ("TSR"). The Committee recognises the preference of some shareholders for the inclusion of TSR metrics, but noted that:
 - For relative TSR measures, comparison to constituents broad market indices is susceptible to sector-based factors which may not appropriately reflect Company performance. Furthermore, unlike other sectors, there are limited directly comparable listed peers from which a bespoke peer group could be determined.
 - For absolute TSR measures, again, performance is susceptible to external factors which may not adequately reflect Company performance.
 - From a retention perspective, the Remuneration Committee are acutely aware that the business is operating in an extremely competitive market for talent and therefore needs an incentive structure which provides a meaningful retention tool with appropriate line of sight over performance outcomes for participants. With a new leadership team and many new senior team members, it is critical that participants remain motivated and focussed quickly to deliver on strategic priorities to support the long term growth of the Company and feel they are being recognised for this.

TGG Incentive Plan

As a result of the review, the Remuneration Committee is proposing a revised Directors' Remuneration Policy (the "new Policy") which includes a refreshed approach to incentivising Executive Directors and senior management through the introduction of a combined incentive plan (the "TGG Incentive Plan") which consolidates the existing annual bonus and performance share plan into a single scheme. The TGG Incentive Plan has been designed to balance:

- The need for a strong incentivisation lever for a new management team that supports driving forward the new CEO's strategy including long term growth of the Company;
- The need for a meaningful retention tool in a very challenging and competitive market for talent;
- The need to improve line of sight for participants over remuneration outcomes in the context of current macroeconomic events as well factors beyond the participants' control;
- The difficulty faced in setting long-term performance measures in a sector which is significantly impacted by this evolving environment; and
- The desire to continue to align remuneration with the interests of shareholders, including the Company's growth ambitions and strategy to capture market share over the long term.

The key terms of the TGG Incentive Plan are set out below:

- The maximum opportunity of awards will reflect the existing total variable remuneration opportunity. For Executive Directors, this will be 275% of salary (a reduction from the maximum current Policy limit of 300% of salary). The Committee believes that this is appropriate to ensure that the variable pay package remains competitive, attractive and motivating to participants.
- The Committee will set stretching performance measures which will be measured over each financial year. Performance measures may be based on financial and non-financial metrics (including corporate, divisional or personal measures), but at least 50% of awards will be based on financial measures. As outlined under Resolution 2, the weighting on financial measures for 2024 will be 80%, including Group Adjusted EBITDA Less Normalised Rent (50%) and Mature Site ROIC (30%).

- Subject to the achievement of stretching performance targets under these measures, awards will be delivered partly in cash and partly in shares as follows:
 - Up to 35% of any award will be paid in cash following the end of the performance period; and
 - At least 65% of any award, will be delivered in shares, deferred for a further two years.
 - The shares will normally be granted at the start of the performance period (or shortly thereafter and subject to dealing restrictions) and will be reduced following the end of the one year performance period to the extent that the relevant performance targets are not met in full.
 - The resulting shares will then vest after a further two years (i.e. three years after the date of grant) subject to continued employment and the satisfaction of one or more performance underpins. As outlined under Resolution 2, the performance underpin for the 2024 awards will be based on EBITDA, such that 25% of the deferred shares will lapse if the Group Adjusted EBITDA Less Normalised Rent in 2025 or 2026 is below the level achieved in 2024.
- Vested shares under the deferred share element will be subject to a 2 year post-vesting holding period for Executive Directors, bringing the overall term and share price exposure period of the plan to 5 years (from grant to release of shares) in accordance with the requirements of the UK Corporate Governance Code.

Executive Directors will be required to develop and maintain a shareholding equivalent to 200% of salary (and this level, or the actual shareholding if lower, for a period of 2 years following cessation).

The Committee notes that the proposed TGG Incentive Plan will be cascaded to the Executive Committee and two layers of management below that level, reflecting the organisational culture set by the new CEO with all participants winning and losing together, with the potential to extend further down the organisation where appropriate.

Resolutions 4 and 5 – To approve the TGG Incentive Plan and PSP

As an element of the proposed Directors' Remuneration Policy detailed in Appendix 1, the Company wishes to obtain shareholder approval for The Gym Group plc Incentive Plan (the "TGG Incentive Plan"). The TGG Incentive Plan will be used to make discretionary awards to certain employees (including Executive Directors). The main provisions of the TGG Incentive Plan are summarised in Appendix 2 to this Notice and Resolution 4 proposes the approval of the TGG Incentive Plan. A copy of the draft rules of the TGG Incentive Plan will be available for inspection via the National Storage Mechanism from the date of this Notice. The National Storage Mechanism can be found at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. They will also be available at the AGM for at least 15 minutes prior to and until the conclusion of the meeting.

The Gym Group plc Performance Share Plan (the "PSP") was adopted by the Company in 2015 and will expire in 2025 (the "current PSP"). We are asking shareholders to approve the renewal of the PSP (the "new PSP") for a period of ten years. The purpose of this plan is to facilitate the grant of share awards to employees, including awards subject to continued employment only (often referred to as "restricted stock awards") - in accordance with Resolution 2, Executive Directors will not receive further grants under the PSP (with the exception of buyout awards). The new PSP is based on the current PSP, except to clarify the vesting date of awards subject to a post-vesting holding period and to amend the dilution limit. The main provisions of the PSP are summarised in Appendix 2 to this Notice and Resolution 5 proposes the approval of the new PSP. A copy of the draft rules of the new PSP will be available for inspection via the National Storage Mechanism from the date of this Notice. The National Storage Mechanism can be found at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. They will also be available at the AGM for at least 15 minutes prior to and until the conclusion of the meeting.

Resolutions 6 to 12 – Election and re-election of Directors

The Company's Articles of Association require all Directors to retire at each Annual General Meeting and those wishing to serve again to submit themselves for re-election. Accordingly, John Treharne, Luke Tait, Elaine O'Donnell, Wais Shaifta, Richard Stables and Simon Jones are retiring from office and are submitting themselves for re-election by the shareholders at the 2024 AGM. Will Orr, who was appointed to the Board since the previous AGM (1 September 2023), is submitting himself for election by the shareholders for the first time at the 2024 AGM.

The Board believes that each Director should be elected or re-elected as they each have the requisite skills and experience, and demonstrate the necessary commitment, to contribute effectively to the deliberations of the Board. Biographical details of each of the Directors are provided in support of the Board's recommendation to elect or re-elect each of the Directors of the Company on pages 5 to 6 of this notice which, in the Board's view, illustrate why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success. Biographies are also available for viewing on the Company's website www.tggplc.com, and further information on Board changes since the time of the last AGM can be found on pages 70, 82 and 92 of the 2023 Annual Report.

The Board believes each of the Directors has significant recent and relevant experience and expertise and brings unique insight to boardroom discussions. Their breadth of experience encompasses a range of growth, expansionary, multi-site, retail and leisure businesses which ensures the Board demonstrates a diversity of skill, background and key individual strengths, encouraging informed debate.

Explanatory Notes to the Notice of Annual General Meeting continued

The Chair of the Board has confirmed that the performance of each Director standing for election or re-election continues to be effective and demonstrates commitment to the role. The Board is satisfied that each Independent Non-Executive Director remains independent in character and judgement and that there are no relationships or circumstances likely to affect his or her character or judgement. It unanimously recommends the election or re-election of each Director.

Resolutions 13 and 14 – Re-appointment and remuneration of auditors

The Board, on the recommendation of the Audit and Risk Committee, is proposing the re-appointment of Ernst & Young LLP. Resolution 14 gives authority to the Audit and Risk Committee to determine the auditor's remuneration.

Resolution 15 – To authorise the Company to make political donations and incur political expenditure

Under the Act, political donations to any political parties, independent election candidates or political organisations other than political parties, or the incurring of political expenditure, are prohibited unless authorised by shareholders in advance. Aggregate donations made by the Group of £5,000 or less in any 12-month period will not be caught.

As the legislation is capable of wide interpretation, the terms 'political donation', a 'political party', a 'political organisation' or 'political expenditure' are not easy to define. For example, sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may fall within the scope of these matters.

Therefore, notwithstanding that the Company has not made a political donation in the past, and has no intention, either now or in the future, of making any political donation or incurring any political expenditure, the Board has decided to propose Resolution 15 in order to allow the Company to continue to support the community and put forward its views to wider business and government interests without running the risk of the Company or its subsidiaries inadvertently breaching the Act through the undertaking of routine activities.

As permitted under the Act, Resolution 15 also covers any political donations made, or political expenditure incurred, by all subsidiaries of the Company at the date on which this resolution is passed or at any time when this resolution has effect. Resolution 15 caps the amount of all forms of political donations and expenditure that the Company and its subsidiaries would be permitted to make at an aggregate of £50,000 and the authority will expire on the earlier of 30 June 2025 or the conclusion of the Annual General Meeting of the Company to be held in 2025.

Resolution 16 – To authorise the Directors to allot Ordinary shares

At the Annual General Meeting held in May 2023, shareholders authorised the Directors, under section 551 of the Companies Act 2006, to allot shares without the prior consent of shareholders for a period expiring at the conclusion of the 2024 Annual General Meeting or, if earlier, at the close of business on 30 June 2024. It is proposed to renew this authority and to give the Directors authority to allot shares or grant rights to subscribe for, or convert any security into, shares in the Company without the prior consent of shareholders until the conclusion of the next Annual General Meeting of the Company after the passing of the resolution, or, if earlier, at the close of business on 30 June 2025. Resolution 16 will be proposed as an ordinary resolution.

Paragraph (a)(i) of Resolution 16 will allow the Directors to allot Ordinary shares up to a maximum nominal amount of £5,970.57 representing approximately one third (33.33%) of the Company's existing issued Ordinary share capital and calculated as at 1 April 2024 (being the latest practicable date prior to publication of this document). In accordance with the latest institutional guidelines issued by the Investment Association in February 2023, paragraph (a)(ii) of Resolution 16 will allow Directors to allot, including the Ordinary shares referred to in paragraph (a)(i) of Resolution 16, further of the Company's Ordinary shares in connection with a rights issue or other pre-emptive offer to ordinary shareholders up to a maximum nominal amount of £11,941.14, representing approximately two thirds (66.67%) of the Company's existing issued Ordinary share capital and calculated as at 1 April 2024 (being the latest practicable date prior to publication of this document).

The Directors have no present intention of exercising this authority. If the Directors do exercise the authority, they intend to follow best practice as regards its use, as recommended by the Investment Association.

As at 1 April 2024, the Company held in treasury: (i) no Ordinary shares, and (ii) 48,050 non-voting Deferred Ordinary shares of £1 each.

Resolutions 17 and 18 – To authorise the Directors to disapply pre-emption rights (special resolutions)

At last year's meeting, two separate special resolutions were passed, under sections 570 and 573 of the Companies Act 2006, empowering the Directors to allot equity securities for cash without first being required to offer such shares to existing shareholders. It is proposed that these authorities be renewed in line with the latest institutional shareholder guidelines, including the revised Statement of Principles published by the Pre-Emption Group on 4 November 2022 (the '**2022 Statement of Principles**').

If approved, Resolution 17, which follows the Pre-emption Group's template resolution, will authorise the Directors, in accordance with the Company's articles of association and the 2022 Statement of Principles, to issue shares in connection with a rights issue or other pre-emptive offer (paragraph (a) of the resolution) and otherwise to issue shares and/or sell treasury shares for cash:

- 1) for general corporate purposes (under paragraph (b) of the resolution), up to a maximum nominal amount of £1,791.17 (representing approximately 10% of the issued Ordinary share capital of the Company as at 1 April 2024 (being the latest practicable date prior to publication of this circular)); and
- 2) for the purposes of making a follow-on offer to existing shareholders (under paragraph (c) of the resolution and as described in the 2022 Statement of Principles), up to an additional aggregate amount equal to 20% of any allotment under paragraph (b) of the resolution. The maximum additional nominal amount that could be issued under paragraph (c) of the resolution (based on the authority under paragraph (b) being used in full) is £358.23 (representing approximately 2% of the issued Ordinary share capital of the Company as at 1 April 2024).

The total maximum nominal amount of equity securities to which Resolution 17 relates is £2,149.40 (representing approximately 12% of the issued Ordinary share capital of the Company as at 1 April 2024).

The Directors confirm that, should they exercise any authority granted by Resolution 17, they intend to follow best practice as regards its use, including:

- (i) following the shareholder protections in Part 2B of the 2022 Statement of Principles; and
- (ii) in respect of any follow-on offer, following the expected features set out in paragraph 3 of Part 2B of the 2022 Statement of Principles.

Resolution 17 will be proposed as a special resolution to grant this authority until the conclusion of the next AGM or, if earlier, the close of business on 30 June 2025.

Resolution 18 requests further shareholder approval, by way of a separate special resolution in line with the best practice guidance issued by the Pre-Emption Group, for the Directors to allot equity securities and/or sell treasury shares for cash without first being required to offer such securities to existing shareholders. The proposed resolution, which follows the Pre-emption Group's template resolution and reflects the 2022 Statement of Principles, will expire on 30 June 2025 or at the conclusion of the AGM in 2025, whichever is the earlier.

The authority granted by Resolution 18, if passed, will be limited to the allotment of equity securities and the sale of treasury shares for cash:

1. under paragraph (a) of the resolution, up to an aggregate nominal value of £1,791.17 (representing approximately 10% of the issued Ordinary share capital of the Company as at 1 April 2024 (being the latest practicable date prior to publication of this circular)), to be used only in connection with an acquisition or other capital investment of a kind contemplated by the 2022 Statement of Principles, and which is announced contemporaneously with the allotment, or has taken place in the preceding 12 month period and is disclosed in the announcement of the allotment; and
2. under paragraph (b) of the resolution, up to an additional aggregate amount equal to 20% of any allotment under paragraph (a) of the resolution, for the purposes of making a follow-on offer to existing shareholders as described in the 2022 Statement of Principles. The maximum additional nominal amount that could be issued under paragraph (b) of the resolution (based on the authority under paragraph (a) being used in full) is £358.23 (representing approximately 2% of the issued Ordinary share capital of the Company as at 1 April 2024).

The total maximum nominal amount of equity securities to which Resolution 18 relates is £2,149.40 (representing approximately 12% of the issued Ordinary share capital of the Company as at 1 April 2024).

The Directors confirm that, should they exercise any authority granted by Resolution 18, they intend to follow best practice as regards its use, including:

- (i) following the shareholder protections in Part 2B of the 2022 Statement of Principles; and
- (ii) in respect of any follow-on offer, following the expected features set out in paragraph 3 of Part 2B of the 2022 Statement of Principles.

The authority granted by Resolution 18 would be in addition to the general authority to disapply pre-emption rights under Resolution 17.

Explanatory Notes to the Notice of Annual General Meeting continued

Resolution 19 – To approve the market purchase of the Company's own shares (special resolution)

A special resolution was also passed at last year's meeting empowering the Directors to purchase the Company's shares in the market. It is proposed that this authority be renewed. The Directors have no present intention of exercising the authority to purchase the Company's Ordinary shares but will keep the matter under review. The power given by the resolution will only be exercised if the Directors are satisfied that any purchase will increase the earnings per share of the Ordinary share capital in issue after the purchase and, accordingly, that the purchase is in the interests of shareholders. The Directors will also give careful consideration to gearing levels of the Company and its general financial position. The purchase price would be paid out of distributable profits.

The Act permits certain listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares by the company. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under the Company's employees' share schemes.

Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings, in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

If the Directors exercise the authority conferred by Resolution 19, they may consider holding those shares in treasury, rather than cancelling them. The Directors believe that holding shares in treasury would provide the Company with greater flexibility in the management of its share capital. The Directors will also consider using the treasury shares to satisfy share options/awards under the Company's employees' share schemes.

The maximum number of shares which may be purchased under the proposed authority will be 17,911,737 Ordinary shares representing approximately 10% of the issued Ordinary share capital of the Company at 1 April 2024 (being the latest practicable date before the date of this document). The price paid for shares will not be less than the nominal value. The price paid will not be more than the higher of 105% of the average of the middle-market quotation of the Company's Ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days preceding the day on which the shares are purchased and an amount equal to the higher of the price of the last independent trade of an Ordinary share and the highest current independent bid for an Ordinary share on the trading venue where the purchase is carried out.

As at 1 April 2024 (being the latest practicable date prior to the date of this circular), the total number of warrants over or options to subscribe for Ordinary shares that were outstanding was 8,660,324. The proportion of issued Ordinary share capital that they represented at that time was 4.38% and the proportion of issued Ordinary share capital that they will represent if the full authority to purchase shares (existing and being sought) is used is 6.04%. As at 1 April 2024 the Company did not hold any Ordinary shares in treasury.

Resolution 19 will be proposed as a special resolution to provide the Company with the necessary authority to purchase its own shares. If the resolution is passed, the authority will expire at the conclusion of the 2025 Annual General Meeting, or, if earlier, on 30 June 2025, unless renewed before that time.

Resolution 20 – Notice of general meetings other than Annual General Meetings (special resolution)

Under the Act, the notice period required for all general meetings of the Company is 21 clear days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual General Meetings will always be held on at least 21 clear days' notice.

At last year's Annual General Meeting shareholders authorised the calling of general meetings (other than an Annual General Meeting) on not less than 14 clear days' notice, and it is proposed that this authority be renewed.

Resolution 20 if passed, authorises the calling of general meetings other than an Annual General Meeting on not less than 14 clear days' notice, and will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The flexibility offered by this resolution will be used where, taking into account the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting and in the interests of the Company and shareholders as a whole.

Important Notes

The following notes explain your general rights as a shareholder and your right to attend and vote at this Annual General Meeting or to appoint someone else to vote on your behalf.

We encourage you to monitor our website at <https://www.tggplc.com/investors/shareholder-information/agm> where we will communicate any additional information relating to the Annual General Meeting arrangements, should the need arise.

1. Attending the Annual General Meeting in person

If you wish to attend the Annual General Meeting in person, you are asked to register your intention as soon as practicable by sending an email to the Company Secretary at company.secretary@thegymgroup.com to help us plan appropriately. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity to the Company's registrar, Link Group (the 'Registrar'), prior to being admitted to the Annual General Meeting.

2. Appointment of proxies

If you are a member of the Company at the time set out in note 10, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting. You can appoint a proxy only using the procedures set out in these notes and the notes to the proxy form.

A proxy does not need to be a member of the Company but must attend the meeting to represent you. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chair of the Annual General Meeting) and give your instructions directly to them.

You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Ordinary shares. You may not appoint more than one proxy to exercise rights attached to any one Ordinary share. To appoint more than one proxy, please indicate on your proxy submission how many Ordinary shares it relates to.

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of the proportion of the votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at their discretion. Your proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the meeting.

The appointment of a proxy will not prevent a member from attending the Annual General Meeting and voting in person instead of the proxy if they wish. You must inform the Registrar in writing of any termination of the authority of a proxy.

All proxy appointments must be received by no later than 11.00am on Tuesday 7 May 2024 to be valid.

A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 12 below.

3. Appointment of a proxy and giving voting instructions online

You can appoint a proxy and give voting instructions online either:

- by logging on to www.signalshares.com and following the instructions. If you have not previously registered, you will first be asked to register as a new user, for which you will require your investor code (which can be found on your share certificate and dividend confirmation), last name and postcode (if resident in the UK), or
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

Proxy appointments must be received by no later than 11.00am on Tuesday 7 May 2024 to be valid.

4. Appointment of a proxy using a Form of Proxy

You may request a hard copy Form of Proxy directly from the registrars, Link Group, on Tel: 0371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00am - 5.30pm, Monday to Friday excluding public holidays in England and Wales.

To be valid, a Form of Proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar, Link Group, PXS 1, Central Square, 29 Wellington Street, LEEDS, LS1 4DL no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting.

If you require additional Forms of Proxy, please contact the Registrar.

5. Holders within the Gym Group Nominee voting instructions

No Form of Instruction is included with this mailing. You may instruct how you want your votes cast electronically by logging on to www.signalshares.com and following the instructions given on the website. If you have not previously registered, you will first be asked to register as a new user, for which you will require your investor code. This can be obtained by contacting the Registrar on their shareholder helpline.

Votes should be cast no later than 11.00am on 7 May 2024 or 48 hours (excluding non-working days) before any adjourned meeting.

Important Notes continued

6. Appointment of a proxy through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: <https://www.euroclear.com/site/public/EUI>. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a '**CREST Proxy Instruction**') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available by logging in at www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Registrar (ID RA10) no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy instructions.

It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

7. Appointment of a proxy through Proximity

If you are an institutional investor you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proximity, please go to www.proximity.io. Your proxy must be lodged no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours (excluding non-working days) before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proximity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

8. Appointment of proxy by joint holders

In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority shall be determined by the order in which the names of the joint holders stand in the Company's register of members in respect of the joint holding.

9. Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

10. Entitlement to attend and vote

To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at close of business on 7 May 2024 (or, if the Annual General Meeting is adjourned, at close of business on the day two days (excluding non-working days) prior to the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

11. Votes to be taken by a poll

At the Annual General Meeting all votes will be taken by a poll rather than on a show of hands.

It is intended that the results of the poll votes will be announced to the London Stock Exchange and published on the Company's website following the Annual General Meeting.

12. Nominated persons

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the 'Act') to enjoy information rights (a 'Nominated Person') may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.

13. Website giving information regarding the Annual General Meeting

Information regarding the Annual General Meeting, including information required by section 311A of the Act, and a copy of this notice of Annual General Meeting is available from www.tggplc.com.

14. Audit concerns

Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with the auditors of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

15. Voting rights

As at 1 April 2024 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 179,117,379 Ordinary shares, carrying one vote each. No Ordinary shares are held by the Company in treasury. The Company holds 48,050 non-voting Deferred Ordinary shares of £1 each in treasury. Therefore, the total voting rights in the Company as at 1 April 2024 were 179,117,379 votes.

16. Further questions, communication and behaviour

In accordance with the provisions of the Companies Act, any shareholder attending the meeting has the right to ask questions. The Company will answer any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation of the AGM or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered. The Chair may also nominate a Company representative to answer a specific question after the AGM or refer the response to the Company's website. Shareholders are invited to submit questions to the Chair in advance by sending them electronically to company.secretary@thegygroup.com.

Members who have any queries about the Annual General Meeting should contact the Company's Registrars, Link Group, by email at enquiries@linkgroup.co.uk or by telephone on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00am – 5.30pm, Monday to Friday, excluding public holidays in England and Wales.

Members may not use any electronic address provided in this notice or in any related documents to communicate with the Company for any purpose other than those expressly stated.

Shareholders are reminded that unacceptable behaviour will not be tolerated at the meeting and will be dealt with appropriately by the Chair.

17. Documents available for inspection

The following documents are available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting will be at the location of the meeting from 10.00am until the conclusion of the Annual General Meeting:

- 17.1. Copies of all contracts of service under which Directors are employed by the Company or any of its subsidiary undertakings;
- 17.2. Copies of the Letters of Appointment of the Non-Executive Directors of the Company; and
- 17.3. Copies of the rules of each of The Gym Group PLC Incentive Plan and The Gym Group PLC Performance Share Plan.

18. Personal data

Personal data provided by shareholders at or in relation to the Meeting will be processed in line with the Company's privacy policy.

Appendix 1 - Directors' Remuneration Policy

This Appendix 1 sets out the proposed Directors' Remuneration Policy (the "Policy") for the Executive and Non-Executive Directors of the Group. This Policy will be put forward for shareholder approval at the 2024 AGM on 9 May 2024 and, if approved, will apply from that date. Until this time, the Policy approved at the 2022 AGM on 12 May 2022 will continue to apply.

Summary of changes to the Policy

As outlined further in the Notice of 2024 AGM, the Committee conducted a review of the current Directors' Remuneration Policy in light of the significant leadership changes with the appointment of a new CEO and CFO, a review of the Company's strategy, as well as the macroeconomic environment, to ensure that the remuneration arrangements are both incentivising and retentive to the new leadership team. This review concluded that the current arrangements were not operating effectively, based on the need to retain key talent and provide improved line of sight to reward outcomes, and the Group's strategic objectives to strengthen our core business, accelerate the roll out of new sites and broaden our growth. The Committee is therefore proposing to simplify the remuneration structure by replacing the existing annual bonus and Performance Share Plan with a combined incentive scheme (the "TGG Incentive Plan"). This scheme will apply to Executive Directors as well as the Executive Committee and broader senior management team. Under the TGG Incentive Plan, the maximum opportunity will be reduced from 300% of salary under the current Policy to 275% under the new Policy. Awards will be subject to performance against financial and non-financial targets assessed over a one year period, with a significant portion (at least 65%) delivered in shares which vest after a further two years subject to a performance underpin. A two year post-vesting holding period also applies for Executive Directors, bringing the total term of the plan (and share price exposure) to 5 years. Further details on the proposed implementation of the TGG Incentive Plan for 2024 are set out under Resolution 2 on page 2.

In addition:

- The legacy pension provision which applied up to the end of 2022 has been removed from the Policy as this is no longer required. As has been the case since the start of 2023, all Executive Directors receive pension contributions (or cash in lieu of pension) in line with the wider workforce, currently 4% of salary;
- The majority of legacy provisions relating to John Treharne's tenure as Founder Director have been removed;
- The maximum notice period for Executive Directors has been increased from 6 months to 12 months in line with typical market practice; and
- Minor wording clarifications have been made to improve the understanding of the Policy.

Policy table

Element, purpose and link to strategy	Operation	Maximum opportunity	Performance measures
<p>Base salary</p> <p>This is the core element of pay and reflects the individual's role and position within the Group with some adjustment to reflect their capability and contribution.</p>	<p>Base salaries will typically be reviewed annually, with consideration given to the performance of the Company and the individual, any changes in responsibilities or scope of the role, as well as pay practices in relevant comparator companies of a broadly similar size and complexity with due account taken of both market capitalisation and turnover.</p> <p>The Committee does not strictly follow benchmark pay data but instead uses it as one of a number of reference points when considering, in its judgement, the appropriate level of salary. Base salary is paid monthly in cash.</p>	<p>It is anticipated that increases will generally be in line with percentage increases awarded to salaried staff.</p> <p>However, in certain circumstances (including, but not limited to, changes in role and responsibilities, market levels, individual and Company performance), the Committee may make larger salary increases to ensure they are market competitive. The rationale for any such increase will be disclosed in the relevant Annual Report and Accounts.</p>	<p>n/a</p>
<p>Benefits</p> <p>To provide a comprehensive and competitive benefits package which is valued by recipients.</p>	<p>The Executive Directors currently receive private medical cover, a car or travel allowance and a car parking space.</p> <p>The Committee reserves the discretion to introduce new benefits where it concludes that it is appropriate to do so, having regard to the particular circumstances and to market practice.</p> <p>Where appropriate, the Company will meet certain costs relating to Executive Director relocations.</p>	<p>The costs of benefits provided may fluctuate from year to year, even if the level of provision has remained unchanged.</p> <p>Relocation expenses are subject to a maximum limit of 100% of base salary, provided that such expenses may be paid only in the year of appointment and for a further two financial years.</p> <p>The Committee will monitor the costs of benefits in practice and will ensure that the overall costs do not increase by more than the Committee considers appropriate in all the circumstances.</p>	<p>n/a</p>
<p>Pension</p> <p>To provide a competitive remuneration package and to encourage retirement planning and retain flexibility for individuals.</p>	<p>Executive Directors can receive pension contributions to personal pension arrangements or as a cash payment in lieu of pension.</p>	<p>The maximum employer's contribution is aligned to the contribution levels for the majority of the workforce (currently 4% of base salary).</p>	<p>n/a</p>

Appendix 1 - Directors' Remuneration Policy continued

Element, purpose and link to strategy	Operation	Maximum opportunity	Performance measures
<p>TGG Incentive Plan</p> <p>To incentivise the delivery of financial and strategic priorities and directly align the directors' interests with those of shareholders.</p>	<p>Awards will be subject to performance measures measured over a one year period with measures reviewed annually to ensure that they remain fit for purpose.</p> <p>Up to 35% of any award is paid in cash following the end of the performance period.</p> <p>The balance (at least 65%) is delivered in shares (in the form of a conditional share award or nil cost option). The shares will normally be granted at the start of the performance period (or shortly thereafter) and will be reduced following the end of the one year performance period to the extent that the relevant performance targets are not met in full. The resulting shares will then vest after a further two years (i.e. three years after the date of grant) subject to continued employment and the satisfaction of one or more performance underpins.</p> <p>Vested shares will be subject to a further two year post-vesting holding period, during which time the Executive Directors are not permitted to sell the vested shares (or exercise a nil cost option).</p> <p>During the vesting period (and the additional holding period) the value of any dividends on vested shares will be credited as reinvested in further award shares.</p> <p>Awards are subject to malus and clawback provisions as set out in further detail on page 20. In respect of the cash element of awards, malus provisions apply for the duration of the performance period and clawback provisions apply for 2 years following payment. In respect of the shares element of awards, malus provisions apply during the vesting period and clawback provisions apply for 2 years after vesting.</p>	<p>Up to 275% of salary</p>	<p>Performance measures may be based on financial and non-financial metrics (including corporate, divisional or measures), but at least 50% of awards will be based on financial measures.</p> <p>Where a sliding scale of targets is used, attaining the threshold level of performance for any measure will not typically produce a payout of more than 20% of the maximum portion of overall annual bonus attributable to that measure, with a sliding scale to full payout for maximum performance.</p> <p>The performance underpin(s) may be based on financial and/or non-financial metrics.</p> <p>In accordance with the Code, the Remuneration Committee will retain overall discretion to adjust awards if they are not believed to be in line with overall Company performance.</p>

Element, purpose and link to strategy	Operation	Maximum opportunity	Performance measures
<p>Share ownership guidelines</p> <p>To further align the interests of Executive Directors with those of shareholders.</p>	<p>Executive Directors are expected to build up a level of shareholding equal to 200% of salary. The Committee has the discretion to amend, but not reduce, this level in future years.</p> <p>To the extent that the prescribed level has not been reached, Executive Directors will be expected to retain a proportion of the shares vesting under the Company's share plans until the guideline is met. For the purpose of assessing the shareholding versus the prescribed level, any vested awards subject to a holding period and unvested awards not subject to performance conditions will be included (discounted for anticipated tax liabilities).</p> <p>In addition to the shareholding guideline above, Executive Directors will be expected to retain the lower of actual shares held at cessation and shares equal to 200% of salary for two years post-cessation. The Committee may disapply this requirement and/or permit earlier sale of shares in exceptional circumstances. This guideline applies in respect of any vested shares which vest from PSP and DSBP awards granted after the 2022 AGM.</p>	n/a	n/a
<p>All-staff share plans</p> <p>To encourage share ownership by staff, thereby allowing them to share in the long-term success of the Group and align their interests with those of shareholders.</p>	<p>The Company operates an all-staff Share Incentive Plan (under which an award of 'free shares' can be made, as well as 'partnership shares' and 'matching shares'). The Company also operates a Sharesave scheme.</p> <p>These all-staff share plans are established under HMRC tax advantaged regimes and follow the usual form for such plans.</p> <p>Executive Directors are eligible to participate in each of the all-employee share plans on the same terms as other Group staff.</p>	The maximum participation levels for all-staff share plans will be the limits for such plans set by HMRC from time to time.	n/a
<p>Chair and Non-Executive Director remuneration</p> <p>To enable the Company to recruit and retain Company Chairs and Non-Executive Directors of the highest calibre, at the appropriate cost.</p>	<p>The fees paid to the Chair of the Board and Non-Executive Directors are intended to be competitive with other fully listed companies of equivalent size and complexity. The fees for the Chair of the Board and Non-Executive Directors may include a basic fee and additional fees for further responsibilities (for example, when chairing Board Committees or holding the office of Senior Independent Director).</p> <p>The fees payable to the Non-Executive Directors are determined by the Board. The fee for the Chair of the Board is determined by the Remuneration Committee.</p> <p>Directors do not participate in decisions regarding their own fees.</p> <p>No benefits are envisaged for the Non-Executive Directors, although the Company reserves the right to provide benefits, such as travel and office support. As Founder, John Treharne currently receives certain benefits in line with his legacy provision.</p>	<p>The aggregate fees and any benefits of the Chair of the Board and Non-Executive Directors will not exceed the limit from time to time prescribed within the Company's Articles of Association for such fees (currently £1,000,000 p.a. in aggregate).</p> <p>Any increases actually made will be appropriately disclosed.</p>	n/a

Appendix 1 - Directors' Remuneration Policy continued

Notes to the Policy table

Richard Stables

Richard Stables is currently a Partner at Fulcrum Advisory Partners LLP ('Fulcrum Partners'), an independent advisory firm, and a Senior Advisor to Blantyre Capital ('Blantyre'), a shareholder in the Company. While Richard has not been appointed as a representative of Blantyre or any other shareholder and Fulcrum Partners has ceased to provide advisory services to Blantyre in relation to the Company, Fulcrum Partners is party to an incentive arrangement with Blantyre pursuant to which Fulcrum Partners is entitled to certain cash payments contingent on the share price of the Company achieving various price levels up to 600p per share, with a maximum cash value at those price levels equivalent to 305,641 shares in the Company. For the avoidance of doubt, the cost of any such payments would be met in full by Blantyre i.e. there is no cost to the Company.

Malus and clawback

The Remuneration Committee may apply malus and clawback to awards under the TGG Incentive Plan and legacy awards made under the Performance Share Plan (PSP), Deferred Share Bonus Plan (DSBP) and the annual bonus. The circumstances where these powers of recovery may operate are where:

- The Company materially misstated its financial results for any reason and that misstatement would result or resulted either directly or indirectly in an award being granted or vesting to a greater extent than would have been the case had that misstatement not been made;
- The extent to which any performance target and/or any other condition was satisfied was based on an error, or on inaccurate or misleading information or assumptions which resulted either directly or indirectly in an award being granted or vesting to a greater extent than would have been the case had that error not been made;
- Circumstances arose (or continued to arise) during the vesting period (including any holding period) of an award which would have warranted the summary dismissal of the participant; or
- There is a sufficiently significant impact on the reputation of the Company (including a corporate failure of a Group Company) to justify the operation of malus or clawback.

Travel and hospitality

Whilst the Committee does not consider it to form part of benefits in the normal usage of that term, it has been advised that corporate hospitality, whether paid for by the Company or another part, and business travel for Directors and in exceptional circumstances their families (including any related tax liabilities settled by the Company), may technically come within the applicable rules and so the Committee expressly reserves the right for the Committee to authorise such activities within its agreed policies.

Differences between the policy on remuneration for Directors from the policy on remuneration of other staff

Whilst the appropriate benchmarks vary by role, the Company seeks to apply the philosophy behind this Policy across the Company as a whole. Where the Group's pay policy for Directors differs from its pay policies for groups of staff, this reflects the appropriate market rate position and/or typical practice for the relevant roles. The Company takes into account pay levels, bonus opportunity and share awards applied across the Group as a whole when setting the Executive Directors' Remuneration Policy.

Committee discretions

The Committee will operate the TGG Incentive plan (and legacy PSP, DBSP and annual bonus plans) according to the relevant plan rules and Directors' Remuneration Policy. The Committee retains discretion, consistent with market practice, in a number of respects, in relation to the operation and administration of these plans.

These discretions include, but are not limited to, the following:

- the selection of participants;
- the timing of grant of an award;
- the size/opportunity of an award subject to the maximum limits set out in the Policy table;
- the determination of performance against targets and resultant payout or vesting;
- various discretions required when dealing with a change of control or restructuring of the Group (e.g. the timing and determination of performance conditions);
- determination of the treatment of leavers based on the rules of the relevant plan and the appropriate treatment chosen;
- adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events and special dividends); and
- the annual review of performance measures, weightings and targets from year to year.

Whilst performance measures and targets for awards under the TGG Incentive Plan will generally remain unchanged once set, the Committee has the usual discretions to amend the measures, weightings and targets in exceptional circumstances (such as a major transaction) where the original measures and targets would cease to operate as intended. Any such changes would be explained in the subsequent Directors' Remuneration Report and, if appropriate, be the subject of consultation with the Company's major shareholders.

Any use of these discretions would, where relevant, be explained in the Directors' Remuneration Report.

Outstanding obligations

For the avoidance of doubt, in approving this Policy, authority is given to the Company to honour any commitments entered into with current or former Directors prior to the adoption of this Policy (including under a prior policy). For the avoidance of doubt, this includes all previous policy terms relating to the PSP, DBSP and annual bonus plan.

Recruitment remuneration policy

The Company's recruitment remuneration policy aims to give the Committee sufficient flexibility to secure the appointment and promotion of high-calibre executives to strengthen the management team and secure the skill sets to deliver our strategic aims.

In terms of the principles for setting a package for a new Executive Director, the starting point for the Committee will be to apply the general policy for Executive Directors as applicable from time to time and structure a package in accordance with that policy.

Variable pay for any newly appointed Executive Director, in particular the TGG Incentive Plan, will operate as set out in the Policy table. This includes the maximum opportunity level (275% of salary). For an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment as appropriate. For external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses in the year of appointment and for a further two financial years, as it considers appropriate. The Company may also meet the cost of legal and other fees involved in negotiating any appointment.

For external candidates, it may be necessary to make additional awards in connection with the recruitment to buy out awards forfeited by the individual on leaving a previous employer. For the avoidance of doubt, buyout awards are not subject to a formal cap. Where it is necessary to make a buyout award to an external candidate, the Company will not pay more than necessary in the view of the Committee. Where awards cannot be made under an existing set of plan rules, the Committee reserves the right to make awards outside these rules in accordance with Listing Rule 9.4.2. Any buyout award will be determined considering the commercial value of the amount forfeited, and the nature, time horizons and performance requirements of those awards. The Committee's starting point will be to ensure that buyout awards are provided on a like-for-like basis with the award they replace. However, the Committee may relax those obligations, such as where the service and/or performance requirements are materially completed, or where such factors are, in the view of the Committee, reflected in some other way, such as an appropriate discount to the face value of the awards forfeited, and where it considers this to be in the interests of shareholders.

A new Chair or Non-Executive Director would be recruited on the terms explained above in respect of the Policy table for such Directors.

Service contracts

The table below sets out the date of appointment and notice terms of each Executive Director's contract is:

Name	Date	Duration
Will Orr	1 September 2023	Each Executive Director's service agreement is of indefinite duration, subject to termination by the Company or the individual on up to twelve months' notice. Subject to re-election at each Annual General Meeting of the Company.
Luke Tait	17 October 2022	

The contracts of all current Executive Directors, which are available for inspection at the Company's registered office, contain a payment in lieu of notice clause which is limited to base salary only.

The table below sets out the effective date of the latest letter of appointment for each Non-Executive Director:

Name	Date	Duration
John Treharne	11 May 2023	Subject to re-election at each Annual General Meeting of the Company. Services are terminable on one month's notice given by either party.
Simon Jones	6 February 2023	
Elaine O'Donnell	30 August 2022	
Wais Shaifta	1 February 2021	
Richard Stables	30 August 2022	

Policy on payment for loss of office

The Remuneration Committee will consider treatments on a termination having regard to all of the relevant facts and circumstances available at that time. This policy applies both to any negotiations linked to notice periods on a termination and any treatments that the Committee may choose to apply under the discretions available to it under the terms of the TGG Incentive Plan and legacy schemes (DSBP and PSP). The potential treatments on termination under these plans are set out below. The all-staff Share Incentive Plan and Sharesave scheme provide treatments for leavers in line with HMRC rules for such plans.

Appendix 1 - Directors' Remuneration Policy continued

The Company has the power to enter into settlement agreements with Directors and to pay compensation to settle potential legal claims. In addition, and consistent with market practice, in the event of the termination of an Executive Director, the Company may make a contribution towards that individual's legal fees and fees for outplacement services as part of a negotiated settlement. Any such fees will be disclosed as part of the detail of termination arrangements.

For the avoidance of doubt, the Policy does not include an explicit cap on the cost of termination payments.

TGG Incentive Plan

If a participant:

- ceases to be employed due to death, injury, ill health, disability, redundancy, retirement with the agreement of the Company/ Board, or any other reason at the Remuneration Committee's absolute discretion, they will:
 - continue to be entitled to participate in the plan in respect of the year in which their employment ceases, subject to the original performance measures and targets. Unless the Committee determines otherwise:
 - the cash element of the award will be pro-rated for time based on the proportion of the 1 year performance period in employment and providing active service; and
 - the deferred element of the award will be pro-rated for time based on the proportion of the 3 year vesting period in employment and providing active service. Such awards will vest on the normal vesting date and remain subject to the performance underpin and post-vesting holding period.
 - retain any unvested deferred award elements in respect of previous years, but the number of shares will be pro-rated for time based on the proportion of the 3 year vesting period in employment (including any period of garden leave), unless the Committee determines otherwise. Such awards will vest on the normal vesting date and remain subject to the performance underpin and post-vesting holding period.
- ceases to be employed for any other reason, their awards will lapse in full.

If there is a change of control or winding up of the Company, awards typically vest to the extent that the relevant performance conditions have been satisfied at that time and subject also to pro-rating. The Committee has the ability to vary time pro-rating.

Deferred Share Bonus Plan (Legacy plan)

Awards are normally preserved in all leaver cases (other than termination for cause) but release will not typically be accelerated, except in the case of death in service. The Committee has the ability to release a good leaver's awards early in suitable cases.

Performance Share Plan (Legacy plan)

If, during the performance or vesting period, a participant:

- ceases to be employed due to death, injury, ill health, disability, redundancy, the participant's employing company or employing part of a business being sold out of the Group or for any other good leaver reason the Committee determines, awards are retained and vest in the normal course subject to the performance conditions, or, if the Committee so decides, immediately on the participant ceasing to be in employment (acceleration will be automatic in cases of death). Awards will be pro-rated by reference to the proportion of the vesting period for which the participant remained employed. The Committee has the ability to vary time pro-rating; or
- ceases to be employed for any other reason, their awards will lapse in full.

If a participant ceases employment during the holding period, performance-vested awards will normally be retained and vest as normal at the end of the holding period (unless the Committee exercises its discretion to allow awards to vest early on cessation in suitable cases). However, if the participant ceases employment during the holding period due to dishonesty, fraud, misconduct or any other circumstances justifying summary dismissal, awards lapse in full.

If there is a change of control or winding up of the Company, awards typically vest to the extent that the relevant performance conditions have been satisfied at that time and subject also to pro-rating. The Committee has an ability to vary time pro-rating.

Consideration of shareholder views

The Committee considers shareholder views received during the year and at each Annual General Meeting, as well as guidance from shareholder representative bodies more broadly, when determining the Policy and its implementation. The Committee seeks to build an active and productive dialogue with investors on developments on the remuneration aspects of corporate governance generally and it will consult with major shareholders in advance of any material change to the structure and/or operation of the policy and will seek formal shareholder approval for any such change if required.

The Committee engaged with our major shareholders in developing the Policy. The feedback received demonstrated that the vast majority of our major shareholders were supportive of the proposed structure (to simplify the remuneration arrangements by replacing the existing plans with a single scheme). We received the following feedback in relation to specific design aspects of the plan:

- A majority of shareholders noted a preference for the inclusion of a returns-based measure to incentivise the efficient use of capital, rather than a single performance measure based on EBITDA; and
- Some shareholders expressed a preference for greater alignment with the Company's share price, and in particular to provide an incentive to deliver share price growth. Furthermore, some of these shareholders stated that they would prefer the Company to operate a private-equity style scheme under which participants share in a proportion of share price growth with a significantly higher overall opportunity to incentivise this.

The Committee reflected on this feedback and carefully considered the wide range of views on these points. As a result, the Committee resolved to:

- Introduce a return on invested capital ("ROIC") measure to provide a measure of return on capital and an additional performance assessment to EBITDA; and
- Increase the proportion of the award delivered in shares to reflect feedback regarding shareholder alignment (the Committee considered whether a TSR measure should be incorporated but concluded that this would not be appropriate over a one year performance period).

As a listed company, the Group strives hard to build a long-term, two-way relationship with its investors and will consider their views in all areas of its business, including on the remuneration of its key employees.

External appointments

The Company's policy is to permit an Executive Director to serve as a non-executive director elsewhere when this does not conflict with the individual's duties to the Company, and where an Executive Director takes such a role they may be entitled to retain any fees which they earn from that appointment. Such appointments are subject to approval by the Chair of the Board.

Consideration of employment conditions elsewhere in the Group

Pay and employment conditions generally in the Group will be taken into account when setting Executive Directors' remuneration. The same reward principles guide reward decisions for all Group employees, including Executive Directors, although remuneration packages differ to take into account appropriate factors in different areas of the business:

Base salary/benefits/pension	The Committee receives and considers an annual report summarising the base salaries, benefits and pension arrangements received by each category of Group staff.
Variable pay	Subject to approval at the 2024 AGM, Executive Directors, the Executive Committee and other senior management will participate in the TGG Incentive Plan. The majority of Group employees below this level will participate in an annual bonus plan, although the quantum and balance of Group, business unit and individual objectives varies by level and nature of role. The Committee receives an annual report summarising the bonus potential and performance metrics used in each of the annual bonus schemes in operation across the Group. In addition, some senior employees (excluding Executive Directors) also receive restricted share awards which vest subject to continued employment.
All employee share plans	The Committee considers it is important for all employees to have the opportunity to become shareholders in the Company. The Company currently offers a Share Incentive Plan and a Sharesave scheme. The Committee regularly monitors participation in the Group all-employee share plans.

Reflecting standard practice, the Company does not consult with staff in drawing up the Company's Directors' Remuneration Policy.

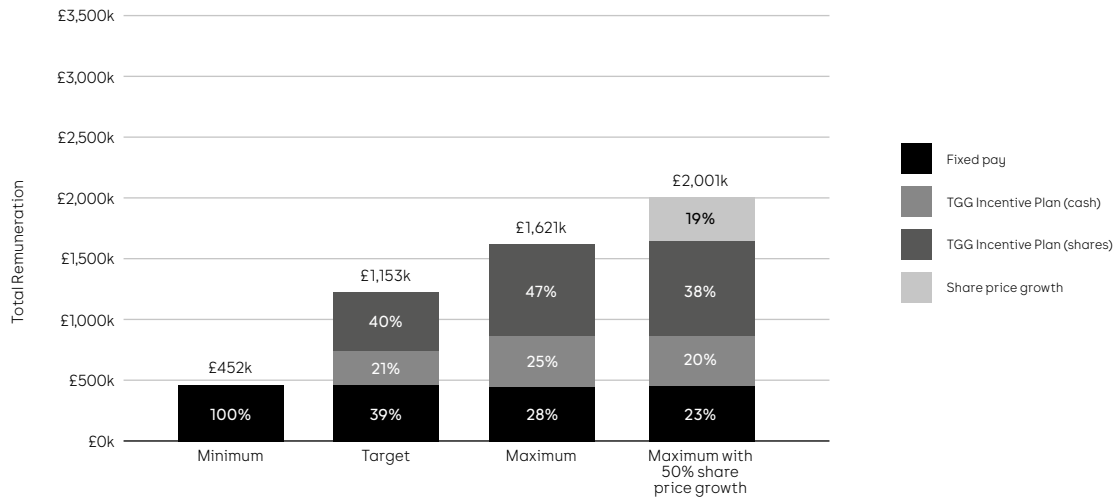
Appendix 1 - Directors' Remuneration Policy continued

Illustrations of application of remuneration policy

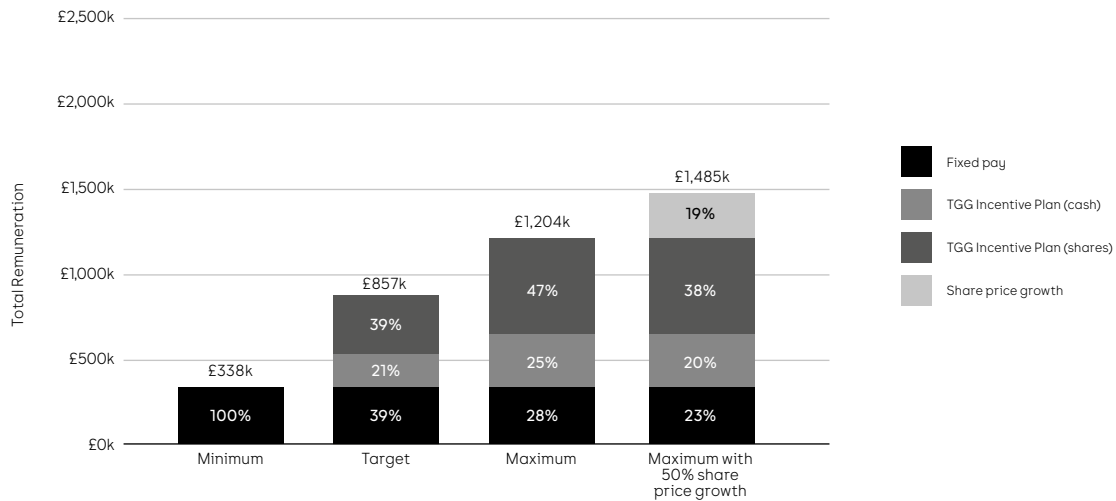
The Directors' Remuneration Policy has been designed to ensure that a significant proportion of total remuneration is delivered as variable pay and, therefore, depends on performance against our strategic objectives. The Committee has considered the level of remuneration that may be paid under different performance scenarios to ensure it would be appropriate in each situation, in the context of the performance delivered and the value created for shareholders.

Minimum	<ul style="list-style-type: none"> • Consists of base salary, benefits and pension. • Base salary is the salary with effect from 1 January 2024 - Will Orr (CEO): £425,000 and Luke Tait (CFO): £315,000. • Benefits for Luke Tait are based on the amount included in the single figure table of the Directors' Remuneration Report for the year ended 31 December 2023. As Will Orr was only on the Board for part of 2023, his benefits figure is assumed to be in line with Luke Tait for the purpose of this illustration. • Pension in line with wider workforce (currently 4% of salary).
Target	Based on what the Director would receive if performance was mid-way between the threshold (20%) and maximum (100%) level i.e. 60% of maximum. This value excludes any share price appreciation or dividend equivalents. It is assumed that the underpin(s) on the share element of the TGG Incentive Plan is met.
Maximum	Based on what the Director would receive if performance was 100% of maximum. This value excludes any share price appreciation or dividend equivalents. It is assumed that the underpin(s) on the share element of the TGG Incentive Plan is met.
Maximum + 50% share price growth	As above, but with 50% share price growth applied to the deferred share element of the TGG incentive plan.

Will Orr, Chief Executive Officer



Luke Tait, Chief Financial Officer



Appendix 2

Summaries of the principal features of The Gym Group plc Incentive Plan (the “TGG Incentive Plan”) and The Gym Group plc Performance Share Plan (the “PSP”)

The TGG Incentive Plan

Introduction

The TGG Incentive Plan comprises a discretionary annual incentive scheme together with provisions for the delivery of a proportion of the resulting awards in shares, under which awards may be made to Participants.

The Committee will be responsible for the operation of the TGG Incentive Plan. Awards comprising:

- a conditional right to receive a cash amount (a “**Cash Award**”); and
- a share award (a “**Deferred Share Award**”)

subject to the achievement of a performance target (which may comprise a combination of separate targets) measured over one financial year will be made to Participants. A Deferred Share Award will vest (typically after three years) subject to the Participant's continued employment and any further conditions set by the Committee.

A Deferred Share Award will normally be granted in the period six weeks beginning with the dealing day after the date on which the Company announces its results for the preceding financial year to the financial year in respect of which a Deferred Share Award is being granted. A Deferred Share Award may also be granted at other times if the Committee determines that there are sufficient exceptional circumstances. A Deferred Share Award cannot be granted at a time during which dealing in Plan Shares is prohibited.

Deferred Share Awards made under the TGG Incentive Plan will normally be nil cost options to acquire shares in the Company at no cost to the Participant. They may also be granted as conditional share awards or awards of restricted shares.

An award may not be made more than 10 years after the date of shareholder approval of the TGG Incentive Plan.

Deferred Share Awards may be satisfied by the issue of new shares or by the transfer of shares held in treasury or by the trustee of an employee benefit trust.

Awards under the TGG Incentive Plan are not pensionable.

Eligibility

A Participant must be an employee or director of the Group at the time an award is made. Participation in the TGG Incentive Plan will be at the discretion of the Committee.

Individual limits

The maximum annual amount which may be granted under a Cash Award and Deferred Share Award to a Participant who is a director, may not exceed any relevant limit stated in the Directors' Remuneration Policy which is being put to shareholders as Resolution 3, at the date of grant.

Performance targets

Cash Awards and Deferred Share Awards will be subject to performance targets which will be set by the Committee at the time the relevant award is made.

The Committee may vary or waive the performance target if an event occurs which causes the Committee to consider that the performance target is no longer appropriate.

Leaving employment before Cash Awards vest

If a Participant ceases to be employed within the Group for any reason before a Cash Award made to them is due to be paid, then that Cash Award will normally lapse.

If the reason for cessation of the Participant's employment is death, injury or disability, redundancy, retirement, or if the Committee in its discretion determines in any other particular case, the Cash Award will continue as normal. In this case, any value which becomes payable under the Cash Award will be time pro-rated (relative to the portion of the relevant financial year which has elapsed as at the time of leaving).

The Committee may vary the time pro-rating applied to allow a greater proportion of the Cash Award to become payable.

Grant of Deferred Share Awards

A Deferred Share Award will normally be granted in the period six weeks beginning with the dealing day after the date on which the Company announces its results for the preceding financial year to the financial year in respect of which a Deferred Share Award is being granted, subject to the Company not being prevented from granting awards over shares by restrictions on dealings in shares by directors or employees of the Group imposed by statute, order, regulation, Government directive or the Company's own code on dealings in its securities by directors and employees. No payment will be required for the grant of a Deferred Share Award and Deferred Share Awards are not transferable (except on death).

The number of shares subject to the Deferred Share Award will be determined based on the average share price over the five dealing days preceding the day on which the Deferred Share Award is granted (or such other method as determined by the Committee). The number of Plan Shares shall be rounded down to the nearest whole Plan Share.

An award certificate shall be issued to each Participant as soon as reasonably practicable following the grant of the Deferred Share Award, setting out the details of the award.

Dilution limits

Deferred Share Awards cannot be made in accordance with the TGG Incentive Plan if it would cause the number of shares issued or issuable under any employee share scheme operated by the Company in the preceding 10 years to exceed 10% of the Company's issued ordinary share capital at that time.

The above limit excludes any share awards which lapse, any partnership shares under any Share Incentive Plan operated by the Company, as well as any share awards which are satisfied by the transfer of existing shares. However, for as long as is required by guidelines issued by the Investment Association, the transfer of treasury shares will be treated as an issue of new shares.

Vesting of Deferred Share Awards

Deferred Share Awards will normally vest three years after they are granted. Where a Deferred Share Award is granted in the form of an option, the option will lapse 10 years after the date on which it is granted.

Holding Period

Deferred Share Awards which are options or conditional share awards may be subject to a holding period for two years after vesting during which the Participant may not exercise the option or receive the shares which vest under the conditional share award.

Malus

At any time before a cash payment under a Cash Award is made or shares have been acquired in respect of the vesting of a Deferred Share Award the Committee may reduce the cash amount or number of shares subject to the relevant award if any of the following events occur:

- discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any member of the Group; and/or
- the assessment of any performance target or condition in respect of a Cash Award or a Deferred Share Award was based on error, or inaccurate or misleading information; and/or
- the discovery that any information used to determine the total value payable under a Cash Award, Cash Payment and/or the number of shares to be placed under a Deferred Share Award was based on error, or inaccurate or misleading information; and/or
- action or conduct of a Participant which, in the reasonable opinion of the Committee, amounts to fraud or gross misconduct; and/or
- events or behaviour of a Participant have led to the censure of a member of the Group by a regulatory authority or have had a significant detrimental impact on the reputation of any member of the Group provided that the Committee is satisfied that the relevant Participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to them; and/or
- the Company or any member of the Group or business of the Group becomes insolvent or otherwise suffers a corporate failure so that the value of shares is materially reduced provided that the Committee determines following an appropriate review of accountability that the Participant should be held responsible (in whole or in part) for that insolvency or corporate failure.

Clawback

Where a cash payment has been made under a Cash Award or shares have been acquired by a Participant in relation to the vesting of a Deferred Share Award, the Committee may require the Participant to transfer all or a proportion of the value received under the cash payment or Deferred Share Award in substantially the same circumstances as apply to malus (as described above) for a period of two years after the cash payment and two years following the vesting date of a Deferred Share Award. Clawback may be effected, among other means, by requiring the transfer of shares back to the Company or as it directs, or by a cash payment.

Leaving employment during the vesting period of a Deferred Share Award

If a Participant ceases to be employed within the Group during the vesting period, a Deferred Share Award granted to them will normally lapse.

If the reason for cessation of the Participant's employment is death, injury or disability, redundancy, retirement, or if the Committee in its discretion determines in any other particular case, the Participant may retain the Deferred Share Award and it shall continue to vest in accordance with its original terms subject to the rules of the TGG Incentive Plan.

Appendix 2 continued

Alternatively, the Committee may determine that the Deferred Share Award will vest immediately upon the cessation of employment. A Deferred Share Award which is an option will ordinarily lapse if it has not been exercised within 6 months of cessation of employment or, if later, when it becomes exercisable.

Normally, in either case, the proportion of the Deferred Share Award which vests will be pro-rated by reference to the period of time from the start of the financial year in which the Deferred Share Award was granted until the date of cessation of the employee as a proportion of the original vesting period.

The Committee may vary the time pro-rating applied to allow a greater proportion of the Deferred Share Award to vest.

Unless the Committee decides otherwise, any applicable holding period will continue to apply (except in the case of death).

Takeover, reconstruction etc.

In the event of a takeover, reconstruction, amalgamation or winding up of the Company or, if the Committee determines, where the Company is affected by a demerger or similar other event, a Deferred Share Award will vest immediately. The Deferred Share Award may be exchanged for an award over shares in an acquiring company if an offer to exchange is made and accepted by the Participant or if the Committee, with consent of the acquiring company, determines that Deferred Share Awards should automatically be exchanged.

If the Committee is aware that an event described above is likely to occur and will result in Deferred Share Awards vesting in circumstances where the Company's entitlement to a corporation tax deduction may be lost, the Committee may determine that the time that Deferred Share Awards vest shall be immediately before such event takes place.

Variations of share capital

In the event of a variation of the share capital of the Company, including by way of a capitalisation issue, rights issue, demerger or other distribution, a special dividend or distribution, rights offer or bonus issue or any sub-division, consolidation, or reduction in the Company's share capital, either or both of the number of shares and the description of the shares subject to a Deferred Share Award may be adjusted in such manner as the Committee determines.

Rights attaching to shares

A Deferred Share Award will not confer any shareholder rights, such as the right to vote or to receive any dividend, where the record date is prior to the allotment or transfer of shares to the Participant following the vesting of the Deferred Share Award.

A Participant may be entitled to receive a payment in cash or shares upon their acquisition of the shares subject to their Deferred Share Award in respect of dividends on those shares. The payment will be of an amount equal to any dividends paid on the number of shares acquired pursuant to the Deferred Share Award during the period from the date that the Deferred Share Award was granted to the date of vesting.

Amendments

The Committee may amend the rules of the TGG Incentive Plan at any time. However, the provisions relating to eligibility requirements, individual participation limits, dilution limits, the basis for determining a Participant's entitlement to benefits under the TGG Incentive Plan, the adjustments that may be made in the event of a variation of share capital and the amendment provisions themselves may not be made to the advantage of existing or future Participants without the prior approval of shareholders of the Company in general meeting.

There are exceptions for minor amendments to benefit the administration of the TGG Incentive Plan or to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants, the Company or another member of the Group. Additionally, no amendment can be made which would adversely affect the rights of existing Participants without their consent.

The PSP

Introduction

The PSP is a discretionary incentive plan allowing for the grant of a variety of awards over shares in the Company ("**Awards**") to be made to selected employees or directors ("**Participants**") of the Company or any of its subsidiaries (the "**Group**").

The Committee (the "**Committee**") will be responsible for the operation of the PSP.

Awards made under the PSP may take the form of options (normally nil-cost options) to acquire shares in the Company or conditional share awards.

The PSP may be used for the grant of Awards which are subject to performance conditions.

The PSP may also be used to provide Awards to new employees in order to compensate them for any forfeited awards from their previous employer ("**Buy-Out Awards**").

Awards may be satisfied by the issue of new shares or by the transfer of shares held in treasury or by the trustee of an employee benefit trust.

Awards under the PSP are not pensionable.

Eligibility

A Participant must be an employee or director of the Group at the time an Award is made. Participation in the PSP will be at the discretion of the Committee.

Individual limits

The maximum market value of shares which may be subject to Awards granted to any Participant may normally not exceed 200% of the Participant's basic salary, except in certain circumstances (i.e. Participant having commenced employment with the Group within the previous 12 months or the Board in its discretion determining that special circumstances apply to a Participant) whereby the maximum limit will be 300% of the Participant's basic salary.

Dilution limits

An Award may not be made under the PSP if it would cause the number of shares issued or issuable under any employee share scheme operated by the Company in the preceding 10 years to exceed 10% of the Company's issued ordinary share capital at that time.

The above limit excludes any share awards which lapse, any partnership shares under any Share Incentive Plan operated by the Company, as well as any share awards which are satisfied by the transfer of existing shares. However, for as long as is required by guidelines issued by the Investment Association, the transfer of treasury shares will be treated as an issue of new shares.

Grant of Awards

An Award may not be granted when prevented by restrictions on dealings in shares by directors or employees of the Group imposed by statute, order, regulation, Government directive or the Company's own code on dealings in its securities by directors and employees.

An Award may not be made more than 10 years after the date of Board approval of the PSP.

Otherwise, an Award may be made at any time.

No payment will be required for the grant of an Award and Awards are not transferable (except on death).

Vesting of Awards

Awards will normally vest on a date specified when they are made, or where the Award is subject to the satisfaction of any applicable conditions (including performance conditions), on the date of determination of any conditions applicable to the Award.

An Award which is an option will lapse 10 years after the date on which it is granted.

Performance conditions

An Award may be subject to conditions (including performance conditions) which will be set by the Committee at the time the Award is made, and which must normally be satisfied before the Award can vest.

The Committee may amend the condition(s) applying to an Award, provided that such amendment is not more difficult to satisfy.

Holding period

Awards may be subject to a holding period post-vesting. Where a holding period applies, the Participant may not receive the shares (either through exercise of an option or through release of a conditional share award) until after the end of the holding period.

Malus

At any time before an Award under the PSP has been exercised (in the case of an option) or released (in the case of a conditional share award), the Committee may reduce the number of shares subject to the relevant Award if any of the following events occur:

- the Company materially misstated its financial results for any reason and that misstatement would result or resulted either directly or indirectly in an Award being granted or vesting to a greater extent than would have been the case had that misstatement not been made; or
- the extent to which any performance target and/or any other condition was satisfied was based on a material error, or on inaccurate or misleading information or assumptions which resulted either directly or indirectly in an Award being granted or vesting to a greater extent than would have been the case had that error not been made; or
- circumstances arose (or continued to arise) during the vesting period (or any holding period) of an Award which would have warranted the summary dismissal of the Participant; or
- there are circumstances which in the Committee's opinion have (or would have if made public) a sufficiently significant impact on the reputation of the Company or of any member of the Group to justify the application of the malus provisions, including where the Company or a member of the Group is subject to corporate failure, and the Committee determines that such circumstances arose from events occurring (in whole or substantial part) during any period in which the relevant individual was a Participant.

Appendix 2 continued

Clawback

Where an Award has been exercised (in the case of an option) or released (in the case of a conditional share award), the Committee may require the Participant to transfer all or a proportion of the value received on exercise or release in substantially the same circumstances as apply to malus (as described above) for a period of three years following the vesting date of an Award. Clawback may be effected, among other means, by requiring the transfer of shares back to the Company or as it directs, or by a cash payment.

Leaving employment

If a Participant ceases to be employed within the Group before their Award vests, then their Award will normally lapse. However, if the reason for cessation of the Participant's employment is death, the Award will vest on the date of death. Furthermore, if the reason for cessation of the Participant's employment is injury, ill-health, disability, redundancy or the sale of their employing business or company, or if the Committee in its discretion determines in any other particular case, the Award will continue as normal, unless the Committee decides it shall vest immediately.

For the purposes of this section, the vesting of the Award will normally be time pro-rated (according to the proportion of the vesting period which has then elapsed).

The Committee may vary the time pro-rating applied to allow a greater or lesser proportion of the Award to vest.

If a Participant ceases to be employed within the Group after their Award vests, the Participant will retain their Award (except where employment ceases for reasons of the Participant's dishonesty, fraud, misconduct or any other circumstances justifying summary dismissal, in which case the Award will lapse immediately).

Corporate events

In the event of a takeover, reorganisation, merger or winding up of the Company, a time pro-rated proportion of an Award (according to the part of the vesting period which has then elapsed) will vest immediately (and any holding period will come to an end). The Committee may vary the time pro-rating applied to allow a greater or lesser proportion of the Award to vest.

The Award may be exchanged for an award over shares in an acquiring company if an offer to exchange is made and accepted by the Participant or if the Committee, with consent of the acquiring company, determines that Awards should automatically be exchanged.

Variations of share capital

In the event of a variation of the share capital of the Company, including by way of a capitalisation issue, rights issue, demerger or other distribution, a special dividend or distribution, rights offer or bonus issue or any sub-division, consolidation, or reduction in the Company's share capital, either or both of the number of shares and the description of the shares subject to an Award may be adjusted in such manner as the Committee determines.

Rights attaching to shares

An Award will not confer any shareholder rights, such as the right to vote or to receive any dividend, where the record date is prior to the allotment or transfer of shares to the participant following the vesting of the Award.

A Participant may be entitled to receive a payment in cash or shares upon their acquisition of the shares subject to their Award in respect of dividends on those shares. The payment will be of an amount equal to any dividends paid on the number of shares acquired pursuant to the Award during the period from the date that the Award was made to the date of vesting.

Amendments

The Board may amend the rules of the PSP at any time. However, the provisions relating to eligibility requirements, individual participation limits, dilution limits, the basis for determining a Participant's entitlement to benefits under the PSP, the adjustments that may be made in the event of a variation of share capital and the amendment provisions themselves may not be made to the advantage of existing or future Participants without the prior approval of shareholders of the Company in general meeting.

There are exceptions for minor amendments to benefit the administration of the PSP or to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants, the Company or another member of the Group. Additionally, no amendment can be made which would adversely affect the rights of existing Participants without their consent.

The draft rules of the TGG Incentive Plan and PSP will be available for inspection on the National Storage Mechanism at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> from the date of sending this Notice of AGM. The draft rules of the PSP and the TGG Incentive Plan will also be on display at the place of the AGM for 15 minutes prior to and during the AGM.

Notes

