Remuneration Policy report

2020 Remuneration Policy report

The following is a summary of the Policy that covers remuneration for Directors of the Company for a three-year period from the Company's AGM on 27 May 2020 until the 2023 AGM. The full Policy, as approved by shareholders, is available on the Company's website and is contained in the 2019 Annual Report. Should there be any need to change the Company's Policy ahead of the 2023 AGM, shareholders will be asked to approve a revised Policy.

This report contains further information required under the Listing Rules and the 2018 UK Corporate Governance Code.

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary	Base salary is set at a level to secure the services of talented Executive Directors with the ability to develop and deliver a growth strategy.	Fixed contractual cash amount usually paid monthly in arrears. Normally reviewed annually, with any increases taking effect from 1 January each year, although the Committee may award increases at other times of the year if it considers it appropriate. This review is dependent on continued satisfactory performance in the role of an Executive Director. It also includes a number of other factors, including experience, development and delivery of Group strategy and Group profitability, as well as external market conditions and pay awards across the Company.	The Committee has not set a maximum level of salary and the Committee will usually award salary increases in line with average increases awarded across the Company. Larger increases may, in certain circumstances, be awarded where the Committee considers that there is a genuine commercial reason to do so, for example: — where there is a significant increase in the Executive Director's role and duties — where an Executive Director's salary falls significantly below market positioning — where there is significant change in the profitability and/or size of the Company or material change in market conditions; and — where an Executive Director was recruited on a lower than market salary and is being transitioned to a more market standard package as he or she gains experience.	Not applicable
Benefits	To provide Executive Directors with ancillary benefits to assist them in carrying out their duties effectively.	Executive Directors are entitled to a range of benefits including car allowance, private health insurance and life assurance. Other ancillary benefits may also be provided where relevant, such as income protection, expatriate travel or accommodation allowances. Executive Directors are entitled to participate on the same terms as all employees in the Sharesave Plan or any other relevant all-employee share plan.	There is no maximum level of benefits set, given that the cost of certain benefits will depend on the individual's particular circumstances. However, benefits are set at an amount which the Committee considers to be appropriate, based on individual circumstances and local market practice. Executive Directors' participation in the UK all-employee Sharesave Plan is capped by the rules of the Sharesave Plan (currently £350 per month maximum). An International Sharesave Plan also operates for non-UK employees.	Not applicable

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Annual bonus	To provide a material incentive to drive Executive Directors to deliver stretching strategic and financial performance and to grow long-term sustainable shareholder value. Half of any earned annual bonus (after tax) is deferred into the Deferred Bonus Plan held in the form of shares and focuses the Executive Director on long-term value delivery and growth.	Paid annually based on performance in the relevant financial year. The amount is determined based on published full year results after the financial year end. Award levels and performance measures are reviewed annually. The Committee ensures that performance measures remain aligned to the Company's business objectives and strategic priorities for the year. Up to half of the annual bonus paid (after tax) is deferred into awards under the Deferred Bonus Plan for a period of three years on a mandatory basis unless the Committee determines an alternative deferral period is appropriate. Awards may be granted in the form of conditional awards, nil-cost options, forfeitable shares or similar rights. After a period of three years, the awards vest in the form of shares in the Company. The Committee retains full discretion to amend the bonus payout (upwards or downwards), if in its opinion any calculation of payout does not produce a fair result for either the individual or the Company, taking into account the overall business performance of the Company. Any such use of discretion will be clearly reported in the next published Remuneration report. Participants may also receive the value of any dividends which would have been paid on shares in respect of which the award vests, which may be calculated assuming reinvestment of the dividends in the Company's shares on a cumulative basis. Such dividends are paid out in the form of additional shares in the Company. In the event of any material misstatement of the Company's financial results, serious reputational damage to the Company caused by a breach of the Company's Code of Conduct or otherwise, a miscalculation or an assessment of any performance conditions that was based on incorrect information, the occurrence of an insolvency or administration event, malus and clawback provisions may apply for three years from the date of payment of any bonus or the grant of any deferred bonus share award permitting the Committee to reduce, cancel or impose further conditions on awards.	An absolute maximum of 125% of base salary to be paid in each year.	Measures and targets for the annual bonus are set annually by the Committee. Currently, half of the annual bonus is based on the achievement of annual targets set against the Group's adjusted profit before tax*, with the remainder based on the achievement of annual personal objectives and achievement of annual targets set against the Group's adjusted operating cash flow* generated as a percentage of adjusted operating profit* (25%). The Committee reserves the right to vary these proportions and also the measures annually to ensure the annual bonus remains appropriate and challenging. Targets are measured over a one-year period. Payments range between 0% and 125% of base salary for threshold and maximum performance. Awards granted under the Deferred Bonus Plan are not subject to any performance conditions.

Remuneration Policy report/continued

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Long Term Incentive Plan ("LTIP")	To provide a long-term performance and retention incentive for the Executive Directors involving the Company's shares. To link long-term rewards to the creation of long-term sustainable shareholder value by way of delivering on the Group's agreed strategic objectives.	Under the LTIP, awards are made over a fixed number of shares, which will vest based on the achievement of performance conditions over a performance period of, unless the Committee determines otherwise, at least three years. The performance conditions are set by the Committee at the start of the performance period. Awards can take the form of a conditional award of shares, a nil-cost option or similar rights. Awards may be settled in cash (for participants in territories that prohibit settlement in shares). Participants may also receive the value of any dividends which would have been paid on shares in respect of which the award vests, which may be calculated assuming reinvestment of the dividends in the Company's shares on a cumulative basis. The Committee retains full discretion to amend the vesting outcome upwards or downwards if, in its opinion, any calculation or payout does not produce a fair result for either the individual or the Company, taking into account the overall business performance of the Company. Any such use of discretion will be clearly reported in the next published Remuneration report. For Executive Directors, awards are normally subject to a mandatory two-year holding period for any shares that vest. In the event of any material misstatement of the Company's financial results or serious reputational damage to the Company caused by a breach of the Company's Code of Conduct or otherwise, a miscalculation of an assessment of any performance conditions that was based on incorrect information, the occurrence of an insolvency or administration event, malus and clawback provisions may apply for up to three years from the vesting of an award permitting the Committee to reduce or impose further conditions on awards.	The maximum value of shares over which awards may be granted in respect of each year is 150% of base salary (although 200% is permitted in exceptional circumstances determined by the Committee).	LTIP awards may be based on financial and/or share price-based performance conditions as determined from time to time by the Committee. The Committee will determine the choice of measures and their weighting prior to each grant and reserves the right to change the balance of the measures as it deems appropriate, such that no measure accounts for less than 25% of the total award. Currently, 33% of the award is subject to the Company's Total Shareholder Return compared to a comparator group measured over a three-year performance period. 67% of the award is subject to targets set against growth (adjusted by the Committee as it considers appropriate) in the Company's adjusted basic earnings per share* over the same three-year performance period. The Remuneration Committee additionally adopts a discretionary underpin on vesting of the LTIP, whereby the Committee will assess the Group's underlying performance in finalising vesting outcomes. In particular, the Committee will assess the Group's ROCE performance when approving outcomes under the EPS element of awards. At threshold, 25% of the award will vest, increasing on a straight-line basis up to 100% for performance in line with maximum. Below threshold none of the award will vest. There is no retesting of any performance measure.
Pension contribution	To provide a benefit comparable with market rates, helping with the recruitment and retention of talented Executive Directors able to deliver a long-term growth strategy.	Usually paid monthly in arrears. Executive Directors may receive a contribution into the Company's Defined Contribution Plan, a personal pension arrangement and/or a payment as a cash allowance.	Stephen Bird currently receives a pension contribution of 20% of base salary. Martin Green and any subsequently appointed Executive Director, receive a pension contribution of 8% of base salary which is in line with pension contributions provided to the wider UK employee workforce. The Committee has agreed that Stephen Bird's pension contribution will change to 8% of base salary from 1 January 2023, so that it is aligned with the wider UK employee workforce. Salary is the only pensionable element of Executive Director remuneration.	Not applicable.

Notes to the Remuneration Policy table for Executive Directors

Under the Company's share plans the Committee may: (1) in the event of any variation of the Company's share capital, demerger, delisting, special dividend or other event which may affect the price of shares, adjust or amend awards in accordance with the terms of the plan; and (2) amend a performance condition if an event occurs which causes it to consider an amended condition would be more appropriate and not materially less difficult to satisfy. Any such amendment would be reported in a subsequent Remuneration report.

Legacy plans

The Committee reserves the right to make any remuneration payments and payments for loss of office notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed: (1) before the Policy came into effect; or (2) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes payments include the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are agreed at the time the award is granted.

Shareholding requirements (including post-employment)

Executive Directors during their tenure are expected to build a shareholding in the Company representing 200% or more of their base salary. All net of tax vested LTIP awards, DBP awards and exercised Sharesave options should be retained by the Executive Director until this requirement has been met. This level of shareholding aligns Executive Directors with the interests of shareholders and ensures that Executive Directors are focused on long-term shareholder value.

Post-employment, Executive Directors are expected to maintain a material level of shareholding in the Company for at least two years from the date of departure made up of the following elements:

- Awards held under the DBP will only vest on their normal vesting dates and will not be accelerated to the date of departure. Upon vesting, such shares are to be retained until at least the second anniversary of the departure date.
- For an Executive Director who is a good leaver, LTIP awards will vest on their normal vesting date and be subject to performance testing, pro rata treatment to the date of leaving and be subject to a two-year holding period (subject to that two-year holding period not being beyond two years from when the individual ceased to be an Executive Director).
- Awards that have already vested under the LTIP are normally subject to a two-year holding period following vesting (but not longer than two years from the date of departure).
- For the avoidance of doubt, any shares purchased by an Executive Director using their own personal funds will not be subject to this post-employment shareholding policy.

The Chairman and Non-Executive Directors are not subject to any such shareholding requirement. However, they are encouraged to hold shares in the Company. Details of shares held by the Directors are set out on page 126.

Performance measures

The Annual Bonus Plan is based on both personal and financial measures. Typically, the majority of the bonus will be based on financial measures such as Group adjusted profit before tax*. The measures have been chosen to provide a balance between incentivising the delivery of the Group's key financial priorities in any particular year and important individual strategic objectives. The Committee may vary the specific measures and targets year-on-year to ensure that they reflect the key financial and strategic priorities for the Company in any given year. The selection of measures and the setting of targets takes into account the Company's business priorities and risk appetite.

LTIP awards traditionally are based 67% on adjusted basic Earnings Per Share* growth and 33% on TSR performance against a specific comparator group. The Committee considers these to be important measures of performance for the Company over the longer term. While TSR links a portion of the LTIP to the creation of value for shareholders, adjusted basic Earnings Per Share* growth is a Key Performance Indicator for the Group with the combination providing an appropriate balance between growth and returns. The Committee has also adopted a discretionary underpin on vesting of the LTIP, whereby the Committee will assess the Group's underlying performance in finalising vesting outcomes. In particular, the Committee will assess the Group's ROCE performance when approving outcomes under the EPS element of awards. While the Committee does not disclose a formulaic target in advance, the Committee will ensure that it provides full retrospective disclosure around its decision-making process, including a summary of the ROCE trajectory over the performance period. The Committee will measure ROCE using a standard definition of adjusted operating profit* divided by average total assets, current liabilities excluding the current portion of interest-bearing borrowings and non-current lease liabilities. Any changes to these measures will be aligned with the long-term strategy of the Group. In 2020, given the impact of COVID-19 on the business, the Committee, after consulting with major shareholders, adjusted the performance conditions tied to the 2020 LTIP award only. In summary, this was based on share price growth and the Company's TSR performance. Full details of this are set out on page 123 of this report.

Provisions for the withholding and recovery of sums from the Directors (malus and clawback) are as set out on page 134.

Remuneration Policy table for the Chairman and Non-Executive Directors

The table on page 114 sets out a description of the Chairman and Non-Executive Directors' remuneration.

Neither the Chairman nor the Non-Executive Directors participate in any Annual Bonus Plan or the Company's share plans.

Remuneration Policy report/continued

Role	Purpose	Operation
Chairman	To recruit and retain an independent Non-Executive Chairman reflecting the responsibilities and time commitment for the role. To lead an effective Board enabling delivery on the Group's growth strategy and creation of long-term sustainable shareholder value.	While the Board has not set a maximum level of fee payable to the Chairman, the Board will review the level of fee paid usually on an annual basis and determine whether that is sufficient in terms of market conditions and also the time commitment for the role. The Chairman's fee is an all-inclusive consolidated amount. It is paid in cash, not shares, usually on a monthly basis in arrears. Fees are benchmarked against FTSE-listed companies of a similar size and complexity to Vitec. Any future increases will take into account the need to ensure that the fee remains competitive and reflects the time commitment for the role. The Chairman's remuneration also covers his chairmanship of the Nominations Committee.
Non-Executive Director	To recruit and retain independent Non-Executive Directors reflecting the responsibilities and time commitment for the role to contribute to an effective Board and to deliver on the Group's growth strategy and creation of long-term sustainable shareholder value.	Fees paid to Non-Executive Directors of the Company consist of the following: — A base fee. — An additional fee for the role of the Senior Independent Director. — An additional fee for chairing Board Committees or for the designated Non-Executive Director tasked with oversight of employee engagement. Fees are usually reviewed annually and are benchmarked against FTSE-listed companies of a similar size and complexity to Vitec. All fees are paid in cash, not shares, usually on a monthly basis in arrears.
Benefits	To reimburse Non-Executive Directors for reasonable expenses incurred and bear any costs associated with tax, where relevant.	Expenses are reimbursed as and when incurred relating to the Company's business (including travel and hotel accommodation).

Illustrative remuneration performance scenarios

The following charts set out scenarios for the remuneration of Stephen Bird and Martin Green for 2022 in line with the Policy. This includes scenarios for full vesting of LTIP awards based on an award at 125% of salary, with one chart showing no share price appreciation and one chart showing a 50% appreciation in share price:

Stephen Bird

Basic remuneration

Minimum base salary	£488,868 (79%)
Benefits	£30,053 (5%)
Pension (20% of salary)	£97,773 (16%)
Total fixed pay (minimum)	**£616,694**

On-target performance (no share price appreciation):

Fixed pay	£616,694 (57%)
Annual bonus	£305,542 (29%)
LTIP	£152,771 (14%)
Total on target pay	**£1,075,007**

Maximum pay (no share price appreciation):

Fixed pay	£616,694 (34%)
Annual bonus	£611,085 (33%)
LTIP	£611,085 (33%)
Total maximum pay	**£1,838,864**

Maximum pay (including 50% share price appreciation for LTIP award):

Fixed pay	£616,694 (29%)
Annual bonus	£611,085 (29%)
LTIP	£916,627 (42%)
Total maximum pay	**£2,144,406**

Martin Green

Basic remuneration

Minimum base salary	£365,650 (87%)
Benefits	£23,487 (6%)
Pension (8% of salary)	£29,252 (7%)
Total fixed pay (minimum)	**£418,389**

On-target performance (no share price appreciation):

Fixed pay	£418,389 (55%)
Annual bonus	£228,531 (30%)
LTIP	£114,266 (15%)
Total on target pay	**£761,186**

Maximum pay (no share price appreciation):

Fixed pay	£418,389 (32%)
Annual bonus	£457,063 (34%)
LTIP	£457,063 (34%)
Total maximum pay	**£1,332,515**

Maximum pay (including 50% share price appreciation for LTIP award):

Fixed pay	£418,389 (27%)
Annual bonus	£457,063 (29%)
LTIP	£685,595 (44%)
Total maximum pay	**£1,561,047**

- Fixed pay – base salary as at 1 January 2022
- The total value of benefits received in the year ended 31 December 2021 which include car allowance, private healthcare, income protection and any Sharesave options granted during 2021
- Pension contribution of 20% for Stephen Bird and 8% for Martin Green. Stephen Bird's pension contribution will change to 8% with effect from 1 January 2023 and be aligned with the wider UK workforce

- Annual bonus
  - At minimum – nil
  - On target – 50% of maximum payout (i.e. 62.5% of base salary)
  - At maximum – 100% of the maximum payout (i.e. 125% of base salary)

- LTIP
  - At minimum – nil
  - On target – 25% vesting under the LTIP (i.e. 31.25% of base salary) and set out at face value, with no share price growth or dividend assumptions
  - At maximum – 100% of the maximum payout (i.e. 125% of base salary) and set out at face value, with no share price growth or dividend assumptions
  - At maximum with share price appreciation – 100% of the maximum payout (i.e. 125% of base salary) and showing a 50% appreciation in the share price over the vesting period.

Remuneration Policy report/continued

Consideration of employment conditions elsewhere in the Company

The Committee, when determining Executive Directors' remuneration, takes into account remuneration and employment terms and conditions, including levels of pay for all employees of the Company. The Committee is kept informed of:

- Salary increases for the general employee population
- Company-wide benefits including pensions, share incentives, bonus arrangements and other ancillary benefits
- Overall spend on annual bonus
- Participation levels and outcomes in the Annual Bonus Plan and the LTIP.

When setting the remuneration of the Executive Directors, the Committee has regard to general employment terms and conditions within the Company as set out above. However, it is recognised that the roles and responsibilities of Executive Directors are such that different levels of remuneration apply, with a greater proportion of remuneration tied to the financial performance of the Company. The Committee did not consult with the Company's employees when drawing up the Directors' Remuneration Policy set out in this report. Caroline Thomson is the Non-Executive Director with responsibility for employee engagement and as part of that role is informed on remuneration issues for the wider Group workforce and keeps the Board fully updated. The detail of this role is given on pages 64 and 87 of this Annual Report.

Policy on outside appointments

The Committee believes it is beneficial both for the individual and the Company for an Executive Director to take up one external non-executive appointment. Remuneration received by an Executive Director in respect of such an external appointment would be retained by the Director. Stephen Bird was an independent non-executive director and senior independent director of Dialight plc until 10 September 2021. In this role he received a basic fee of £42,000 per annum and an additional £5,100 per annum in the role of senior independent director. For the period of service with Dialight in 2021 he received £29,292 basic fee and £3,557 for the senior independent director role. With effect from 13 September 2021, Stephen Bird was appointed as an independent non-executive director of Headlam plc and in this role he receives an annual fee of £45,000 and for the period of service in 2021 he received a fee of £13,673. Under the terms of his service contract, Martin Green, with the agreement of the Chairman and Group Chief Executive, may take up one external non-executive appointment of a listed company. As of the date of this report Martin Green had not taken up any such external non-executive appointment.

Remuneration policy for senior managers and other employees of the Company

The remuneration policy for senior managers in the Company is similar to that of the Executive Directors although the quantums are lower. They participate in the Annual Bonus Plan with the same structure as the Executive Directors, as well as the LTIP or participation in a Restricted Share Plan, and therefore a significant element of their remuneration is dependent upon the financial performance of the Company and the Company's share price in addition to individual performance.

Remuneration for all other employees is set taking into account local market conditions to ensure that pay and benefits attract and retain employees in those local markets and help deliver the Group's agreed strategy. A large proportion of employees are able to participate in bonus plans that are tied to Company, Divisional and business unit financial performance as well as individual performance against personal objectives. The structure of bonus plans varies across the employee workforce to achieve different objectives.

Full-time employees of the Company in all of the territories of the UK, US, Italy, France, Germany, Israel, Australia, New Zealand, Japan, Hong Kong, Singapore and Costa Rica are able to participate in an all-employee Sharesave plan granting employees an option to save and purchase a limited number of shares in the Company at a discount to the market price at the time an offer of the plan is made. Further information on this plan is given on pages 64 and 65 of this Annual Report. In 2021, approximately 100 senior managers participated in a Restricted Share Plan ("RSP") (excluding Executive Directors). The RSP awards shares to key employees over a vesting period of up to three years and helps retain and motivate key talent to deliver on the Group's strategic growth objectives.

All full-time employees are also offered membership of a pension scheme upon joining the Company which is compliant with local legal requirements. In the UK, employees are able to join a defined contribution pension plan with the employer making an 8% fixed contribution and the employee required to make a minimum contribution of 4%. The pension contribution is based on base salary only.

The Remuneration Committee is kept informed on remuneration policy and arrangements for the wider employee population with regular updates to enable it to stay informed and to assist in setting Executive Directors' remuneration.

Approach to recruitment remuneration

The Committee's Policy is to seek to recruit Directors with the requisite skill and experience to lead the business and grow the value of the Company over the long term. Generally, pay on recruitment will be consistent with the Policy for Executive Directors as set out in the Policy table and set at a level to reflect overall responsibilities.

The Committee has the flexibility to set the salary of a new Executive Director at a lower level initially, with a series of planned increases implemented over the following years to bring the salary to the desired level. Consistent with the regulations, any cap on base salary does not apply. Benefits will be consistent with the Remuneration Policy. Certain additional benefits may be provided such as relocation expenses or allowances. The pension contribution for a new Executive Director will be in line with the UK workforce contribution rate (currently 8% of base salary).

However, the Committee may, in its absolute discretion, include remuneration components or awards which are not specified in the Policy table, subject to the maximum level of variable pay set out in the following paragraph, where this facilitates the hiring of candidates of an appropriate calibre and skillset to deliver on the Group's strategy. The Committee will ensure this is only done where there is a genuine commercial need, and where this is in the best interests of the Company and its shareholders. The Committee does not intend to use this discretion to make a non-performance related payment (for example a "golden hello" payment).

The absolute maximum level of variable pay will be 325% of base salary (excluding any buy-out awards) which is in line with the Remuneration Policy set out on the previous page. This comprises up to 125% of base salary under the Annual Bonus Plan and up to 200% of base salary under the Company's LTIP.

In certain circumstances, the Committee may need to make payments or awards to an executive in respect of buying-out remuneration arrangements relinquished on leaving a previous employer. When doing so, the Committee will aim to do so broadly on a like-for-like basis with a fair value no higher than the awards foregone. It will take a number of relevant factors into account which may include any performance conditions attached to these awards and the time at which they would have normally vested. These payments or awards are excluded from the maximum level of variable remuneration referred to above.

In the event of any such treatment, the Committee will explain in the next Annual Remuneration report the rationale for the relevant arrangements.

Executive Directors' service contracts

The Executive Directors' service contracts are as follows:

	Date of contract	Notice period from the Company to the Executive	Notice period from the Executive to the Company
Stephen Bird, Group Chief Executive – appointed on 14 April 2009	28 January 2009	12 months	6 months
Martin Green, Group Finance Director – appointed on 4 January 2017	10 February 2020	12 months	6 months

The terms of the service contracts for Executive Directors do not provide for predetermined amounts of compensation in the event of early termination by the Company. The Remuneration Committee's policy in the event of early termination of employment is set out below.

Policy on payment for loss of office

Executive Directors' notice periods under service contracts are summarised in the table above. The Committee believes that the Company's policy on payment for loss of office and the structure of notice periods is sufficient to ensure that the Executive Director has security of tenure and also that the Company has sufficient retention and notice periods to enable an orderly process for succession planning. In the Committee's opinion, any shorter notice period would not be in the Company's best interests and would risk the stable running of its operations. The Committee, however, will not give any Executive Director a service contract of greater than 12 months' notice.

In the event of termination of office, the Committee will consider the circumstances including notice period contained within the service contract, the circumstances surrounding the termination notably including the individual's performance and what is considered to be in the Company's best interests. The terms of service contracts do not provide for predetermined amounts of compensation in the event of early termination of employment. The Committee maintains full discretion at how to treat each such termination upon its merits when trying to mitigate the cost of termination but ultimately honouring contracted terms. Dealing with each specific element of remuneration for an Executive Director this would mean the following:

- **Base salary, pension and other benefits (including legal fees and outplacement costs)** – These will be paid for the notice period, subject to being mitigated if the Executive Director finds other suitable employment. This means that each element will continue to be paid on a monthly basis in arrears during the notice period either to the end of the notice period or if earlier to the point at which the Executive Director finds other suitable employment or a mutually agreed date within the notice period. Although not covered by the service contract, the Company will pay reasonable legal expenses and any recruitment outplacement costs to assist the Executive Director in their exit. The Committee will determine the reasonableness of such costs keeping in mind shareholders' best interests.
- **Annual Bonus Plan** – As a general rule, Executive Directors have no entitlement to a bonus payment in the event that they cease to be employed. However, they may be considered for a bonus payment in certain good leaver circumstances. In such cases the Committee will generally pro rate an annual bonus to the date of termination and the payment of the annual bonus will usually be dependent upon the satisfaction of financial performance conditions and an assessment of the achievement of personal objectives up to the point of leaving the Company. The Committee reserves an absolute discretion in circumstances which it considers appropriate to enable a full year's annual bonus to be paid in full to an Executive Director in accordance with the limits and rules of the Annual Bonus Plan applying to the Executive Director.
- **Long Term Incentive Plan** – Awards granted under the Company's LTIP are generally treated as follows: if a participant ceases office or employment with the Group his/her award will lapse unless he/she is deemed to be a good leaver or dies in service. An individual is a good leaver if he/she ceases employment because of ill-health, injury, disability, the sale of the employing company or business out of the Group or for any other reason at the Committee's discretion, for example early retirement, but expressly not for where a participant is summarily dismissed. Except in the case of death (where awards vest following death, unless the Committee determines otherwise), awards will normally vest on the normal vesting date, unless the Committee determines that awards should vest at the time the individual ceases employment. The Committee, when determining the level of an award to vest, will take into account satisfaction of relevant performance conditions tied to the award and the period of time that has elapsed since the award was granted until the date of cessation of employment.
- **Deferred Bonus Plan** – Awards under the DBP will vest on their normal vesting date (unless the Committee determines that awards should vest on the individual's cessation of employment) except in the case of: (1) death – when awards will vest following an individual's death; and (2) gross misconduct – when awards will lapse.

When negotiating the exit package of an Executive Director, the Committee will ultimately aim to mitigate the cost of any termination payment while also fairly treating the Executive Director, honouring the terms of a service contract and acting in the Company's best long-term interests. The Committee will, upon reaching an agreement with an Executive Director on the terms of termination, publish details both with an announcement and with details published in the subsequent Remuneration report and this will include an explanation of any use of discretion. No Director left the Company in 2021 and so no details are reportable for 2021.

Change of control

In the event of a change of control of the Company, LTIP and DBP awards will vest with the Committee taking into account, in the case of LTIP awards, the extent to which the relevant performance conditions have been satisfied and, unless the Committee determines otherwise, the period of time that has elapsed since grant. In the event of a winding-up of the Company, demerger, delisting, special dividend or other event that may affect the share price, the Committee may also allow awards to vest on the same basis.

Remuneration Policy report/continued

Chairman and Non-Executive Directors

The Chairman and Non-Executive Directors do not have service contracts but serve under letters of appointment.

The initial period of their appointments is three years but their appointments may, by mutual consent and with the approval of the Nominations Committee and the Board, be extended for a further three years. Appointments may be extended beyond six years by mutual consent and with the approval of the Nominations Committee and the Board, if it is in the interest of the Company to do so. Under the letters of appointment, notice can be given by either party upon one month's written notice. Apart from the disclosure under the Policy table for the Chairman and Non-Executive Directors there are no further obligations which could give rise to a remuneration or loss of office payment under the letters of appointment. All the Non-Executive Directors and Chairman (as well as the Executive Directors) are subject to annual reappointment by the shareholders at the AGM.

Copies of the Executive Directors' service contracts, Chairman's and each Non-Executive Director's letters of appointment are available on our website at www.vitecgroup.com.

Consideration of shareholder views

The Committee has continued to take into account the views of its shareholders concerning the Policy on remuneration of Directors.

The Company received 80.09% support for the 2020 Annual Report on Remuneration at the 2021 AGM, indicating an acceptable level of support for the structure of Directors' remuneration. Given that less than 20% of votes cast by shareholders against the Annual Report on Remuneration, the Committee did not consider it necessary to consult any further with shareholders on Directors' remuneration. The 2020 AGM gave over 89% support for the Directors' Remuneration Policy report.

The Committee would engage with shareholders ahead of any material change to the Policy for the Company relating to its Directors and would also engage with shareholders should there be a material level of dissatisfaction from shareholders with Directors' remuneration. A material level of dissatisfaction from shareholders would be more than 20% of shareholders voting against, or abstaining on, a vote related to Directors' remuneration.

Caroline Thomson as Remuneration Committee Chair, remains available to discuss the Company's remuneration policy and implementation of it with shareholders. The Directors' Remuneration Policy will be submitted to the 2023 AGM for approval and will be prepared in the second half of 2022. Caroline Thomson will look to consult with our major shareholders as part of the process of preparing this in the run up to the 2023 AGM.

This Annual Report on Remuneration together with the Annual Statement will be put to an advisory vote at the AGM to be held on Tuesday, 17 May 2022.

Annual Report on Remuneration

Directors' single figure of total remuneration (audited)

The following table sets out the single figure of total remuneration for Directors for the financial years ended 31 December 2021 and 2020:

	Salary/ fees £	Benefits[(1)] £	Pension[(2)] £	Annual bonus[(3)] £	LTIP[(4)] £	Total	Total fixed remuneration	Total variable remuneration
Stephen Bird								
2021	**474,629**	**30,053**	**94,926**	**566,588**	**0**	**1,166,196**	**599,608**	**566,588**
2020	446,223	32,787	89,245	133,489	0	701,744	568,255	133,489
Martin Green								
2021	**355,000**	**23,487**	**28,400**	**423,781**	**0**	**830,668**	**406,887**	**423,781**
2020	331,549	26,391	28,500	99,843	0	486,283	386,440	99,843
Kath Kearney–Croft (left 13 September 2019)[(5)]								
2021	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2020	18,459	0	0	0	0	18,459	18,459	0
Ian McHoul								
2021	**170,000**	**0**	**0**	**0**	**0**	**170,000**	**170,000**	**0**
2020	159,826	0	0	0	0	159,826	159,826	0
Christopher Humphrey								
2021	**69,250**	**0**	**0**	**0**	**0**	**69,250**	**69,250**	**0**
2020	65,105	0	0	0	0	65,105	65,105	0
Caroline Thomson								
2021	**66,250**	**0**	**0**	**0**	**0**	**66,250**	**66,250**	**0**
2020	62,285	0	0	0	0	62,285	62,285	0
Richard Tyson								
2021	**51,250**	**0**	**0**	**0**	**0**	**51,250**	**51,250**	**0**
2020	48,183	0	0	0	0	48,183	48,183	0
Duncan Penny								
2021	**51,250**	**0**	**0**	**0**	**0**	**51,250**	**51,250**	**0**
2020	48,183	0	0	0	0	48,183	48,183	0
Total								
2021	**1,237,629**	**53,540**	**123,326**	**990,369**	**0**	**2,404,864**	**1,414,495**	**990,369**
2020	1,179,813	59,178	117,745	233,332	0	1,590,068	1,356,736	233,332

Notes:

(1) Taxable benefits include car allowance, healthcare cover and income protection. This also includes the grant of Sharesave options to Stephen Bird and Martin Green in 2020 and shows the value of the 20% discount on the option granted. Stephen Bird and Martin Green were both granted 2,282 Sharesave options on 24 September 2020 at an option price of £5.52 compared to a market price of £6.90 per share.

(2) Stephen Bird receives a pension contribution of 20% of base salary which is taken in the form of a cash payment. With effect from Martin Green's appointment as Group Finance Director on 10 February 2020, he receives a pension contribution of 8% of base salary. Prior to this date he received a contribution of 15% of base salary.

(3) For the Annual Bonus Plan 2021, Stephen Bird's and Martin Green's bonus potential was 125% of base salary. 50% of the annual bonus is deferred into the Deferred Bonus Plan. Further details are set out in the "Further notes" section on the following page.

(4) Long-term incentives comprise LTIP awards. Awards made in 2019 failed to achieve their performance conditions based on EPS growth and TSR performance. The 2019 award will therefore lapse on its third anniversary of 8 March 2022. LTIP Awards made in 2018 also failed to achieve performance conditions based on TSR and growth in adjusted basic Earnings Per Share* and lapsed on 2 March 2021.

(5) Kath Kearney-Croft ceased to be Group Finance Director on 13 September 2019, and as detailed in 2019's Annual Report, her fixed pay and benefits were paid on a monthly basis up until 20 January 2020.

The Remuneration Committee has not used discretion in the award of Directors' remuneration in 2021.

Each Director has confirmed in writing to the Company that the information in the single figure remuneration table is correct and that they have not received from the Company any other items of remuneration other than disclosed.

Remuneration Policy report/continued

Further notes to the Directors' single figure of total remuneration table (audited)

(1) Base salary

The table below shows base salaries paid for each Executive Director in 2021. Neither Executive Director received any pay rise in connection with 2021 as part of the Company's actions to recover the business from the impact of COVID-19.

Executive Director	2021 salary
Stephen Bird	£474,629
Martin Green	£355,000

(2) Benefits

The single figure of total remuneration table sets out the total value of benefits received by each Executive Director in 2021. Details are as follows:

Executive Director	Car allowance	Healthcare cover	Income protection	Other (Sharesave)	Total
Stephen Bird	£23,727	£1,526	£4,800	£0	£30,053
Martin Green	£17,789	£898	£4,800	£0	£23,487

(3) Pension allowance

The table below sets out the value of the cash payment in lieu of pension for each Executive Director in 2021:

Executive Director	Pension allowance
Stephen Bird (representing 20% of base salary)	£94,926
Martin Green (representing 8% of base salary)	£28,400

Stephen Bird's pension contribution was agreed at a rate of 20% of base salary at the point he was recruited in April 2009 and is set out in his contract of employment. The Remuneration Committee, in light of changes in attitude to pensions for Directors has agreed with Stephen Bird that his pension contribution will be reduced to 8% of base salary with effect from 1 January 2023. The level of 8% of base salary is in line with pension contributions to the wider UK employee workforce in the Group.

(4) Annual bonus

In 2021, each Executive Director was eligible to receive, subject to performance, a maximum bonus of up to 125% of base salary, half of which is deferred into the DBP.

The financial elements of the Annual Bonus Plan for each Executive Director were based upon actual financial results achieved for Group adjusted profit before tax* and Group conversion of adjusted operating profit* into adjusted operating cash flow* (over a half year and full year average target) measured against financial targets set by the Board. The Group adjusted profit before tax* financial element represented 50% of the maximum bonus that could be earned and the Group conversion of adjusted operating profit* into adjusted operating cash flow* represented 25% of the maximum bonus that could be earned (with one third-based on half year 2021 performance and two-thirds based on the full year 2021 performance).

Under the rules of the 2021 Annual Bonus Plan, each of the above financial performance metrics are assessed independently of one another so that should threshold not be achieved for one performance condition, that bonus could still be earned for the other financial performance condition. The Committee introduced this change for the Annual Bonus Plan for 2021 due to the continuing uncertainty surrounding COVID-19 and the high level of risk on the recovery of the business.

The Remuneration Committee considered that these two financial performance conditions are key financial measures for the Group driving the right behaviour in terms of achieving adjusted operating profit* and adjusted operating cash flow* generation and had the most direct impact upon shareholder value for the year ended 31 December 2021. The financial targets were set by the Board/Remuneration Committee with the objective to drive the recovery of the business from the impact of COVID-19.

The personal objective element of the 2021 Annual Bonus Plan for each Executive Director, representing 25% of the maximum bonus that could be earned, was based upon individual performance measured against stretching personal objectives set by the Board and Remuneration Committee, as set out on the following page.

Stephen Bird – 2021 personal objectives – 82% achieved	
Objective	**Assessment**
Continue to build a world-class organisation including: ensure leadership change in Production Solutions is a success, develop succession plans around the Group CEO role, develop Creative Solutions leadership and succession and develop HR function **(20%)**	Successful promotion of new Production Solutions CEO; appointment of an effective Chief Operating Officer in Creative Solutions and strengthening of HR and finance capabilities. Senior leadership team retained and motivated, executing on strategy.
Execute on key initiatives to drive growth and momentum: focus on key growth initiatives including 4K execution, growth in streaming products, growth in JOBY, delivery on 2021 Tokyo Olympics, growth of audio business, completion on Imaging Solutions' digital restructuring and growth in LED lighting **(25%)**	Some residual impact from COVID-19, but very good progress in the circumstances. Notably, successful launch of 4K products, JOBY growth, successful delivery of the 2021 Tokyo Olympics and successful acquisitions of Lightstream, Quasar, Savage and Audix.
Creative Solutions strategy: develop the Creative Solutions organisation structure to drive growth optimising exposure to markets including cine, streaming and other vertical markets **(15%)**	Creative Solutions' organisation and management matured and achieved strong order growth. Strategic challenge to achieve full potential.
Strategic Plan follow up: evolution of the Group's strategic plan and growth initiatives **(25%)**	Very strong strategic progress, particularly in Imaging Solutions and development of audio business. Production Solutions also performing strongly.
ESG: Develop a well-rounded Group ESG programme with Group-wide focus on material environmental, social and governance issues and increased transparency and clarity of reporting to stakeholders **(15%)**	Established a cross-Divisional ESG Committee to drive further improvement in the Group's ESG disclosures during 2021. Delivered several key initiatives including installation of solar panels at Cartago, Costa Rica and Bury St Edmunds, UK and installation of LED lighting at the Feltre site. Successful level of employee engagement and health and safety performance with zero accidents resulting in over three days' absence.

Martin Green – 2021 personal objectives – 82% achieved	
Objective	**Assessment**
Build a world-class finance organisation: ensuring appropriate talent and succession in key Divisional finance roles and Head Office finance function **(20%)**	Significantly strengthened finance team across the Group through promotions and new hires.
Execute on key initiatives to drive growth and momentum: focus on key growth initiatives including 4K execution, growth in streaming products, growth in JOBY, delivery on 2021 Tokyo Olympics, growth of audio business, completion on Imaging Solutions' digital restructuring and growth in LED lighting **(20%)**	Some residual impact from COVID-19, but very good progress in the circumstances. Notably, successful launch of 4K products, JOBY growth, successful delivery of the 2021 Tokyo Olympics and successful acquisitions of Lightstream, Quasar, Savage and Audix.
Capital structure: review and optimise capital structure including repayment of CCFF borrowings and in light of M&A activity in 2021 and resumption of dividend payments **(15%)**	Repaid CCFF borrowing, raised funding tied to acquisitions of Savage and Audix and restructured intercompany debt for the Group.
Strategic Plan follow up: evolution of the Group's strategic plan and growth initiatives **(20%)**	Very strong strategic progress, particularly in Imaging Solutions and development of audio business. Production Solutions also performing strongly.
M&A: develop a compelling growth M&A pipeline in line with Group's strategic plan and execute on at least one opportunity **(15%)**	Highly successful targeted acquisitions including Lightstream, Savage, Quasar and Audix.
Corporate governance and auditing standards: evaluate changes in corporate governance especially regarding audits and ensure Board/Committees remain up to date with changes and ensure timely compliance **(10%)**	Delivered TCFD disclosure in the 2021 Annual Report and Accounts; FRC review of the 2020 Annual Report and Accounts with no significant issues noted; preparation ahead of "UK SOx" compliance; and formal response to BEIS consultation on restoring trust in audit and corporate governance.

The above personal objectives were set by the Board and Remuneration Committee at the start of 2021, with a strong focus on seeing the Executive Directors drive the recovery of the business following the impact of COVID-19 and were continually assessed throughout the year. The Remuneration Committee at its meeting on 21 February 2022 assessed final performance.

The Committee strongly considered that a pay-out on the personal objectives element of the 2021 Annual Bonus Plan was fully merited given the strong recovery of the business in 2021 with significant progress on strategic growth objectives including several strategically important acquisitions, strong recovery in financial performance with Group revenue of £394.3 million and adjusted profit before tax* of £42.4 million, reintroduction of dividends to shareholders, strong growth in the Company's share price and that employees and other stakeholders were very satisfied with the recovery and performance of the business.

Remuneration Policy report/continued

2021 annual bonus outcome

The table below sets out the annual bonus awards made to Executive Directors in respect of the year ended 31 December 2021 including the financial trigger points used in determining whether a bonus was payable.

Name	Bonus potential	Elements of bonus potential	Threshold	Target	Maximum	Actual Group performance/ assessment of personal objective performance	Payout and % of maximum	
Stephen Bird	125% of annual salary	50% Group adjusted PBT*	£23.0m	£28.8m	£34.6m	£42.4m	£296,643	100%
		25% Group	H1: 56.0%	62.0%	68.0%	H1: 118%	£148,322	100%
		conversion of adjusted operating profit* into adjusted operating cash flow*	FY: 67.0%	74.0%	81.0%	FY: 108%		
		25% personal objectives				82%	£121,624	
		Payout due to Executive Director at each level	£148,322	£296,643	£593,286			
						Total	**£566,588**	**95.5%**
Martin Green	125% of annual salary	50% Group adjusted PBT	£23.0m	£28.8m	£34.6m	£42.4m	£221,875	100%
		25% Group	H1: 56.0%	62.0%	68.0%	H1: 118%	£110,938	100%
		conversion of adjusted operating profit* into adjusted operating cash flow*	FY: 67.0%	74.0%	81.0%	FY: 108%		
		25% personal objectives				82%	£90,969	
		Payment due to Executive Director at each level	£110,938	£221,875	£443,750			
						Total	**£423,782**	**95.5%**

A straight-line sliding scale operates between each of the above trigger points for both financial targets. The Remuneration Committee considered that these trigger points were appropriate and sufficiently stretching for 2021.

Under the rules of the Annual Bonus Plan the Remuneration Committee retains full and absolute discretion as to whether a bonus is payable or not and that discretion may only be used in exceptional circumstances, taking into account the overall financial performance of the Company. Any use of this discretion in connection with an Executive Director will be clearly explained in the Remuneration report. For the 2021 Annual Bonus Plan, the Remuneration Committee exercised no discretion in respect of the Executive Directors' bonus.

Half of the 2021 annual bonus (after tax) will be deferred into the DBP. The 2021 deferred bonus will be used to purchase award shares to be held in trust for a three-year period. No matching award shares can be earned under the DBP. After three years, the award shares are released from the trust to the Executive Directors.

(5) Long-term incentives – Long Term Incentive Plan ("LTIP") and Deferred Bonus Plan ("DBP")

The long-term incentive awards value shown in the single figure of total remuneration table relate to the following awards:

Awards made in 2019 and vesting in respect of performance to 31 December 2021

These relate to awards made in 2019 under the LTIP. Vesting is based 33% upon the Company's TSR measured against a comparator group and 67% on growth in the Company's adjusted basic Earnings Per Share*. Each performance condition is entirely independent from the other performance condition and there is no retesting of either performance condition. Vesting is underpinned by Remuneration Committee discretion that will take into account, in particular, ROCE performance over the performance period for the EPS element of the award. The detail of each performance condition for each award is set out on the next page.

For that part of an award made in 2019 under the LTIP measured against TSR, if the Company's TSR performance is at the median of the comparator group at the end of the three-year performance period, 25% of that element of an award may vest. The full element of an award may vest if the Company's TSR performance is in the top 25% of the comparator group. There is a pro rata straight-line vesting between these two points. The comparator group comprised the constituents of the FTSE 250 Index (excluding financial services companies and investment trusts) and performance was measured over a three-year period.

For that part of an award measured against EPS growth, if the percentage growth in the EPS of the Company exceeds 6% per annum (Compound Annual Growth Rate), 25% of that element of an award may vest. Full vesting of an award occurs if the growth in EPS over the performance period exceeds growth by 14% (Compound Average Annual Growth Rate) or greater. There is a pro rata straight-line vesting between these two points.

An award lapses if threshold performance is not achieved during the performance period.

The Remuneration Committee also considered the underlying financial performance of the Company before it confirmed vesting, notably the Company's ROCE performance.

Performance outturn

The table below summarises the value of awards vesting for the 2019 award. The award failed to achieve threshold performance and will therefore lapse in full on the third anniversary of the award on 8 March 2022.

2019 awards	Actual performance	Vesting as a % of award
TSR	Vitec ranked in the 65th percentile of the comparator group with TSR performance of 20.5% over the three-year performance period	0%
EPS	Adjusted "normalised" EPS of 69.9 pence compared to a base EPS point of 85.2 pence	0%
ROCE underpin	The Company's ROCE performance over the performance period was as follows: 2018: 21.8%; 2019: 18.5%; 2020: 3.7%; 2021: 16.1%	
Total vesting		0%

TSR is calculated on the basis of growth in the Company's share price over a three-year performance period plus dividends paid during that period and is expressed as a percentage of average compound annual growth. Share price performance is averaged over three months at the start and end of a performance period to eliminate volatility that may result in anomalous outcomes. The TSR performance is independently verified by FIT Remuneration Consultants on behalf of the Committee and is ranked against the comparator group companies' TSR performance to determine the outcome. The comparator group comprised the constituents of the FTSE 250 index (excluding financial services companies and investment trusts).

EPS is determined in accordance with note 2.5 of the financial statements on page 163. The base point for the EPS performance condition was 85.2 pence per share, being the EPS figure for the year ended 31 December 2018.

The Remuneration Committee at its meeting on 21 February 2022 confirmed that 2019 awards will therefore lapse as the performance conditions had not been achieved.

Awards made in 2018 and vesting in respect of performance to 31 December 2020

These relate to awards made in 2018 under the LTIP. The performance conditions for these awards are the same as those made in 2019 split 33% based on TSR and 67% based on EPS growth, both over a three-year performance period. The adjusted basic earnings per share* growth targets were 6% growth per annum (Compound Average Annual Growth Rate) for 25% of that element of an award to vest and 14% or more growth per annum for full vesting, respectively. The Remuneration Committee also considered the underlying financial performance of the Company, notably the Company's ROCE performance before it confirmed vesting.

As disclosed in the 2020 Annual Report on Remuneration, neither the TSR performance condition or EPS performance condition achieved threshold performance and so the 2018 award did not vest and lapsed in full on 2 March 2021.

Award made in 2020 and vesting in respect of performance to 28 February 2023

In 2020, due to the impact of COVID-19 upon the business, the award of LTIPs to Executive Directors and senior management was delayed. This was due to difficulties in setting appropriate performance conditions tied to awards given the impact of the pandemic upon the business and its financial performance. Given this challenge, the Committee consulted with its major shareholders to consider how to structure LTIP awards for 2020 with the objective to drive management in the recovery of the business following the impact of COVID-19.

The Committee was grateful for the valuable input and support given by shareholders in addressing this issue given the need to incentivise, motivate and retain its senior leadership team. The general feedback received was that shareholders wanted to ensure that there was a clear and strong incentive for executives to achieve a swift recovery in the share price and this should be the priority.

The 2020 LTIP awards were granted on 21 September 2020 and will only vest if very stretching absolute targets around share price are met and if Vitec's relative Total Shareholder Return ("TSR") is also in the top half of the FTSE 250 constituents (excluding financial services companies and investment trusts). The challenge is particularly great against the context of the continuing impact of COVID-19. If achieved, the Group's performance and increase in share price will significantly reward both shareholders and management. The terms remain in line with the Directors' Remuneration Policy approved by shareholders at the 2020 AGM.

For the awards to vest in full, Vitec's share price must be £18 or higher in February 2023 and Vitec's relative TSR must be at least in the upper quartile of the FTSE 250. A £18 share price would deliver over £480 million additional shareholder value between grant and vesting. Given the stretching nature of the targets and the exceptional circumstances the Remuneration Committee made awards to the Executive Directors of 200% of salary which is the maximum permitted under the Directors' Remuneration Policy.

Remuneration Policy report/continued

The Remuneration Committee believes the structure of the 2020 LTIP aligns our Executive Directors and PDMRs with the achievement of a strong recovery over the performance period. The structure will help reward for significant growth in shareholder value and will drive management towards that goal. It is only the 2020 LTIP award that has this unique structure.

The Remuneration Committee has discretion to reduce vesting if it feels appropriate to do so.

The following provides details of the 2020 LTIP awards made on 21 September 2020 to the Executive Directors including performance conditions.

(1) Absolute share price target

— The first performance condition is based on the achievement of absolute share price targets by 28 February 2023, whereby 25% of the total award will vest should Vitec's absolute share price reach £9.00 and full vesting of the total award be achieved if Vitec's absolute share price reaches £18. Vesting between these prices will operate on a straight-line basis in accordance with the Directors' Remuneration Policy and in line with the table below
— No shares will vest if the absolute share price does not reach £9.00
— The share price at the start and end of the performance period will be averaged over three months.

Vitec absolute share price	% of total award to vest
£9.00	25%
£10.00	33.33%
£11.00	41.67%
£12.00	50%
£13.00	58.33%
£14.00	66.67%
£15.00	75.00%
£16.00	83.33%
£17.00	91.67%
£18.00	100%

(2) Relative TSR target

— The second performance condition is that the award will also be subject to a relative TSR condition, with vesting at points shown below (which remain unchanged from arrangements for existing LTIP awards and in line with existing policy). For the award to vest in full, Vitec will need to have met the absolute share price target and be in the upper quartile of the FTSE 250 Index (excluding financial services companies and investments trusts). The relative TSR ranking will effectively work as a downward modifier and none of the shares will vest if Vitec's performance is below the median at the end of the performance period. To illustrate, if Vitec's absolute share price is at £20 at the end of the performance period (above the maximum of the range) and Vitec's TSR performance is at median against the FTSE 250 constituents, then 25% of the award will vest. This performance condition will be measured from 1 July 2020 through to 28 February 2023 with the same averaging of share price over three months
— A straight-line sliding scale will operate at points between this and vesting will not occur below the median.

Vitec's TSR ranking compared to FTSE 250 constituents (excluding financial services companies and investment trusts)	% of award to vest
Below median	0%
Median	25%
Upper quartile	100%

ROCE

— The Remuneration Committee will also continue to use a ROCE underpin to ensure the underlying financial performance of the business as part of the vesting outcome. The Committee will also retain a discretion to scale back the vesting of an award should it result in an unfair outcome for shareholders.

Dividends that would have been paid on shares vesting under the LTIP during the performance period are reinvested in additional shares for each of the above awards. The two-year holding period post-vesting will apply in the normal way.

There is no retesting of any performance condition under any of the above awards.

TSR is calculated on the basis of growth in the Company's share price over the performance period from 1 July 2020 through to 28 February 2023 plus dividends paid during that period and is expressed as a percentage of average compound annual growth. Share price performance is averaged over three months at the start and end of a performance period to eliminate volatility that may result in anomalous outcomes. The TSR performance is independently verified by FIT Remuneration Consultants on behalf of the Committee to determine the outcome.

Award made in 2021 and vesting in respect of performance to 31 December 2023

The following table provides details of the awards made under the LTIP on 3 March 2021 to Stephen Bird and Martin Green. The Remuneration Committee, given the continuation of COVID-19 and ongoing recovery of the business from its impact, decided that it was important to give an award to both Executive Directors at a level representing 200% of salary to focus Executive Directors on value creating activity, delivering performance and recovering the business as quickly as possible. In addition, the Remuneration Committee set challenging performance conditions as set out below.

Performance for the 2021 Award is to be measured over the three financial years from 1 January 2021 to 31 December 2023. Awards are split in performance conditions so that 33% is based on the Company's TSR performance and 67% is based on EPS performance. Vesting of the 2021 LTIP award will be as follows:

For the TSR element, the Company's TSR performance will be compared against the constituents of the FTSE 250 Index (excluding financial services companies and investment trusts) over the three-year performance period. Threshold performance for the TSR element will be at the median point of the comparator group and will result in 25% of an award vesting. Full vesting of the TSR element will be at the upper quartile of the comparator group. A straight-line sliding scale will operate between each of the above points. Below threshold performance, none of the TSR element will vest. 67% of the award will be subject to adjusted basic EPS* growth over the same three-year period. Threshold for adjusted basic earnings per share* vesting was set at 60 pence per share and full vesting for adjusted basic earnings per share* was set at 100 pence per share with a straight-line progression between each point. Below threshold performance, none of the adjusted basic earnings per share element will vest.

Vesting of the 2021 Award will be underpinned by Remuneration Committee discretion that will take into account, in particular, ROCE performance over the three-year performance period for the EPS element of the award.

Dividends that would have been paid on shares vesting under the LTIP during the performance period are reinvested in additional shares for each of the awards on the previous page.

There is no retesting of any performance condition under any of the above awards.

TSR is calculated on the basis of growth in the Company's share price over a three-year performance period plus dividends paid during that period and expressed as a percentage of average compound annual growth. Share price performance is averaged over three months at the start and end of the performance period to eliminate volatility that may result in an anomalous outcome. The TSR performance is independently verified by FIT Remuneration Consultants on behalf of the Committee and is ranked against the comparator group companies' TSR performance to determine the outcome.

Director	Type of award	Award date	Number of shares awarded	Face value[1] (£)	Face value (% of salary)	Threshold vesting (% of face value)	Maximum vesting (% of face value)	End of performance period
Stephen Bird	Performance shares	3 March 2021	96,273	£949,252	200%	25%	100%	31 December 2023
Martin Green	Performance shares	3 March 2021	72,008	£709,999	200%	25%	100%	31 December 2023

(1) The face value has been calculated using the three-day average share price from 26 February 2021 to 2 March 2021 prior to the award being made on 3 March 2021. This was £9.86.

Deferred Bonus Plan 2021 awards

The following table provides details of the awards made under the DBP on 13 May 2021 in respect of the 2020 annual bonus. There are no performance conditions or matching shares associated with these awards. The shares are held in an Employee Benefit Trust on behalf of the Directors. The deferral represents 50% of the after tax bonus paid for the 2020 annual bonus. Normally Executive Directors are required to defer 50% of any after tax annual bonus into the DBP. The 2021 DBP award will be released on the third anniversary of the award – 13 May 2024.

Director	Type of award	Number of shares awarded	Face value[1] (£)	End of holding period
Stephen Bird	Shares awarded using deferred annual cash bonus	2,537	£35,366	100% of award on 13 May 2024
Martin Green		1,897	£26,444	100% of award on 13 May 2024

(1) Face value has been calculated using the Company's share price at the date of the award of £13.94.

Payments to past Directors for loss of office (audited)

There were no payments to past Directors of the Company for loss of office in 2021.

Chairman and Non-Executive Directors

The Chairman and Non-Executive Directors were paid the following fees in 2021:

Role	2021 annual fee	Comment
Chairman	£170,000	Fee of £170,000 paid since 2019 when Ian McHoul was appointed Chairman on 21 May 2019
Non-Executive Director	£51,250	Base fee increased to £51,250 from £50,000 with effect from 1 January 2020
Chairman of Audit Committee	£10,000	Fee was last increased on 1 January 2014
Chairman of Remuneration Committee	£10,000	Fee was increased on 1 January 2019
Senior Independent Director	£8,000	Fee was increased on 1 January 2019
Employee Engagement Non-Executive Director	£5,000	Fee introduced with effect from 1 January 2019 to reflect new role under 2018 UK Corporate Governance Code

The above fees are reviewed annually by the Board with the support of FIT Remuneration Consultants providing market data to ensure that fees remain appropriate given the size of the Company, time commitment and the need to attract the right experience for the role. The Chairman and Non-Executive Directors do not receive any other benefits from the Company.

Remuneration Policy report/continued

Directors' shareholding requirements and share interests (audited)

The Board has determined that Executive Directors of the Company are required to build up, over a reasonable period of time, a substantial shareholding in the Company and from the adoption of the 2020 Policy Report at the Company's AGM held on 27 May 2020 this shareholding requirement is to represent at least two times base salary. Stephen Bird and Martin Green satisfied this requirement throughout the whole of 2020 and up to the date of this report. Other members of the Operations Executive are encouraged to do the same up to a level of 50% of base salary.

The Chairman and Non-Executive Directors of the Company have no such requirement and have discretion as to whether to hold shares in the Company or not. The tables on the following page set out the interests in the ordinary shares of the Company held by each Director (or connected persons) of the Company during the year ended 31 December 2021.

Under the 2018 UK Corporate Governance Code there is a requirement for the Company to develop a post-employment shareholding policy, encompassing vested and unvested shares. The detail of this post-employment shareholding policy is as follows and applies from the 2020 AGM:

Upon the departure of an Executive Director, the post-employment shareholding policy will operate as follows:

— Shares held in the Employee Benefit Trust under the DBP will continue to be held in trust and will be released to the former Executive Director in accordance with their normal vesting dates. The former Executive Director will be expected to hold any vested DBP shares at least until the second anniversary of their departure date
— Shares that have vested to an Executive Director under the LTIP and are subject to the two-year post vesting holding period will continue to be required to be held by the former Executive Director until the expiry of the two-year post vesting holding period
— In the event that an Executive Director is treated as a "good leaver" under the LTIP, then any outstanding LTIP awards that have not vested will be pro-rated to the date of leaving and remain subject to satisfaction of performance conditions. Subject to those conditions being achieved at the normal vesting date, shares will typically be released at the earlier of the expiry of the normal two-year post vesting holding period and the second anniversary of their departure date
— Shares purchased by an Executive Director using their own personal funds shall not be subject to this post-employment shareholding policy.

Executive Directors' shareholdings as at 31 December 2021 (audited)

Executive Director	Share ownership requirement (% of salary)	Number of shares owned outright (including connected persons)	Number of shares beneficially owned (DBP award shares)	Number of shares unvested and subject to performance (LTIP shares)	Number of shares under option (Sharesave)	Ownership requirements met (based on shares owned outright and DBP award shares)
Stephen Bird	200%	196,187	16,928	270,691	2,282	587%
Martin Green	200%	74,420	10,739	196,631	2,282	298%

Chairman and Non-Executive Directors' shareholdings as at 31 December 2021 (audited)

Director	1 January 2021	31 December 2021
Ian McHoul (Chairman)	15,000	20,000
Christopher Humphrey	10,000	10,000
Duncan Penny	5,000	5,000
Caroline Thomson	8,407	8,407
Richard Tyson	2,654	2,654

– The closing mid-market share price on 31 December 2021 was £14.20 and the calculation of the percentage shareholding requirement achieved for the Executive Directors is based on this closing mid-market share price.
– The shares shown in the beneficial holdings table above were acquired by the Directors using their own funds and not through any share incentive scheme (or similar) with the exception of the following disclosures in notes 3 and 4 below.
– Stephen Bird's share interests include 16,928 shares (at 31 December 2021) purchased in the market using deferred annual cash bonus and held by the Employee Benefit Trust; the trust used to hold shares in respect of awards made under the DBP. These shares will vest out of the DBP in 2022, 2023 and 2024, respectively. Neither these shares nor any of the other shares held by Stephen Bird have any performance conditions attached to them. During the year ended 31 December 2021 Stephen Bird had the following share dealings:
  — On 26 February 2021 exercised and retained award shares under DBP for 2020 over 5,676 ordinary shares.
  — On 7 May 2021, sold 125,000 ordinary shares.
  — On 13 May 2021 exercised and retained award shares under the DBP for 2018 over 10,704 ordinary shares and 693 dividend shares.
  — On 13 May 2021 acquired 2,537 ordinary shares through the DBP that are held in the Employee Benefit Trust.
  — 2,000 shares of Stephen Bird's holding are held by his spouse.
– Martin Green's share interests include 10,739 shares (at 31 December 2021) purchased in the market using deferred annual cash bonus and held by the Employee Benefit Trust; the trust used to hold shares in respect of awards made under the DBP. These shares will vest out of the DBP in 2022, 2023 and 2024, respectively. Neither these shares nor any of the other shares held by Martin Green have any performance conditions attached to them. During the year ended 31 December 2021, Martin Green had the following share dealings:
  — On 26 February 2021 exercised and retained award shares under the DBP for 2020 over 3,701 ordinary shares.
  — On 13 May 2021 exercised and retained award shares under the DBP for 2018 over 6,314 ordinary shares and 409 dividend shares.
  — On 13 May 2021 acquired 1897 ordinary shares through the DBP that are held in the Employee Benefit Trust.
  — On 13 August 2021 sold 40,000 ordinary shares.
– There has been no change to the Directors' shareholdings described in the table above in the period from 31 December 2021 to 28 February 2022, the date of signing of this report.

Sharesave

The Group operates an all-employee savings-related share option scheme in the UK ("Sharesave") and a similar international plan in respect of overseas employees in certain countries (US, Italy, Costa Rica, Japan, France, Singapore, Hong Kong, Israel, Australia, New Zealand and Germany). The scheme and plan are open to all the Group's employees in those countries, including the Executive Directors, and approximately 1,400 of the Group's employees participate in this valuable benefit. As at 31 December 2021 Stephen Bird and Martin Green participate in the UK scheme and the details are shown below.

Director	Date of grant	At 1 January 2021 (shares)	Options exercised during the year	Options lapsed during the year	Options granted during the year	At 31 December 2021 (shares)	Exercise price (pence)	Market price at date of grant (pence)	Date from which exercisable	Expiry date
Stephen Bird	24 September 2020	2,282	0	0	0	2,282	552	690[1]	1 November 2023	30 April 2024
Martin Green	24 September 2020	2,282	0	0	0	2,282	552	690[1]	1 November 2023	30 April 2024

(1) The market price for the grant of shares under option was calculated on the basis of the three-day average of the closing mid-market share price from 26 August 2020 to 28 August 2020 inclusive. A 20% discount was applied to this price under this HMRC approved Sharesave plan.

There is no performance condition attached to the exercise of the Sharesave plan which is an all-employee plan.

Long Term Incentive Plan

Each year the Executive Directors are made a conditional award of shares in the Company. Awards to Executive Directors for 2019 represented 125% of salary. For 2020 and 2021 and to encourage the Executive Directors to recover the business as quickly as possible from the impact of the pandemic, it was agreed that LTIP awards for the Executive Directors would represent 200% of salary. LTIP awards are subject to satisfaction of performance conditions over a three-year performance period as summarised above. It is noted that LTIP awards for 2022 will however revert to a pre-pandemic level representing 125% of salary. The 2022 LTIP award will be made in the 42 days period following the announcement of the 2021 financial results on 1 March 2022. The following table sets out the outstanding awards under the LTIP as at 31 December 2021 for the Executive Directors:

Director	Date of award	Awards at 1 January 2021	Awards exercised during the year	Associated dividend shares with the exercised award	Awards lapsed during the year	Awards made during the year	At 31 December 2021	Market price on which award made (pence)	Market price at exercise date (pence)	Face value of award	Percentage of interest that vests if threshold performance achieved	End of performance period
Stephen Bird	2 March 2018[1]	50,106	–	–	50,106	–	–	1127	–	125% of annual salary	25%	31 December 2020
	8 March 2019[2]	48,355	–	–	–	–	48,355	1197	–	125% of salary	25%	31 December 2021
	21 Sept 2020	126,023	–	–	–	–	126,063	753	–	200% of annual salary	25%	28 February 2023
	3 March 2021	–	–	–	–	96,273	96,273	986	–	200% of annual salary	25%	31 December 2023
Total		**224,484**	**–**	**–**	**50,106**	**96,273**	**270,691**					
Martin Green	2 March 2018[1]	29,558	–	–	29,558	–	–	1127	–	125% of annual salary	25%	31 December 2020
	8 March 2019[2]	30,334	–	–	–	–	30,334	1197	–	125% of annual salary	25%	31 December 2021
	21 Sept 2020	94,289	–	–	–	–	94,289	753	–	200% of annual salary	25%	28 February 2023
	3 March 2021	–	–	–	–	72,008	72,008	986	–	200% of annual salary	25%	31 December 2023
Total		**154,181**	**–**	**–**	**29,558**	**72,008**	**196,631**					

(1) The LTIP award made on 2 March 2018 did not achieve any of its performance conditions based on TSR or EPS growth for the Company. As a consequence, 0% of this award vested and the award lapsed in full on 2 March 2021. Details are shown in the remuneration table for the year ended 31 December 2021 on page 119.

(2) The LTIP award made on 8 March 2019 did not achieve any of its performance conditions based on TSR and EPS growth for the Company. As a consequence 0% of the award will vest and the award will lapse in full on 8 March 2022. Details are shown in the remuneration table for the year ended 31 December 2021 on page 119.

Remuneration Policy report/continued

Deferred Bonus Plan

Each year, Executive Directors are required to defer a proportion of their annual bonus into the DBP. No matching awards can be earned on deferred shares. Normally, Executive Directors are required to defer 50% of any after tax annual bonus into the DBP. In 2020, due to the impact of the pandemic, each Director deferred 100% of their bonus into the DBP preserving cash within the business. 50% of the 2020 deferred bonus will vest on the third anniversary and the other 50% vested after the 2020 Full Year results were announced on 25 February 2021. For any bonus earned in respect of 2021, bonus deferral will revert to 50%.

Director	Date of award	Awards at 1 January 2021 (shares)	Awards exercised during the year	Associated dividend shares with the exercised awards	Awards lapsed during the year	Awards made during the year	At 31 December 2021	Market price on which award made (pence)	Market price at exercise date (pence)	Face value of award	Percentage of interest that vests if threshold performance achieved	End of performance period
Stephen Bird	9 April 2018[1]	10,704	10,704	693	–	–	–	1205	1395	50% of annual bonus	Not applicable	Shares held in Employee Trust to 3rd anniversary of award date
	3 April 2019[2]	8,715	–	–	–	–	8,715	1149	–	50% of annual bonus	Not applicable	Shares held in Employee Trust to 3rd anniversary of award date
	1 April 2020[3]	11,352	5,676	–	–	–	5,676	581	964	100% of annual bonus	Not applicable	Shares held in Employee Trust. 50% of the award vested on 25 February 2021 and 50% to vest on 3rd anniversary of the award
	13 May 2021[4]	–	–	–	–	2,537	2,537	1394	–	50% of annual bonus	Not applicable	Shares held in Employee Trust to 3rd anniversary of award date
Total		**30,771**	**16,380**	**693**	**–**	**2,537**	**16,928**					
Martin Green	9 April 2018[1]	6,314	6,314	409	–	–	–	1205	1395	50% of annual bonus	Not applicable	Shares held in Employee Trust to 3rd anniversary of award
	3 April 2019[2]	5,141	–	–	–	–	5,141	1149	–	50% of annual bonus	Not applicable	Shares held in Employee Trust to 3rd anniversary of award

Director	Date of award	Awards at 1 January 2021 (shares)	Awards exercised during the year	Associated dividend shares with the exercised awards	Awards lapsed during the year	Awards made during the year	At 31 December 2021	Market price on which award made (pence)	Market price at exercise date (pence)	Face value of award	Percentage of interest that vests if threshold performance achieved	End of performance period
	1 April 2020[3]	7,402	3,701	–	–	–	3,701	581	964	100% of annual bonus	Not applicable	Shares held in Employee Trust. 50% of the award vested on 25 February 2021 and 50% to vest on 3rd anniversary of the award
	13 May 2021[4]	–	–	–	–	1,897	1,897	1394	–	50% of annual bonus	Not applicable	Shares held in Employee Trust to 3rd anniversary of award date
Total		**18,857**	**10,015**	**409**	**–**	**1,897**	**10,739**					

(1) The DBP award made on 9 April 2018 vested on 9 April 2021 and the award plus associated dividend shares were paid out to participants on 13 May 2021.

(2) The DBP award made on 3 April 2019 will vest on its third anniversary of 3 April 2022. The award plus associated dividend shares will be paid out to the participants on this anniversary.

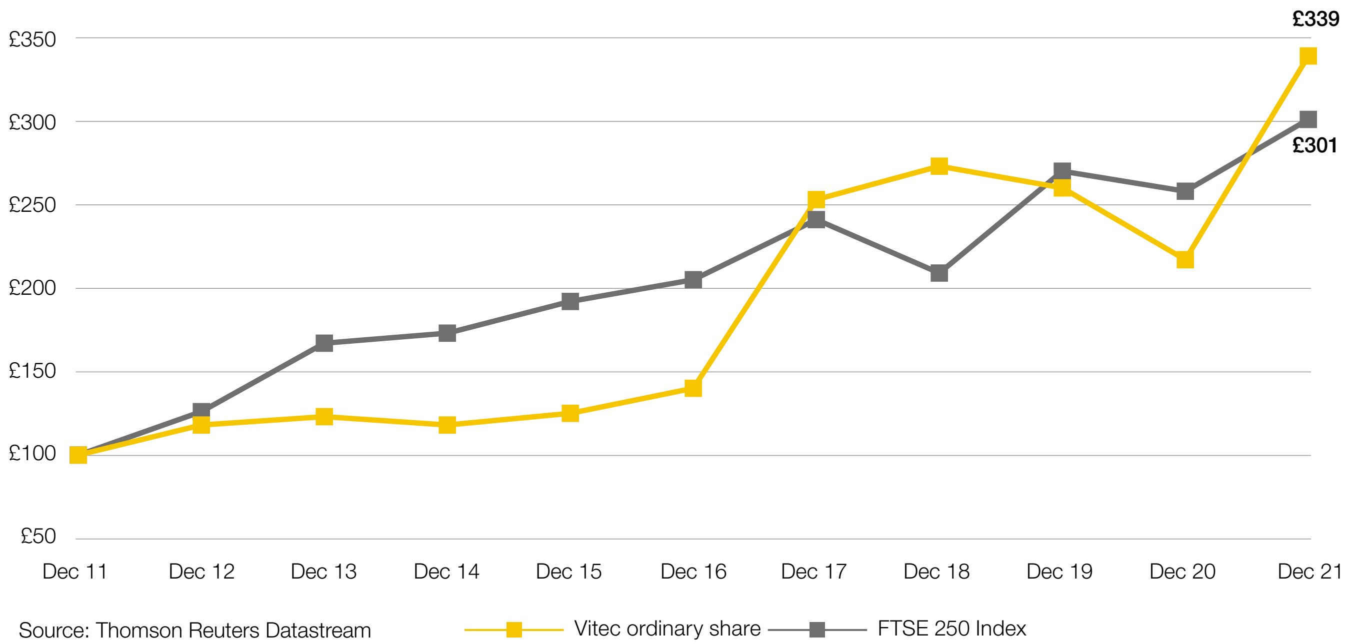
(3) The DBP award made to Stephen Bird and Martin Green on 1 April 2020 due to the pandemic was made to cover 100% of the annual bonus earned for 2019 and paid in March 2020. This was above the normal level of 50% and was done to preserve cash in the business. 50% of the 2020 DBP award vested with the announcement of the 2020 Full Year results on 25 February 2021 and the other 50% will vest on the third anniversary of the award in April 2023.

(4) The DBP award made on 13 April 2021 covered 50% of the bonus earned in respect of the financial year ended 31 December 2020. The award will vest on its third anniversary in April 2024.

Remuneration Policy report/continued

Ten-year performance graph of the Company's ordinary shares compared to comparator group

The Company is required to include a line graph showing the Company's ordinary share performance compared to an appropriate index over a ten-year performance period ending 31 December 2021. The graph below illustrates the Company's annual Total Shareholder Return ("TSR") (share price growth plus dividends that have been declared, paid and reinvested in the Company's shares) relative to the FTSE 250 for the preceding ten-year period ending 31 December 2021, assuming an initial investment of £100. This index has been chosen since it is the comparator group (excluding financial services companies and investment trusts) for one of the performance conditions tied to awards under the LTIP. The Committee notes that the FTSE 250 Index is a recognised broad market equity index, relatively complex and international in nature and is comparable to the Company's business operations where approximately 90% of revenues are generated outside the UK. TSR data is taken from Datastream.



Source: Thomson Reuters Datastream

Performance table setting out the total remuneration of the Group Chief Executive

The following table sets out the single figure of total remuneration paid and the amount vesting under short-term and long-term incentives (as a percentage of the maximum that could have been achieved) to the Group Chief Executive for each of the ten years ended 31 December 2021.

Year (ended 31 December)	Group Chief Executive	CEO single figure of total remuneration	Annual bonus payout against maximum opportunity % (including actual amount paid)	Long-term incentive vesting rates against maximum opportunity %
2021	Stephen Bird	1,166,196	95.5%	0%
			£566,588	
2020	Stephen Bird	£701,744	22.5%	0%
			£133,489	
2019	Stephen Bird	£1,151,858	21.5%	72.06%
			(£124,445)	
2018	Stephen Bird	£2,280,723	66.9%	100%
			(£377,925)	
2017	Stephen Bird	£1,596,214	88.4%	67.5%
			(£486,771)	
2016	Stephen Bird	£962,299	77.9%	0%
			(£418,450)	
2015	Stephen Bird	£636,374	20%	0%
			(£104,876)	
2014	Stephen Bird	£745,388	44.25%	0%
			(£226,378)	
2013	Stephen Bird	£1,057,407	71%	28.55%
			(£355,616)	
2012	Stephen Bird	£1,697,841	79.4%	92.4%
			(£386,434)	

Percentage change in remuneration of the Directors and employees

The table below shows the year-on-year percentage change in salary, benefits and annual bonus earned between the year ended 31 December 2021 and the year ended 31 December 2020 for the Directors, compared to the average of earnings of the parent Company employees. The Remuneration Committee has selected this comparator group on the basis that each of the Directors is UK based and this provides a local market reference, is a sizeable population and a fair representation of the Group's employee base.

	2019/20 Annual salary	2019/20 Taxable benefits	2019/20 Annual bonus	2020/21 Annual salary	2020/21 Taxable benefits	2020/21 Annual bonus
Stephen Bird, Group Chief Executive	2.5%	2.5%	-7%	0%	0%	324%
Martin Green, Group Finance Director	2.5%	2.5%	-23%	0%	0%	324%
Ian McHoul, Chairman	0%	n/a	n/a	0%	n/a	n/a
Christopher Humphrey, Non-Executive Director	2.5%	n/a	n/a	0%	n/a	n/a
Caroline Thomson, Non-Executive Director	2.5%	n/a	n/a	0%	n/a	n/a
Richard Tyson, Non-Executive Director	2.5%	n/a	n/a	0%	n/a	n/a
Duncan Penny, Non-Executive Director	2.5%	n/a	n/a	0%	n/a	n/a
Parent Company employees	2.5%	2.5%	-36%	2.2%	2.2%	292%

Remuneration Policy report/continued

Group Chief Executive's pay ratio disclosure

In accordance with Option C as set out in the Companies (Miscellaneous Reporting) Regulations 2018, the following table sets out Stephen Bird's (Group Chief Executive) total remuneration for the year ended 31 December 2021 compared with all UK employees of the Group at the 25th percentile, 50th percentile and 75th percentile. The data has been compiled from available data as at 31 December 2021 for all UK-based employees and no element of remuneration has been excluded from the calculation. This table will build up over a ten-year period. We have chosen Option C as it reflects all our UK workforce and is more complete in showing the Group Chief Executive's remuneration compared to the entire UK workforce. It uses bonus information for 2020 and was paid in March 2021 as bonus information for 2021 is not calculated until March 2022 for many UK employees. It is therefore not possible to use 2021 bonus data since the 2021 Annual Report was approved on 28 February 2022. The same principle applies for prior years disclosed. The Company believes the median ratio is consistent with the Company's wider policies on employee pay, reward and progression. We seek to pay all employees including the Chief Executive fairly for the roles they perform and taking into account a range of factors including the relevant role, their performance and internal and external measures including pay rates and pay gaps.

Year	Method	25th percentile	50th percentile	75th percentile
2019	Option C	82:1	57:1	35:1
		£27,833	£40,002	£64,086
2020	Option C	44:1	31:1	19:1
		£25,866	£36,965	£61,245
2021	Option C	28:1	19:1	12:1
		£26,361	£37,726	£58,866

The actual salaries paid for each UK employee at the respective quartiles for 2021 were: 25th percentile – £25,632; 50th percentile – £34,659; and 75th percentile – £52,660. The change in the pay ratios from 2019 to 2021 has been greatly impacted by COVID-19. In 2020, the Company implemented short-time working and other measures such as salary waivers in response to the pandemic. In 2021, Executive Directors did not receive any pay increase in contrast to the wider UK employee population and long-term incentives for the Executive Directors did not vest due to performance conditions not being achieved. As the Company recovers from the impact of the pandemic, we expect the pay ratio gap to widen as annual bonuses and long-term incentives become payable. We consider that the use of Option C and the percentiles shown for UK employees are reasonably representative.

Relative importance of spend on pay

The following table sets out for the year ended 31 December 2021 compared to the year ended 31 December 2020 the actual expenditure of the Company in terms of remuneration paid to or receivable by all employees of the Group and distributions to shareholders by way of dividends. It is noted that in response to the pandemic and as a measure to ensure the financial security of the Company, the Board cancelled dividends in 2020. The Board reinstated the final dividend for 2020 which was paid on 14 May 2021. There are currently 133,600 ordinary shares held in treasury. There have been no other significant distributions and payments required to be disclosed that would assist in understanding the relative importance of spend on pay.

	Year ended 31 December 2021	Year ended 31 December 2020	% change
Total remuneration paid to all Vitec Group employees	£101.0m	£82.9m	17.92%
Total dividends paid to shareholders	£7.1m	£0m	n/a

Statement of implementation of Remuneration Policy in the year ending 31 December 2022

This section provides an overview of how the Committee is proposing to implement the Remuneration Policy in 2022.

(1) Base salary

The table sets out the 2022 base salary for each Executive Director, together with the percentage increase from 2021:

Executive Director	2022 salary	Increase from 2021
Stephen Bird	£488,868	3%
Martin Green	£365,650	3%

The Committee decided that a 3% increase for Executive Director salaries was merited for 2022. This was based on several factors including: (i) that the wider employee population across the Group received a 3% increase for 2022; (ii) Executive Directors received no increase in salary in 2021 due to the impact of COVID-19 on the business (in contrast to the wider employee population who received 2.2%); (iii) the continuing recovery of the business from the impact of COVID-19; and (iv) the need to provide a remuneration package to the Executive Directors that is competitive and retains and incentivises the individuals.

(2) Benefits

Benefits, including car allowance, private healthcare and income protection will be paid at the same rate as in 2021.

(3) Pension allowance

Pension allowances paid to Executive Directors are set out in the table below. Stephen Bird's allowance currently represents 20% of his base salary and this level was contractually agreed at the time of his appointment in 2009. We have now contractually agreed with Stephen Bird that his pension allowance will reduce to 8% of base salary with effect from 1 January 2023 and therefore be aligned with the wider UK workforce. Newly appointed Executive Directors receive a pension contribution of 8% of base salary which is in line with pension contributions provided to the wider UK employee workforce. Upon his appointment as Group Finance Director on 10 February 2020, Martin Green's pension contribution was reduced from 15% to 8% of base salary.

Executive Director	Pension allowance
Stephen Bird (20% of salary)	£97,773
Martin Green (8% of salary)	£29,252

(4) Annual bonus

The maximum opportunity remains unchanged at 125% of base salary. Half of any net after tax annual bonus earned for the year ended 31 December 2022 will be deferred into the DBP for a period of three years and held in the form of shares in the Company. There will be no matching award that can be earned on this deferred bonus. The table below provides information on the performance measures against which performance for the 2022 Annual Bonus Plan will be measured:

Core measures for 2022 Annual Bonus Plan	Weighting (% of overall opportunity)
Adjusted Group profit before tax*	50%
Group percentage of adjusted operating profit* converted to operating cash flow*	25%
Role-specific personal objectives set by the Board and Remuneration Committee for the Executive Director	25%

The performance measures selected reflect the strategic and operational objectives of the Group. The Profit and Cash Conversion measures are independently assessed. The Group percentage of operating profit converted to operating cash metric for 2022 will be measured against targets set for H1 2022 performance and full year 2022 performance, with one-third for half year and two-thirds for the full year. The Committee considers that the specific targets and personal objectives for 2022 are commercially sensitive and therefore has not disclosed them. The Committee will disclose these targets and objectives once a bonus has been paid and subject to the Committee considering that they are no longer commercially sensitive.

(5) Long Term Incentive Plan

Stephen Bird and Martin Green will each receive an award of shares under the LTIP. These awards will be made in the 42-day period following the announcement of the full year results for the year ended 31 December 2021 that will be announced on 1 March 2022. The performance conditions for the 2022 LTIP awards will be as follows: 67% of the award will be subject to adjusted basic EPS* growth over a three-year performance period. For the adjusted EPS performance condition, we propose a challenging adjusted EPS performance corridor to reflect the ambitious growth plans for the business. We therefore propose an adjusted EPS performance condition with threshold vesting at 25% of the award for an adjusted EPS growth target of 100 pence and full vesting of the award for adjusted EPS growth target of 130 pence, using 2021's adjusted EPS of 69.9 pence as a base. The remaining 33% of the award will be subject to TSR with the Company's TSR performance ranked against the constituents of the FTSE 250 Index (excluding financial services companies and investment trusts) over a three-year performance period. Threshold performance for the TSR element will be at the medium point of the comparator group and will result in 25% of an award vesting. Full vesting of the TSR element will be at the upper quartile of the comparator group. A straight-line sliding scale will operate between each of the above points. Below threshold, none of the TSR element will vest. For the 2022 LTIP award we will revert to a level of award representing 125% of salary – which represents the same level of award pre the COVID-19 pandemic. Vesting of the 2022 LTIP award will be consistent with that described on page 112. Vesting will be underpinned by Committee discretion that will take into account, in particular, ROCE performance over the performance period for the EPS element of the award. Any awards vesting under the LTIP 2022, after deduction of taxes, will be subject to a further two-year holding period, thereby more closely aligning the participants' interests with the long-term interests of shareholders.

Remuneration Policy report/continued

(6) Chairman and Non-Executive Directors' remuneration

The fee structure for the Chairman and Non-Executive Directors for 2022 is set out in the following table:

Role	2022 fee	2021 fee
Chairman	£175,000[1]	£170,000
Non-Executive Directors' base fee	£52,750[2]	£51,250
Chairman of Audit Committee	£10,000[3]	£10,000
Chairman of Remuneration Committee	£10,000[3]	£10,000
Senior Independent Director	£8,000[3]	£8,000
Employee Engagement Non-Executive Director	£5,000[4]	£5,000

(1) Ian McHoul became Chairman on 21 May 2019 when the Chairman's fee was increased to £170,000 per annum. Given that no increase has been given since that date and the increased demands in the role as Chairman, the Board has agreed that the Chairman's fee be increased to £175,000 from 1 January 2022. This increase reflects a similar level given to the wider employee workforce of 3 per cent and also is in line with market data provided by FIT Remuneration for the role.

(2) Following a review of Non-Executive Directors' fees with the support of FIT Remuneration Consultants, it was concluded that a 3% increase to the base fee would be applied for 2022. This aligned the Non-Executive Directors increase with the Executive Directors and wider employee workforce, also took into account the ongoing recovery of the business from the impact of the COVID-19 pandemic and that no increase was given in 2021 to support the recovery of the business.

(3) The Chairman of the Remuneration Committee and Senior Independent Director were last increased to their current level in 2019 to take account of the nature of each role, the time commitment, performance of the respective individuals, market rates for the complexity of the roles and the calibre of individuals. The Audit Committee Chairman's fee upon review was considered to be in line with market rates and appropriate for the demands of the role and complexity of the Company.

(4) In 2019, the Company appointed Caroline Thomson as the Non-Executive Director with responsibility for employee engagement in accordance with the 2019 UK Corporate Governance Code. Given the responsibility of this role and additional work associated with it, the Board approved that a fee of £5,000 per annum be payable to Caroline Thomson for that role. This fee will be paid to any other successor Non-Executive Director in future years. A full description of the activity involved with this role is given on pages 64 of the Annual Report.

The Board has agreed that fees will typically be reviewed annually to ensure that they remain appropriate.

Malus and clawback

Under the rules of the Annual Bonus Plan, LTIP and DBP, awards are subject to a malus rule whereby the Remuneration Committee has the power to reduce, cancel or impose further conditions upon a bonus or award in circumstances that the Committee determines such action is appropriate, including circumstances where a material misstatement of the Company's audited financial results has occurred, or serious reputational damage to the Company has occurred as a result of a participant having breached the Company's Code of Conduct, a miscalculation or an assessment of any performance conditions that was based on incorrect information, or the occurrence of an insolvency or administration event. In addition, under the above plans, a clawback provision exists where in the same circumstances as for malus, any future award that is paid out can be clawed back from a participant for a period of up to three years from it vesting or being paid out.

Voting at Annual General Meeting

At the Company's last AGM held on 6 May 2021, shareholders were asked to vote for an advisory vote on the Directors' Annual Remuneration report for the year ended 31 December 2020. The resolution was approved by shareholders on a poll at the 2021 AGM and the table below sets out the proxy votes voted for, against and withheld for the resolution.

Resolution	For proxy votes and % of votes cast	Against proxy votes and % of votes cast	Withheld proxy votes
Advisory vote on the Remuneration report for the year ended 31 December 2020	32,395,463	8,051,377	477,464
	80.79%	19.91%	

The Remuneration Policy report was voted on by shareholders at the Company's AGM held on 27 May 2020. The details of that vote are set out below:

Resolution	For proxy votes and % of votes cast	Against proxy votes and % of votes cast	Withheld proxy votes
Remuneration Policy report – to cover Directors remuneration for the period from the 2020 AGM through to the 2023 AGM	30,806,064	3,888,644	1,641,632
	88.79%	11.21%	

As at the date of the Company's AGM on 6 May 2021 the Company had 46,240,200 ordinary shares in issue. The Remuneration Committee, in line with guidance, considers that an against vote of 20% or more of the votes cast is deemed to be significant in connection with a resolution on Directors' remuneration. The Committee was clear that while not constituting a significant against vote of 20% or more, those voting against were concerned by the structure of the performance conditions tied to the 2021 LTIP award. The Committee has noted this and will take that into account for the 2022 LTIP award and in future years. In the event that a significant level of concern is raised at future AGMs, both the Chairman of the Board and the Chairman of the Remuneration Committee will contact the Company's major shareholders following an AGM to understand the precise detail of the concern being raised. Subject to that, the Committee and the Board as a whole will consider how best to address the concern being raised. This may involve a revision to the Company's Policy on Directors' remuneration at a subsequent AGM or some other change which can be implemented without further shareholder consultation. The Committee and the Board are committed to an open and transparent dialogue with shareholders on material matters of concern.

The Remuneration Committee

The Remuneration Committee comprised the following members during 2021: Caroline Thomson – Chairman, Christopher Humphrey, Richard Tyson and Duncan Penny.

All of the Committee members are independent Non-Executive Directors. Erika Schraner who will join the Board as an independent Non-Executive Director on 1 May 2022, will become a member of the Remuneration Committee with effect from that same date.

The Committee, on behalf of the Board, determines the Policy, base salaries, annual cash bonus arrangements, participation in incentive schemes, pension arrangements and all other benefits received by the Executive Directors including any exit packages.

The Committee also oversees the framework of remuneration for the Operations Executive, including terms of service, pay structure, annual cash bonus, pensions, share incentive arrangements and all other benefits and also has regard to wider employee remuneration within the Group.

The Committee invites individuals to attend meetings, as it deems necessary, to assist with consideration of remuneration matters. During 2021 the following individuals attended meetings of the Committee: Ian McHoul (Board Chairman), Stephen Bird (Group Chief Executive), Martin Green (Group Finance Director), and Jon Bolton (Group Company Secretary). Representatives of the Committee's remuneration advisor, FIT Remuneration Consultants, also attended meetings in 2021.

The Executive Directors or members of the Operations Executive are not present when their own remuneration is being considered.

The remuneration of the Chairman and the Non-Executive Directors is determined by the Board as a whole, with the Chairman or the relevant Non-Executive Director abstaining when his or her remuneration is considered.

For further information regarding governance for the Remuneration Committee see pages 106 to 108 of this Annual Report.

External advisors

The Committee appointed FIT Remuneration Consultants as its external remuneration advisor in 2019. Their appointment involved the Committee Chairman reviewing several potential advisors including written proposals and interviews. Following this process, the Remuneration Committee selected FIT Remuneration. FIT Remuneration Consultants charge for their time given in providing a service to the Company and during 2021 the level of fees paid to remuneration advisors totalled £30,825 (2020: £22,281) and was charged on a time basis. This fee covered advice relating to disclosures in the 2020 Directors' Remuneration report, measurement of performance conditions associated with long-term incentive arrangements and general remuneration advice. FIT Remuneration do not provide any other services to the Company. FIT Remuneration Consultants are a member of the Remuneration Consultants Group and operates under that Group's voluntary code of practice for remuneration consultants in the UK. The Committee is satisfied that the advice it received from FIT Remuneration Consultants during 2021 was objective and independent. The Company or any of its individual Directors has no other connection with FIT Remuneration Consultants other than as acting as the Committee's external remuneration advisor. The Committee also received advice and administrative support during 2021 from the Group Company Secretary, Jon Bolton.

This Annual Remuneration report has been approved by the Remuneration Committee and signed on its behalf by:

Caroline Thomson
Chairman, Remuneration Committee
28 February 2022

* This report provides alternative performance measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards ("IFRS"). The Group uses these APMs to aid the comparability of information between reporting periods and Divisions, by adjusting for certain items which impact upon IFRS measures, to aid the user in understanding the activity taking place across the Group's businesses. APMs are used by the Directors and management for performance analysis, planning, reporting and incentive purposes. A summary of APMs used and their closest equivalent statutory measures is given in the Glossary on pages 201 to 203.

Directors' report

Directors

The Directors who held office at 31 December 2021 and up to the date of this report are set out on pages 78 and 79 along with their biographies and photographs. There were no changes to the Board during 2021.

The Company announced on 20 December 2021 that Erika Schraner is to join the Board as an independent Non-Executive Director with effect from 1 May 2022. All current Directors and Erika Schraner will be standing for reappointment at the forthcoming AGM to be held on Tuesday, 17 May 2022.

The Company also announced that Duncan Penny will not be seeking reappointment at the 2022 AGM and he will therefore cease to be a Director of the Company at the close of the AGM on Tuesday, 17 May 2022.

The remuneration of the Directors including their respective shareholdings in the Company is set out in the Remuneration report on pages 106 to 135.

Directors' and Officers' liability insurance and indemnification of Directors

The Company maintains Directors' and Officers' liability insurance which gives appropriate cover for any legal action brought against its Directors. The Company has also granted indemnities to each of its Directors to the extent permitted by law. Qualifying third-party indemnity provisions (as defined in Section 324 of the Companies Act 2006) have been adopted for each Director and indemnify in relation to certain losses and liabilities which the Directors may incur to third parties in the course of acting as Directors of the Company.

Company name change

The Vitec Group plc is proposing to change the Company name to "Videndum plc". This change is due to the need to differentiate ourselves from other companies around the world who also operate under the Vitec name. It is also necessary to avoid financial penalties under a now settled dispute with a third party with claimed prior rights to the term "Vitec" in some territories. Subject to shareholder approval at the AGM to be held on Tuesday, 17 May 2022, the Company's name will be changed to Videndum plc with effect from Monday, 23 May 2022. The meaning of Videndum is "to be seen" in Latin, which better reflects our Company purpose and growth plans. The AGM notice sets out some questions and answers in respect of the name change and how it will impact shareholders.

Shareholder rights

The Company's shareholders have a series of rights in connection with the governance of the Company. These are contained in statute, principally the Companies Act 2006, regulations such as the UKLA's Listing Rules and in the Company's Articles of Association. A shareholder, or shareholders acting together, can use procedures set out in the Companies Act 2006, to requisition a general meeting of the Company. The Directors are required to call such a general meeting once the Company has received requests to do so from shareholders representing at least 5% of the paid-up capital of the Company as carries the right of voting at general meetings of the Company (excluding any paid-up capital held as treasury shares).

Under the Companies Act 2006, either (i) a member or members representing at least 5% of the total voting rights of all the members having a right to vote on the resolution at the AGM (excluding voting rights attached to any treasury shares); or (ii) at least 100 members with the right to vote on the resolution at the AGM and each holding, on average, at least £100 of paid-up share capital, may require the Company to give members of the Company entitled to receive notice of the next AGM, notice of a resolution which may properly be moved at that meeting. Such a resolution may be properly moved unless it is defamatory, frivolous or vexatious or if it would be ineffective for any reason.

Such a request may be in hard copy or electronic form and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it and must be received by the Company not less than six weeks before the meeting. A request for a matter to be included in the business of the meeting must also be accompanied by a statement setting out the grounds for the request.

Shareholders have an express right to vote annually on the Directors' Remuneration report and at least every three years they have the right to vote on the policy governing Directors' remuneration. Under the Company's Articles of Association, shareholders have the right to vote on the re-election of all Directors of the Company annually at the AGM.

It is also confirmed that under the Company's governance arrangements, including the Articles of Association, there are no anti-takeover devices or provisions to prevent a takeover of the ownership of the Company through the normal ways permitted under UK law and regulation. There are no limitations on share ownership and the issuance of new capital, subject to shareholder approval, would be to address funding needs and is not a tool for an anti-takeover measure.

Share capital

The Company has only ordinary shares of 20 pence nominal value in issue along with 133,600 shares held in treasury. Note 4.3 to the consolidated financial statements on page 181 summarises the rights of the ordinary shares as well as the number issued during 2021. An analysis of shareholdings is shown on page 205. The closing mid-market price of a share of the Company on 31 December 2021, together with the range during the year, is also shown on page 205. For details of own shares held by the Company see note 4.3 to the consolidated financial statements.

Dividends

The Board has recommended a final dividend of 24 pence per share amounting to £11.1 million (2020: 4.5 pence per share, amounting to £2.1 million. Interim dividend 11.0 pence per share amounting to £5.03 million). The final dividend, subject to shareholder approval at the 2022 Annual General Meeting, will be paid on Friday, 20 May 2022 to shareholders on the register at the close of business on Friday, 22 April 2022. This will bring the total dividend for the year to 35 pence per share. A dividend reinvestment alternative is available with details available from our registrars, Equiniti Limited.

Substantial shareholdings

As at 23 February 2022, the Company had been advised under the Disclosure Guidance and Transparency Rules, or had ascertained from its own analysis, that the following held notifiable interests in the voting rights in the Company's issued share capital:

Shareholder	Number of voting rights	% of voting rights
Alantra Asset Management	10,564,618	22.84%
Aberforth Partners	3,338,726	7.22%
Schroder Investment Management	3,088,455	6.68%
Franklin Templeton Investments	2,117,000	4.58%
Brown Capital Management	1,846,897	3.99%
Gidema SPA	1,743,734	3.77%
Tellworth Investments	1,719,678	3.72%
Chelverton Asset Management	1,627,500	3.52%
Invesco	1,380,332	2.98%
Royal London Asset Management	1,364,293	2.95%

Committees of the Board

The Board has established Audit, Nominations and Remuneration Committees. Details of these Committees, including membership, governance and their activities during 2021, are contained in the Governance section of this Annual Report and in the Remuneration report.

Companies Act 2006 disclosures

In accordance with Section 992 of the Companies Act 2006 the Directors disclose the following information:

- The Company's capital structure and voting rights are summarised in note 4.3, and there are no restrictions on voting rights nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights
- The Company holds 133,600 ordinary shares in treasury which do not carry any voting rights
- There exist no securities carrying special rights with regard to the control of the Company
- Details of the substantial shareholders and their shareholdings in the Company are listed above
- Shares awarded under the Company's Deferred Bonus Plan are held in a nominee capacity by the Employee Benefit Trust ("EBT"). The Trustees of the EBT do not seek to exercise voting rights on shares held in the EBT. No voting rights are exercised in relation to shares unallocated to individual beneficiaries
- The rules concerning the appointment and replacement of Directors, amendment to the Articles of Association and powers to issue or buy back the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006
- There exist no agreements to which the Company is party that may affect its control following a takeover bid
- There exist no agreements between the Company and its Directors providing for compensation for loss of office that may occur because of a takeover bid.

Articles of Association

The Company's Articles of Association set out the rights of shareholders including voting rights, distribution rights, attendance at general meetings, powers of Directors, proceedings of Directors as well as borrowing limits and other governance controls. A copy of the Articles of Association can be requested from the Group Company Secretary.

Conflicts of interest

During the year no Director held any beneficial interest in any contract significant to the Company's business, other than a contract of employment. The Company has procedures set out in the Articles of Association for managing conflicts of interest. Should a Director become aware that they, or their connected parties, have an interest in an existing or proposed transaction with the Group, they are required to notify the Board as soon as reasonably practicable.

Political donations

Further to shareholder approval at the 2021 AGM empowering the Directors to make political donations, it is confirmed that no such donations were made in the year ended 31 December 2021. The Company's policy is not to make political donations. The 2025 AGM will be asked to renew this existing authority that expires in May 2025.

Reporting requirements

The following sets out the location of additional information which forms part of the Directors' report:

Reporting requirement	Comprising	Location
Strategic report	— An indication of the Group's likely future business developments — An indication of the Group's research and development activities — Information on the Group's policies for the employment of disabled persons and employee involvement — The Group's disclosures regarding greenhouse gas emissions	Pages 2 to 72
Non-financial information statement	— Environmental matters, employees, social matters, respect for human rights, anti-corruption and anti-bribery matters — Business model — Policies — Principal risks — Non-financial KPIs	Page 73
Statement on corporate governance	— Review of the Board's governance arrangements during the year — Review of the Board's Committee's arrangements during the year	Pages 74 to 105
Financial instruments	— Financial risk management objectives and policies of the Group — The exposure of the Group to foreign currency risk, interest rate risk, and liquidity risk	Note 4.2 to the consolidated financial statements on pages 177 to 182

Directors' report/continued

Reporting requirement	Comprising	Location
Responsible business	— Explanation of our approach to business ethics, employees, community and the environment	Pages 42 to 72
Employee engagement statement	— Explanation of how the Directors have engaged with employees and taken them into account when making principal decisions	Employee engagement section on pages 64 and 87. Stakeholder engagement statement on page 8
Statement regarding fostering relationships with suppliers, customers and others	— Explanation of how the Directors have fostered the Company's business relationships with suppliers, customers, employees and others, and taken each group into account when making principal decisions	Section 172(1) statement on page 6

Going concern

The Directors have made appropriate enquiries and consider that the Group has adequate resources to continue in operational existence for the foreseeable future, which comprises the period of at least 12 months from the date of approval of the financial statements, being 28 February 2022. There are no material uncertainties that would prevent the Directors from being unable to make this statement. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Statement of Directors' Responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with IFRS as adopted by the EU and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK Accounting Standards.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- For the Group financial statements, state whether they have been prepared in accordance with IFRS as adopted by the EU
- For the Parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration report and Corporate Governance statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In addition, each of the Directors considers that the Annual Report, taken as a whole, is fair, balanced and understandable and that it provides all the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Post Balance Sheet events

The acquisition of Audix was completed on 11 January 2022 for consideration of up to $54.3 million (£39.9 million). Further details can be found on page 172.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information (as defined in Section 418(2) of the Companies Act 2006) of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Annual General Meeting (AGM)

The 2022 AGM will be held at 11.00am on Tuesday, 17 May 2022 at The Academy of Medical Sciences, 41 Portland Place, London W1B 1QH. Should it be necessary to rearrange the venue and timing for the AGM, we will communicate this to shareholders by way of a stock exchange announcement.

The Company will be making use of the electronic voting facility provided by its registrars, Equiniti Limited. The facility includes CREST voting for members holding their shares in uncertificated form. For further information, please refer to the section on online services and electronic voting set out in the notes to the Notice of Meeting.

The notice of the AGM and an explanation of the resolutions to be put to the meeting are set out in the Notice of Meeting accompanying this Annual Report. The Board fully supports all the resolutions set out in the Notice and encourages shareholders to vote in favour of each of them as they intend to in respect of their own shareholdings.

Auditor

Deloitte LLP has expressed its willingness to continue in office as auditor and separate resolutions will be proposed at the forthcoming AGM concerning their reappointment and to authorise the Board to agree their remuneration.

By order of the Board

Jon Bolton
Group Company Secretary and HR Director
28 February 2022