Remuneration report
Annual statement

Dear Shareholder

Videndum's Directors' Remuneration report for 2022 comprises three separate sections:

- Section 1 – my annual statement setting out the work of the Remuneration Committee in 2022 and priorities for 2023.
- Section 2 – the proposed Directors' Remuneration Policy ("the Policy") that sets out the Company's policy on Directors' remuneration. The last Policy was put to shareholders at the 2020 AGM and expires in May 2023. In accordance with the regulations we will be submitting this new Policy to shareholders for approval at the 2023 AGM. The detail of the new Policy is set out on pages 128 to 137 and if approved by shareholders at the 2023 AGM will apply through to May 2026.
- Section 3 – the 2022 Annual Report on Remuneration sets out the remuneration paid to Directors in 2022 as well as details of how the Committee intends to implement our Policy for 2023. Shareholders will have the opportunity for an advisory vote on the Directors' Remuneration Report at the 2023 AGM.

The Committee in 2022 focused on ensuring that the implementation of the Policy supported the continuing recovery of the business from the full impact of COVID-19 and growth towards our longer-term strategic ambition.

This included setting challenging targets for the 2022 Bonus Plan and for awards under the Long Term Incentive Plan ("LTIP") to drive management to recover and grow the business quickly and in a sustainable manner. Financial targets for the bonus plan were set early in 2022 before several factors made the year increasingly more challenging, notably the war in Ukraine and continuation of lockdowns in China adding to inflationary pressure, which in turn damaged consumer demand and business confidence. Executive management worked diligently and effectively to deliver an out-turn for 2022 in line with expectations and moving towards our medium-term ambitions.

During 2022, the Remuneration Committee undertook a review of the current Directors' Remuneration Policy and considered what changes may be required for the new Policy being put forward to shareholders in 2023. In doing so, the Remuneration Committee has taken the UK Corporate Governance Code provisions into account to ensure the new Policy and its operation are in line with best practice and investors' expectations. We are not proposing any material changes to the Policy itself, which has operated with simplicity of structure in mind and continues to ensure that remuneration outcomes are predictable, aligned with the experience of stakeholders in the Company and also drive the right behaviours and culture in the Company.

2022 performance – business context

Under the Group Chief Executive's leadership, Videndum is now uniquely positioned right at the heart of the content creation market, with market-leading, premium brands in defensible niches. The content creation market is now larger and growing faster than pre-pandemic with the Group being exposed to strong market growth drivers. The Group's Total Addressable Market ("TAM") has increased from c.£2 billion pre-pandemic (2019) to c.£3 billion and, as previously stated, it is expected to grow high single digit in the medium term, compared to low single digit pre-pandemic, although with a slower growth rate in 2022-23 due to macroeconomic headwinds.

Videndum continues to execute well on its long-term strategy to deliver organic growth, improve margins and grow through strategic acquisitions. We have recovered strongly following the impact of the pandemic and delivered a record H1 2022 financial performance. As the second half of 2022 unfolded we were faced with increasing pressure from several headwinds not within management's control. These included the impact of the Ukraine conflict, continuation of stringent lockdown measures in China, significant rise in inflation, continuation of component shortages, suppressed consumer demand due to recessionary factors and lower business confidence. Despite these headwinds, the Group has delivered an outcome for 2022 in line with market expectations and the Group is well-positioned for the future.

We are seeing revenue growth from three routes: from our core business; from new areas of content creation, including vloggers/influencers and audio; and from new verticals enabled by video transmission and live streaming, particularly in the medical segment and, going forward, with ART. We remain committed to our previously stated organic strategic ambition of c.£600 million revenue and greater than £100 million adjusted operating profit* however, the timing is likely to be delayed due to the macroeconomic environment. The content creation market is a great place to be and Videndum is well positioned to deliver growth and value for shareholders.

The Group Chief Executive and his senior leadership team have performed well during 2022 and delivered exceptional financial results in very challenging markets as well as making good progress against our longer-term strategic ambition. This has resulted in the Committee awarding bonus payments to the Group Chief Executive and senior leadership team that are entirely merited given the superior performance of the team. Our Policy and its operation in 2022 has delivered an outcome that is fully aligned with our stakeholders' interests and our shareholders' experience of investing in the Company.

Remuneration outcomes for 2022 performance

At the start of 2022, the Committee awarded salary increases to the Executive Directors of 3%, reflecting the same level of increase given to the wider employee population and also recognising that neither of the Executive Directors received a salary increase in 2021 due to the impact of COVID-19.

The Committee set financial targets for the 2022 Annual Bonus Plan at its February 2022 meeting and with the right balance between being challenging and realistic. However, as the year unfolded it became clear that 2022 was exposed to increasing headwinds beyond the control of management as highlighted earlier.

Despite these headwinds, the Group Chief Executive and senior leadership team have driven the performance of the Company with an out-turn in line with market consensus and delivered a record adjusted Group Profit Before Tax ("PBT") of £54.0 million. The 2022 Bonus Plan was based 50% on Group adjusted PBT, 25% on Group cash conversion and 25% on personal objectives, and full details of the targets and outcomes are set out on page 141.

The Committee reviewed performance against the Group adjusted PBT element of the bonus and in line with the policy, awarded the Group Chief Executive an outcome for this element representing 21.4% based on budgeted FX rates being applied. 58.8% of the cash conversion measure was achieved. After careful consideration the Committee further determined that Stephen Bird's performance in 2022 was so exceptional that it merited an unusual award of 100% of his personal objectives. This reflected his role in delivering a record despite the significant headwinds outlined above. But also that this was achieved despite the Group Finance Director being absent for the second half of the year. Overall, this resulted in a bonus outcome of 50.4% of the maximum for 2022 for the Group Chief Executive.

To ensure that bonus payments are aligned with shareholders' long-term interests, the Executive Directors will be required to defer 50% of their 2022 bonus after tax into shares held for three years in the Deferred Bonus Plan.

LTIP awards made in 2019 to Executive Directors did not achieve threshold performance conditions based on EPS growth and TSR performance, and the 2019 LTIP award lapsed on 8 March 2022. This was the second consecutive year where the LTIP has not vested and reflects the experience of our shareholders during the respective performance periods. The 2020 LTIP award was made on 21 September 2020 with the delay in the award being due to the impact of the pandemic. The 2020 LTIP has a performance condition running through to 28 February 2023 and subject to achievement of performance conditions will vest on 21 September 2023.

The estimated vesting outcome based on an interim measurement to 31 December 2022 is 46.8% of the maximum. We will disclose the final outcome to the market in due course.

In 2022, the Remuneration Committee made LTIP awards in March to the Executive Directors and several other senior managers. The 2022 LTIP award was structured so that 33% was tied to TSR performance over a three-year period commencing 1 January 2022 compared to a comparator group comprising the constituents of the FTSE 250 Index (excluding financial services companies and investment trusts). 67% of the 2022 LTIP award is tied to a challenging adjusted basic EPS* performance corridor over the same three-year period with threshold set at 100 pence and stretch set at 130 pence for the financial year 2024 and with a straight-line progression between each point. The Committee considered that this was an appropriately challenging hurdle. Any shares vesting under the 2022 LTIP to the Executive Directors will be subject to a further two-year holding period aligning with shareholders' long-term interests. When determining the vesting level of this award, the Remuneration Committee will also take into account the Return on Capital Employed (ROCE) performance for the Company. The Committee retains full discretion to reduce the vesting outcome taking into account underlying business performance. The 2022 LTIP award to the Executive Directors was set at a value representing 125% of salary.

The Committee is satisfied that the performance condition for the 2022 LTIP is sufficiently stretching, and at the 2022 AGM over 99% of shareholders voted in favour of the 2021 Remuneration Report demonstrating overwhelming support from shareholders to the operation of the Remuneration Policy.

Outside of the Executive Directors and several senior executives, the Committee approved Restricted Share Plan ("RSP") awards in 2022 for key talent in the Group. The RSP delivers shares over a three-year period vesting in March 2024 subject to the participant remaining employed with Videndum.

Remuneration report continued

Executive Directors – changes of personnel

An important consideration for the Committee in 2022 was to determine the leaving arrangements for Martin Green, who stood down as Group Finance Director on 13 December 2022 and the new remuneration package for Andrea Rigamonti as Group Chief Financial Officer appointed on the same date to the Board. The detail of Martin Green's leaving arrangements is set out on page 145. The Committee, when considering this, took into account Martin Green's 20 years' service, his contribution to the Company's growth, our contractual obligations and the Policy. The Committee is satisfied that the terms agreed are fair, reasonable, in shareholders' best interests and in line with the Policy. The remuneration package for Andrea Rigamonti has been set in line with our Policy. His base salary on appointment is £310,000 per annum and will next be reviewed in January 2024. This positioning is around 15% below his predecessor's salary and has been set at a level that reflects Andrea's experience. The Committee will look over time, in accordance with the recruitment policy, to increase this as Andrea's experience, contribution and importance to the Group increases.

2023 Directors' Remuneration Policy

The Remuneration Committee has reviewed Executive Directors' remuneration taking advice from our remuneration consultant, FIT Remuneration Consultants, and during the year consulted with Videndum's largest shareholders, the majority of whom have been supportive of our approach. I am grateful to those shareholders who have given us their views. The Committee is satisfied that the Company's Policy has continued to operate as intended, in terms of the Company's performance and the quantum of remuneration paid to the Directors in 2022. This view is supported by the overwhelming level of support given by shareholders at the 2022 AGM to the 2021 Remuneration Report. We also took into account the high level of support for the Policy when it was last approved by shareholders in 2020 and 88.79% of votes cast were then in favour of the Policy.

As a result there is no change to the structure of the Policy itself or to the overall maximum variable pay individuals limits contained in the Policy, although we are seeking to change the way we implement the Policy – see below. The only formal change to the Policy is to ensure that notice periods due from any new Executive Directors will be symmetrical, requiring up to 12 months' notice from either the Company or the Director. The Policy in respect of the notice periods for the serving Executive Directors is already 12 months. As previously disclosed, pension contributions for the Group Chief Executive have been reduced from 20% to 8% of salary from 1 January 2023 to align with the rest of employees in the UK business, and our Policy includes other good practice features as recommended by the UK Corporate Governance Code and institutional investors.

Governance and performance of the Remuneration Committee in 2022

The Remuneration Committee during 2022 comprised the following:

Caroline Thomson – Chair

Richard Tyson, Erika Schraner (from 1 May 2022), Teté Soto (from 24 November 2022), Christopher Humphrey (until 14 December 2022) and Duncan Penny (until 17 May 2022)

All members of the Remuneration Committee are independent Non-Executive Directors of the Company. We have further announced that Anna Vikström Persson will be appointed a new independent Non Executive Director of the Company with effect from 1 May 2023. Upon her appointment she will become a member of the Remuneration Committee and after a period of induction to the Company, is planned to succeed myself as Chair of the Remuneration Committee on a date to be confirmed in 2024.

The Remuneration Committee has been delegated by the Board responsibility to set the remuneration framework for the Group Chief Executive, other Executive Directors and members of the Operations Executive. As Chair of the Committee, I lead this process with the support of the other Committee members. During 2022, we invited the Chairman of the Board, Ian McHoul, Group Chief Executive, Stephen Bird, former Group Finance Director, Martin Green, Group Chief Financial Officer, Andrea Rigamonti and Group Company Secretary, Jon Bolton to attend meetings and to give input unless they were conflicted in a particular matter. To further support the Committee in its duties, the Committee uses the support and services of FIT Remuneration Consultants, who provide independent advisory services on executive remuneration and wider market remuneration issues.

In my role as Chair of the Remuneration Committee, I am available to shareholders to discuss matters relating to Directors, and senior executive remuneration. During 2022 I engaged with several shareholders in the run-up to the 2022 AGM and vote on the 2021 Directors' Remuneration report. I also undertook a consultation with our major shareholders on our proposed new Policy, to be put to shareholders for approval at the 2023 AGM.

The Remuneration Committee held five scheduled meetings in 2022 and one short notice meeting. All members of the Committee attended all meetings in 2022. Apart from normal business such as Directors' duties and conflicts of interest, minutes of previous meetings, matters arising and tracking progress against agreed Committee objectives for 2022, the following specific business was covered at each meeting:

February 2022 – approved the 2021 Annual Remuneration report submitted to the 2022 AGM; approved the outcome of the 2021 Annual Bonus Plan; determined the outcome of 2019 LTIP awards against performance measures; considered the structure of 2022 LTIP awards and associated performance conditions; approved the final structure of the 2022 Annual Bonus Plan; and approved personal objectives for the Executive Directors for 2022.

March 2022 – short-notice meeting – approved the final detail of 2022 LTIP awards.

June 2022 – considered the proposed structure for a new Remuneration Policy on Directors' remuneration with the objective to submit to shareholders for approval at the 2023 AGM.

August 2022 – considered the proposed structure for a new Remuneration Policy on Directors' remuneration ahead of a consultation letter being issued to the Company's major shareholders.

September 2022 – update on executive remuneration trends provided by FIT Remuneration Consultants; update on progress with shareholder consultation in relation to a new Remuneration Policy; and an update on 2022 Annual Bonus Plan.

December 2022 – considered feedback from the shareholder consultation regarding the new Remuneration Policy; 2022 Annual Bonus Plan update; proposed 2023 pay rises for Executive Directors and Operations Executive members; considered Martin Green's severance terms and Andrea Rigamonti's remuneration package and service contract; outlined 2023 LTIP awards and proposed structure; and 2023 Annual Bonus Plan and proposed structure.

Minutes of each meeting are prepared by the Group Company Secretary and circulated to Committee members following each meeting.

The Remuneration Committee annually sets itself objectives and in 2022, it set the following ones and has measured progress against each.

2022 Remuneration Committee objectives	Progress during 2022
1. Preparation of a new Directors' Remuneration Policy including new LTIP rules and involving consultation with major shareholders ahead of the final Policy being approved by the Committee in February 2023 and submitted for approval at the 2023 AGM.	The Committee reviewed the operation of the existing Policy approved at the 2020 AGM and determined that it remains fit for purpose in rewarding Executive Directors for growing the business and is aligned to the best interests of shareholders subject to increasing the annual level of LTIP award to the Group CEO to 150% of salary (from 125% of salary). Major shareholders have been consulted and the Committee approved for submission to the 2023 AGM the final content of the new Directors' Remuneration Policy at its February 2023 Committee meeting.
2. Ensure that 2022 LTIP awards are set at an appropriate level with suitably stretching performance conditions that balance interests of shareholders and also incentivise management to deliver stretching performance.	LTIP award made on 11 March 2022 with performance conditions based 1/3rd on TSR performance compared to the constituents of the FTSE 250 Index (excluding financial service companies and investment trusts) and 2/3rds on adjusted EPS growth with threshold vesting set at 100 pence and stretch at 130 pence. Shareholder support at the 2022 AGM to the advisory vote on the 2021 Annual Remuneration report was over 99% demonstrating overwhelming support for this approach.
3. Prepare and publish a Remuneration report for 2021 setting out clear disclosures and narrative to support remuneration paid (including 2021 bonus) and that ensures sufficient shareholder support at the 2022 AGM.	Remuneration Report for 2021 received over 99% support from shareholders at the 2022 AGM demonstrating overwhelming support to the operation of Directors' remuneration and the associated disclosures.
4. Oversee and implement suitably stretching remuneration arrangements that retains and drives Creative Solutions' management to grow that business.	RSP awards to Creative Solutions senior leadership made in 2021 and 2022 has ensured that talent within Creative Solutions has been retained and is focused on growing that business.
5. Set an appropriately stretching bonus plan for 2022 including an increased level tied to delivery on quantifiable ESG targets that supports the Group's ESG programme.	2022 Bonus Plan set containing both stretching financial (profit and cash conversion) and personal objectives including progress on the Company's ESG programme. Financial targets have proven to be challenging given how events have unfolded in 2022 with headwinds including the war in Ukraine, impact of foreign exchange, continuing component shortages, rising inflation, continuing suppressed travel and recession in several of the Group's key markets. The outcome for the 2022 annual bonus plan is set out on pages 141 of this report.
6. Ensure that remuneration payouts to Executive Directors and senior leadership are merited and in line with shareholders' and other stakeholders' experience of investing in Videndum.	Remuneration payouts to the Executive Directors for 2022 are set out on page 138 of this report and demonstrate that remuneration is aligned to shareholders' and other stakeholders' experience. Videndum has delivered a record Group adjusted PBT for 2022 of £54.0 million and remuneration to the Executive Directors has been aligned to that financial performance.

Remuneration report continued

Apart from the process of setting itself objectives and measuring progress against each, the Remuneration Committee was also subject in 2022 to an internal evaluation led by the Chairman and Group Company Secretary. The internal evaluation involved a questionnaire to each Committee member. The output from the 2022 Remuneration Committee evaluation included:

- The performance of the Remuneration Committee and its members was rated highly.
- Remuneration Committee meetings are well run with a rigorous cycle of business followed.
- Information provided to the Remuneration Committee was to a high standard.
- The Remuneration Committee is mindful of the need to keep informed of changes in market sentiment and to keep informed around the expectations of shareholders. The Committee's adviser provides a good level of information to keep the Committee informed.
- The Directors' Remuneration Policy is well aligned with the Group's strategic priorities and strikes the right balance between short-term and long-term performance and provides appropriate levels of retention and reward.
- The Committee engages well with shareholders on remuneration issues.

An externally facilitated evaluation was conducted in 2021 and reported on in the 2021 Annual Report. A further externally facilitated evaluation will be conducted in 2024.

Implementation of the new Policy in 2023

Given the experience and performance of the Group Chief Executive, the Committee has agreed that in line with previous practice the base salary for Stephen Bird will increase at the same level as the general increase for the wider workforce by 5%, and this increase will be implemented from 1 April 2023. The Committee took the view that an increase aligned to that for all of Videndum's employees was right because of the outstanding performance for the year and in light of the deferral of this increase to 1 April 2023. Since Andrea Rigamonti was appointed on 13 December 2022, his salary will not be reviewed again until January 2024. As previously notified, Stephen's employer pension contribution has been reduced from 20% to 8% with effect from 1 January 2023 and is in line with the wider UK employee pension contribution.

Having reviewed fees paid by the market for FTSE 250 companies and also the time commitment required by the Chairman and Non-Executive Directors, it has been agreed that the fees paid to the Chairman and Non-Executive Directors will also be increased by 5% with effect from 1 April 2023.

The 2023 Annual Bonus Plan has been designed to ensure that it motivates Executive Directors to deliver against challenging targets for 2023. Its structure retains the same combination of financial targets (Group adjusted PBT* and adjusted operating cash flow* generation) and personal objectives as used in 2022 and is tied to delivery of the 2023 budget. The 2023 Annual Bonus Plan is structured as before so that Profit and Cash Conversion measures are independently assessed. Financial targets and personal objectives for the 2023 Annual Bonus Plan, against which actual performance will be measured, will be disclosed in the 2023 Remuneration report.

The Committee intends that the LTIP award for 2023 will continue to be based on the Company's adjusted EPS and TSR performance ranked against a comparator group. The adjusted EPS performance condition will represent 67% of the award. 33% of the award will be measured using the Company's TSR performance compared to the constituents of the FTSE 250 index (excluding financial services companies and investment trusts). As before we will also operate a ROCE underpin on the 2023 LTIP award. The detail of the 2023 LTIP award including the EPS performance targets will be announced to the market once finalised. The Committee believes that this combination of performance measures will challenge and incentivise management to deliver sustainable growth for shareholders and only deliver value should that growth be achieved. Following consultation with our largest shareholders, the LTIP grant level for the Group Chief Executive will be increased by 25% of salary to align with the current 150% of salary already permitted within the Policy to ensure that share awards continue to support the successful delivery of our strategy as well as being market competitive. The Committee believes this is appropriate for the following reasons:

- Stephen Bird is a proven and high-performing CEO and has served in the role of CEO at Videndum since April 2009. His leadership is important in delivering our ambitious strategy.
- The increase in LTIP grant level for Stephen will be accompanied by stretching EPS targets that are aligned with Videndum's medium-term goals.
- The Committee has never been over-reliant on benchmarking, and market data has not been a driver of the proposed increase in incentive opportunity. We have taken comfort from the market data which shows that the median LTIP grant level for a CEO of a UK listed company of Videndum's size is equal to the proposed grant level of 150% of salary. Given Stephen's service and performance, this seems fair and reasonable.
- The proposed LTIP grant level for 2023 is equal to the policy limit that has been in place since 2014.

We will also award to the new Group Chief Financial Officer an LTIP award with a value of 125% of salary.

Committee priorities for 2023

The Committee in 2023 will focus on the following matters:

- Securing shareholder approval at the 2023 AGM for the 2022 Annual Remuneration report and a new Directors' Remuneration Policy to cover the period from the 2023 AGM through to the 2026 AGM.
- Securing shareholder approval at the 2023 AGM for new LTIP rules.
- Ensuring that the 2023 Annual Bonus Plan drives performance and rewards sustainable growth in the Company and is set against appropriate financial targets especially given challenging market conditions.
- Granting LTIP awards in 2023 with suitably stretching EPS and TSR performance conditions.
- Succession planning for the Committee.

Annual General Meeting

We will be putting several resolutions on remuneration to shareholders at the 2023 AGM. Firstly, we will seek shareholders approval to a new Remuneration Policy that will set out the remit of remuneration to be paid to Directors from the 2023 AGM through to the 2026 AGM. Secondly, the Annual Remuneration report covering Directors' remuneration paid in 2022 will be put to the Company's shareholders for an advisory vote. Thirdly, we will be submitting for shareholders approval a resolution seeking to renew the rules of the Company's LTIP that was last approved by shareholders in 2014 and requires renewal after ten years. I encourage all shareholders to vote in favour of these resolutions. I will attend the AGM and be open to answering questions on remuneration issues either at the meeting itself or ahead of the AGM should any shareholder wish to contact me at info@videndum.com.

Caroline Thomson
Remuneration Committee Chair
27 February 2023

* 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 224 to 228.

Directors' Remuneration Policy

2023 Directors' Remuneration Policy ("the Policy")

The 2023 Policy will cover Directors' remuneration for the three-year period commencing from the Company's AGM to be held on 11 May 2023. The key terms for the 2023 Policy are set out below and shareholders will be asked to approve the 2023 Policy at the 2023 AGM.

The current Policy approved by shareholders at the 2020 AGM and covering Directors' remuneration up until the May 2023 AGM is available on our website or in the 2019 Annual Report. The 2023 Policy does not have any material changes to it from the Policy approved at the 2020 AGM.

Should there be a need to change the Company's 2023 Policy ahead of the 2026 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.

2023 Remuneration Policy table for Executive Directors

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.

Operation	Maximum opportunity	Performance measures
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 salary 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. – 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.

Operation	Maximum opportunity	Performance measures
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 £500 per month maximum). An International Sharesave Plan also operates for non-UK employees.	Not applicable

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.

Operation	Maximum opportunity	Performance measures
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, or 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. Annual bonus measures may be based on the achievement of annual targets set against the Group's adjusted profit before tax*, cash conversion and/or strategic or personal objectives. The Committee reserves the right to change measures or introduce new metrics for each financial year to ensure alignment with the short-term priorities of the business. The Committee reviews targets and objectives annually to ensure the annual bonus remains appropriate and challenging. Targets are typically measured over a period of up to one-year period. Payments range between 0% for threshold and 125% of base salary for maximum performance. Awards granted under the Deferred Bonus Plan are not subject to any further performance conditions.

Directors' Remuneration Policy continued

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.

Operation	Maximum opportunity	Performance measures
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, typically, 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, or 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. 200% is permitted in exceptional circumstances determined by the Committee.	LTIP awards may be based on financial, non-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 ("TSR") 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, up to 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.

Operation	Maximum opportunity	Performance measures
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.	All 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. Salary is the only pensionable element of Executive Director remuneration.	Not applicable.

Notes to the Directors' 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.

When determining Executive Director remuneration policy and practices, the Remuneration Committee takes into account a range of factors as follows:

Clarity – remuneration arrangements are transparent, as set out in the policy table above. The Committee has taken into account the views of shareholders consulting on the content of the policy and further considered remuneration arrangements amongst the wider Videndum workforce. An example of this includes aligning the Executive Directors pension contribution with that of the wider UK employee workforce.

Simplicity – the remuneration structure for the Executive Directors is simple and clearly explained, comprising a mix of short-term and long-term incentives aligned to the Company's strategic objectives. As detailed in the illustrative remuneration performance scenarios on page 134, a significant proportion of Executive Directors remuneration is tied to the achievement of annual and long-term financial performance for the Company.

Risk – remuneration arrangements are structured to avoid excessive risk taking – both reputational and other risks. Malus and clawback provisions operate on the Annual Bonus Plan and LTIP and Executive Directors are required to defer a significant proportion of their annual bonuses for three-years and to hold shares vesting under the LTIP for a further two-year holding period, thereby aligning their interests with the long-term interests of shareholders.

Predictability – Videndum's Policy sets out a range of outcomes for Executive Directors, only rewarding for significant growth in the Company. The illustrative remuneration performance scenarios in the table on page 134 sets this out and when determining remuneration outcomes, the Committee ensures to consider that they are aligned to the Company's performance and the experience of shareholders and other stakeholders.

Proportionality – Videndum's Policy and outcomes for Executive Directors remuneration are proportionate and do not reward poor performance. Notably, bonus deferral and the requirement to hold shares vesting under the LTIP for a further two-year holding period from vesting, as well as building up share interests in the Company representing at least 200% of base salary ensure that Executive Directors are focused on the long-term performance of the Company.

Alignment to culture – the Company's incentive schemes are structured to be aligned with the Company's culture, driving the right behaviours. Malus and clawback provisions operate over both the Annual Bonus Plan and LTIP. Performance conditions tied to both also reflect long-term performance being delivered. A proportion of the Executive Directors annual bonus is tied to delivery of ESG targets.

Directors' Remuneration Policy continued

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. Andrea Rigamonti, who was appointed an Executive Director on 13 December 2022, has an RSP award given to him on 16 November 2021 before he became a Director of the Company. Details of this legacy award for Andrea Rigamonti are set out on page 149.

Shareholding requirements (including after-employment ceases)

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 147.

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 on adjusted basic Earnings Per Share growth and 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. Any changes to these measures will be aligned with the long-term strategy of the Group.

Provisions for the withholding and recovery of sums from the Directors (malus and clawback) are as set out on page 156.

Remuneration Policy for the Chairman and Non-Executive Directors

The table below 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.

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 Videndum. 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 Directors	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 the Audit and Remuneration Committee 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 Videndum. All fees are paid in cash, not shares, usually on a monthly basis in arrears.
Benefits	To reimburse the Chairman and 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).

Directors' Remuneration Policy continued

Illustrative remuneration performance scenarios

The following charts set out scenarios for the remuneration of Stephen Bird and Andrea Rigamonti for 2023 in line with the Policy. This includes scenarios for full vesting of LTIP awards based on an award at 150% of salary for Stephen Bird and 125% for Andrea Rigamonti , with one chart showing no share price appreciation and one chart showing a 50% share price appreciation. The charts also reflect Stephen Bird's salary for 2023 (increased with effect from 1 April 2023) and Andrea Rigamonti's salary for 2023 following his appointment as an Executive Director on 13 December 2022.

Stephen Bird

Basic remuneration

Minimum base salary (with effect from 1 April 2023)	£513,310 (88%)
Benefits	£31,292 (5%)
Pension (8% of salary)	£41,065 (7%)
Total fixed pay (minimum)	**£585,667**

On-target performance:

Fixed pay	£585,667 (53%)
Annual bonus	£320,819 (29%)
LTIP	£192,491 (18%)
Total on target pay	**£1,098,977**

Maximum pay:

Fixed pay	£585,667 (29%)
Annual bonus	£641,638 (32%)
LTIP	£769,965 (39%)
Total maximum pay	**£1,997,270**

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

Fixed pay	£585,667 (25%)
Annual bonus	£641,638 (27%)
LTIP	£1,154,948 (48%)
Total maximum pay	**£2,382,253**

Andrea Rigamonti

Basic remuneration

Minimum base salary	£310,000 (86%)
Benefits	£25,176 (7%)
Pension (8% of salary)	£24,800 (7%)
Total fixed pay (minimum)	**£359,976**

On-target performance:

Fixed pay	£359,976 (55%)
Annual bonus	£193,750 (30%)
LTIP	£96,875 (15%)
Total on target pay	**£650,601**

Maximum pay:

Fixed pay	£359,976 (32%)
Annual bonus	£387,500 (34%)
LTIP	£387,500 (34%)
Total maximum pay	**£1,134,976**

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

Fixed pay	£359,976 (27%)
Annual bonus	£387,500 (29%)
LTIP	£581,250 (44%)
Total maximum pay	**£1,328,726**

- Fixed pay – base salary as at 1 April 2023 for Stephen Bird and at 1 January 2023 for Andrea Rigamonti.
- The total value of benefits received in the year ended 31 December 2022 which included car allowance, private healthcare, income protection and any Sharesave options granted during 2022.
- Andrea Rigamonti's benefits figure has been estimated due to his appointment as an Executive Director on 13 December 2022.
- Pension contribution of 8% for Stephen Bird and Andrea Rigamonti which is in line with the contribution given to the wider UK workforce.
- Annual bonus
  - At minimum – nil.
  - On target – 50% of maximum payout (representing 62.5% of base salary).
  - At maximum – 100% of the maximum payout (representing 125% of base salary).
- LTIP
  - At minimum – nil.
  - On target – 25% vesting under the LTIP (representing 37.5% of base salary for Stephen Bird and 31.25% of base salary for Andrea Rigamonti) and set out at face value, with no share price growth.
  - At maximum – 100% of the maximum payout (representing 150% of base salary for Stephen Bird and 125% of base salary for Andrea Rigamonti) 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 (representing 150% of base salary for Stephen Bird and 125% of base salary for Andrea Rigamonti) and showing a 50% appreciation in the share price over the LTIP vesting period.

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 holds regular staff engagement sessions through which she 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 98 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 is an independent non-executive director and senior independent director of Headlam plc and in this role he receives an annual fee of £50,000 as an independent non-executive director and an annual fee of £10,000 as senior independent director. Under the terms of his service contract, Andrea Rigamonti, 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 Andrea Rigamonti had not taken up any such external non-executive appointment.

Remuneration Policy for senior managers and other employees of the Group

The Remuneration Policy for senior managers in the Company is similar to that of the Executive Directors although the incentive potential is lower as are salary levels in accordance with levels of responsibility and complexity. They participate in the Annual Bonus Plan with the same structure as the Executive Directors, as well as the LTIP or participation in a RSP, and therefore a significant element of their remuneration is also 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 the UK, US, Italy, France, Germany, Israel, Australia, New Zealand, Japan, 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 page 73. Senior managers participate in a 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 an Executive Director will be in line with the UK workforce contribution rate (currently 8% of base salary).

Directors' Remuneration Policy continued

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:

Role	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
Andrea Rigamonti, Group Chief Financial Officer – appointed on 13 December 2022	13 December 2022	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.

For future appointments of Executive Directors, appointments following the approval of the new Policy, notice periods due from any new Executive Directors will be symmetrical with the notice period from the Company.

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 as 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 prorate 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. Martin Green ceased to be a Director of the Company on 13 December 2022 and details of his exit package are set out on page 145 of this report.

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.

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, the Chairman's and each Non-Executive Director's letters of appointment are available on our website at www.videndum.com.

Consideration of shareholder views

The Committee has continued to take into account the views of its shareholders concerning the proposed 2023 Policy for the remuneration of Directors and embarked on a consultation process in the autumn of 2022. The Remuneration Committee has been reassured by the feedback received, albeit there have been differing views on certain policy matters and in particular on performance measures. The Remuneration Committee is acutely aware of the need to balance, on the one hand, the range of views from investors and the needs of the business as the Board assesses them.

The Company received over 99% support for the 2021 Annual Report on Remuneration at the 2022 AGM, indicating a strong level of support for the structure of Directors' remuneration. The 2020 AGM gave over 89% support for the Directors' Remuneration Policy report. If an against vote of 20% or more was received on a vote on Directors' remuneration the Committee would consider that a material level of dissatisfaction from shareholders and would look to engage with shareholders to determine the basis for that dissatisfaction.

The Committee would engage with shareholders ahead of any material change to the Policy for the Company relating to its Directors and in accordance with the UK Corporate Governance Code engages 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, Remuneration Committee Chair, remains available to discuss the Company's Remuneration Policy and implementation of it with shareholders.

This Annual Report on Remuneration, the Annual Statement and the proposed new Remuneration Policy will be put to votes at the AGM to be held on 11 May 2023.

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 2022 and 2021.

	Salary/ fees £	Benefits[1] £	Pension[2] £	Annual bonus[3] £	LTIP[4] £	Total £	Total fixed remuneration	Total variable remuneration
Stephen Bird								
2022	**488,868**	**31,292**	**97,774**	**307,987**	**635,988**	**1,561,909**	**617,934**	**943,975**
2021	474,629	30,053	94,926	566,588	0	1,166,196	599,608	566,588
Martin Green (left 13 December 2022)								
2022	**347,617**	**23,069**	**27,809**	**175,512**	**475,689**	**1,049,696**	**398,495**	**651,201**
2021	355,000	23,487	28,400	423,781	0	830,668	406,887	423,781
Andrea Rigamonti (Appointed 13 December 2022)[5]								
2022	**16,439**	**1,336**	**1,315**	**8,564**	**0**	**27,654**	**19,090**	**8,564**
2021	0	0	0	0	0	0	0	0
Ian McHoul								
2022	**175,000**	**0**	**0**	**0**	**0**	**175,000**	**175,000**	**0**
2021	170,000	0	0	0	0	170,000	170,000	0
Caroline Thomson								
2022	**67,750**	**0**	**0**	**0**	**0**	**67,750**	**67,750**	**0**
2021	66,250	0	0	0	0	66,250	66,250	0
Richard Tyson								
2022	**53,144**	**0**	**0**	**0**	**0**	**53,144**	**53,144**	**0**
2021	51,250	0	0	0	0	51,250	51,250	0
Erika Schraner (appointed 1 May 2022)								
2022	**39,007**	**0**	**0**	**0**	**0**	**39,007**	**39,007**	**0**
2021	0	0	0	0	0	0	0	0
Teté Soto (appointed 24 Nov 2022)								
2022	**5,395**	**0**	**0**	**0**	**0**	**5,395**	**5,395**	**0**
2021	0	0	0	0	0	0	0	0
Christopher Humphrey (until 14 December 2022)								
2022	**63,918**	**0**	**0**	**0**	**0**	**63,918**	**63,918**	**0**
2021	69,250	0	0	0	0	69,250	69,250	0
Duncan Penny (until 17 May 2022)								
2022	**19,981**	**0**	**0**	**0**	**0**	**19,981**	**19,981**	**0**
2021	51,250	0	0	0	0	51,250	51,250	0
Total								
2022	**1,277,119**	**55,697**	**126,898**	**492,063**	**1,111,677**	**3,063,454**	**1,459,714**	**1,603,740**
2021	1,237,629	53,540	123,326	990,369	0	2,404,864	1,414,495	990,369

Notes:

(1) Taxable benefits include car allowance, healthcare cover and income protection.

(2) Stephen Bird received a pension contribution of 20% of base salary which is taken in the form of a cash payment. Stephen Bird's pension contribution was reduced to 8% of salary with effect from 1 January 2023. Both Martin Green and Andrea Rigamonti receive a pension contribution of 8% of salary.

(3) For the 2022 Annual Bonus Plan, 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. Andrea Rigamonti's bonus figure reflects his appointment date of 13 December 2022 as a Director of the Company. His bonus structure for 2022 was not the same as that applying to Stephen Bird or Martin Green.

(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 lapsed on its third anniversary of 8 March 2022. The 2020 LTIP award has a performance period running to 28 February 2023 and subject to satisfaction of performance conditions will vest on 21 September 2023. We have provided an estimated value for the 2020 LTIP award with indicative vesting levels based on performance conditions being assessed at 31 December 2022. This indicated a vesting level of 46.8% and the value shown in the table has used a closing mid-market share price of £10.78 based on 31 December 2022. The final vesting outcome and actual value delivered to participants will be shown in full in the 2023 Remuneration report. Full details of the 2020 LTIP award are set out on page 142.

(5) Andrea Rigamonti was appointed a Director on 13 December 2022 under a service contract of the same date. Remuneration disclosed reflects the term of the appointment as a Director in 2022.

(6) The Remuneration Committee has not used discretion in the award of Directors' remuneration in 2022.

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.

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 2022. The non bracketed figures for Martin Green and Andrea Rigamonti show the annual salary for 2022 in their respective roles as Directors. The bracketed figures show the pro rata amount for their tenure as Directors of the Company.

Executive Director	2022 salary
Stephen Bird	£488,868
Martin Green (Until 13 December 2022)	£365,650 (£347,617)
Andrea Rigamonti (From 13 December 2022)	£310,000 (£16,439)

(2) Benefits

The single figure of total remuneration table sets out the total value of benefits received by each Executive Director in 2022. Details are as follows:

Executive Director	Car allowance	Healthcare cover	Income protection	Other (Sharesave)	Total
Stephen Bird	£24,439	£2,053	£4,800	£0	£31,292
Martin Green (until 13 December 2022)	£17,369	£1,150	£4,550	£0	£23,069
Andrea Rigamonti (from 13 December 2022)	£972	£107	£257	£0	£1,336

(3) Pension allowance

The table below sets out the value of the cash payment in lieu of pension for each Executive Director in 2022.

Executive Director	Pension allowance
Stephen Bird (representing 20% of base salary)	£97,774
Martin Green (until 13 December 2022) (representing 8% of base salary)	£27,809
Andrea Rigamonti (from 13 December 2022) (representing 8% of base salary)	£1,315

Stephen Bird's pension contribution was agreed at a rate of 20% of base salary at the point he was recruited in April 2009. The Remuneration Committee has agreed with Stephen Bird that his pension contribution 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 2022, 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

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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 2022 performance and two-thirds based on the full year 2022 performance).

Under the rules of the 2022 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 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 2022. The financial targets were set by the Board and Remuneration Committee at the beginning of 2022.

The personal objective element of the 2022 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 in summary below.

Stephen Bird – 2022 personal objectives – 100% achieved

Objective	Assessment
Continue to build a world-class organisation including: develop succession around the Group Chief Executive; continue to develop and stretch divisional CEOs; and continue to develop the Group's HR function. **(20%)**	Development of the senior leadership team in 2022 included the promotion of Marco Vidali as Divisional CEO for Creative Solutions and Andrea Rigamonti as Group Chief Financial Officer. The Operations Executive was expanded to include other senior management to build the pipeline of talent and diversity. Succession around the Group Chief Executive progressed with the development of potential internal candidates.
Develop the Group's strategy including: develop growth strategy around Creative Solutions; develop strategy around Production Solutions and Media Solutions including audio business, acquisition opportunities, organisation structure and Capital Markets Day with clear articulation of strategy to stakeholders. **(65%)**	Developed options for the Group around Creative Solutions in conjunction with advisors and outlined to the Capital Markets Day in June 2022. Commenced restructuring initiatives to right size Creative Solutions for these options. Developed growth strategies for Media Solutions and Production Solutions including audio and automation.
ESG: Continue the development of a well-rounded Group ESG programme with publication of ESG and TCFD report in line with GRI standards; clear roadmap to carbon net zero by 2035; improvement in rating of ESG programme with ratings agencies; and ensure that the Group is seen by stakeholders as having strong ESG credentials. **(15%)**	Significant progress made on ESG with a Group-wide mobilised team focused on ESG initiatives. Published first standalone ESG and TCFD reports in April 2022 clearly setting out targets and progress to date. 2022 showed clear traction on environmental initiatives and pathway to net zero with notable successes including installation of solar panels at Bury St Edmunds and Cartago sites.

Martin Green – 2022 personal objectives – 52% achieved

Objective	Assessment
Build a world-class finance organisation: develop Deputy Group Finance Director and other senior finance managers; work with Divisional management on development of succession for senior finance roles; and develop high performance plans within the Head Office finance function. **(20%)**	Group-wide finance function performing strongly with several star-performers. Andrea Rigamonti's development has successfully led to his succession as Group Chief Financial Officer.
Execute on key initiatives to drive growth and momentum: focus on key growth drivers for 2022 including 4k execution, growth for JOBY, delivery of 2022 Beijing Olympics, development of audio business towards £100m revenue, integration of Savage, Audix and Lightstream, and grow Amimon and ART technology in other vertical markets. **(25%)**	4k execution largely achieved along with a successful Beijing Olympics. Audio growth achieved with successful integration of Audix. Amimon and ART technology growing into other vertical markets.
Deliver Group strategy including options to unlock value of Creative Solutions and strategy for the remaining group (Production Solutions and Media Solutions) and communicate to shareholders at a Capital Markets Day. **(45%)**	Growth strategy outlined at the June 2022 Capital Markets Day. Strategy and options around Creative Solutions developed in conjunction with advisors. Development of growth plans for Media Solutions including audio and Production Solutions including automation.
Corporate governance and auditing standards: evaluate changes in corporate governance in 2022 and regular updates to Audit and Board around audit and wider Board governance. **(10%)**	Update given to May 2022 Audit Committee in conjunction with external advisors on emerging corporate governance matters impacting Board and Audit Committees.

The personal objectives on page 140 are a summary and are underpinned by more detailed objectives which are considered to be commercially sensitive. The 2022 personal objectives were set by the Board and Remuneration Committee at the start of 2022. The Remuneration Committee at its meeting on 20 February 2023 assessed final performance.

The Committee strongly considered that a pay-out on the personal objectives element of the 2022 Annual Bonus Plan was fully merited given progress against each personal objective and the financial performance of the business. Notably, Stephen Bird's personal objectives assessment at 100% was given by the Committee due to his exceptional strong performance during 2022, leading the business to a record Group adjusted PBT despite strong headwinds and with the Group Finance Director being absent for several months during the year. Martin Green's personal objectives assessment is reflective of the objectives achieved during the period of the year he was not absent due to personal reasons.

2022 annual bonus outcome

The table below sets out the annual bonus awards made to Executive Directors in respect of the year ended 31 December 2022 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	Total
Stephen Bird	125% of annual salary	50% Group adjusted PBT*	£50.4m	£56.0m	£61.6m	£52.8m	£65,386	21.4%
		25% Group Conversion of adjusted operating profit* into adjusted operating cash flow*	H1: 49.5% FY: 76.5%	55.0% 85.0%	60.5% 93.5%	H1: 90.4% FY: 83.0%	£89,829	58.8%
		25% personal objectives				100%	£152,771	
		Payout due to Executive Director at each level	£152,771	£305,543	£611,085			
						Total	**£307,987**	**50.4%**
Martin Green	125% of annual salary	50% Group adjusted PBT	£50.4m	£56.0m	£61.6m	£52.8m	£48,906	21.4%
		25% Group Conversion of adjusted operating profit* into adjusted operating cash flow*	H1: 49.5% FY: 76.5%	55.0% 85.0%	60.5% 93.5%	H1: 90.4% FY: 83.0%	£67,188	58.8%
		25% personal objectives				52%	£59,418	
		Payout due to Executive Director at each level	£114,266	£228,531	£457,063			
						Total	**£175,512**	**38.4%**

A straight-line sliding scale operates between each of the above trigger points for both financial targets. The Board and Remuneration Committee considered and approved the above financial metric trigger points at its meeting in February 2022 and at that point in time considered that they were appropriate and sufficiently stretching for 2022. However, it became evident as 2022 progressed that the Group adjusted PBT performance metric became increasingly challenging as the year progressed due to several headwinds entirely beyond the control of Executive management including the Ukrainian conflict, continuation of stringent lockdown measures in China, significant rise in inflation, continuation of component shortages, suppressed consumer demand due to recessionary factors, and lower business confidence.

Despite these significant and unforeseen headwinds, the Group delivered a record adjusted PBT of £54.0 million for 2022. The calculation of the financial results for 2022 Annual Bonus Plan uses budgeted FX rates. As a consequence, this resulted in a payout at the rate of 21.4% for the Group adjusted PBT element of the 2022 Annual Bonus Plan.

The cash conversion measure, using the same budgeted FX rates, has been met at 100% of the maximum of the half year and 38.2% of the maximum of the full year, and personal objectives were achieved at the rate of 100% for Stephen Bird and 52% for Martin Green. Accordingly, the Committee has determined that a bonus of £307,987 and £175,512 is deemed appropriate for the Group Chief Executive and former Group Finance Director respectively.

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Half of the 2022 annual bonus (after tax) will be deferred into the DBP. The 2022 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.

Since Andrea Rigamonti was appointed on 13 December 2022 as an Executive Director, we have not included the details of his Annual Bonus Plan structure since the majority of the year was before the date of his appointment. The structure and financial targets of Andrea Rigamonti's Bonus Plan was the same as that disclosed for Stephen Bird above, but the potential quantum was lower. Based on the same financial outcome as disclosed above and assessment of Andrea Rigamonti's personal objectives for 2022, Andrea Rigamonti was awarded a pro rata bonus for the period he served as an Executive Director of the Company of £8,564.

(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 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.

On the basis of this feedback, 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 Videndum's relative TSR is also in the top half of the FTSE 250 constituents (excluding financial services companies and investment trusts).

For the awards to vest in full, Videndum's share price must be £18 or higher on 28 February 2023 and Videndum's relative TSR must be at least in the upper quartile of the FTSE 250. 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.

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 Videndum's absolute share price reach £9.00 and full vesting of the total award be achieved if Videndum'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.

Videndum 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, Videndum 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 Videndum's performance is below the median at the end of the performance period. 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.

Videndum's TSR ranking compared to FTSE 250 constituents (excluding financial services companies and investment trusts)	% of total 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.

Based on the closing mid-market share price on 31 December 2022 of £10.78 and including dividends over the performance period totalling 54.5 pence per ordinary share, an indicative vesting level for the 2020 LTIP award of 46.8% is achieved and is shown in the remuneration table on page 151. It is noted that the Company's ROCE for the year ended 31 December 2022 was 18.8% (2021: 18%, 2020: 4.2%). The end of the performance period runs to 28 February 2023 and the actual vesting achievement and value delivered to the Executive Directors will be disclosed in the 2023 Remuneration report. Subject to satisfaction of performance conditions, the awards will vest on 21 September 2023.

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

For awards made in 2021, 33% of an award is 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 performance condition will be at the median point of the comparator group and will result in 25% of an award vesting. Full vesting for the TSR element will be at the upper quartile point of the comparator group. A straight-line sliding scale will operate between each of the above points. Below threshold performance none of the award will vest.

67% of the award is subject to adjusted EPS growth over a three-year performance period ending 31 December 2023. The 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 will be 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.

LTIP award made in 2022 and vesting in respect of performance to 31 December 2024

The following table provides details of the awards made under the LTIP on 11 March 2022 to Stephen Bird, Martin Green and Andrea Rigamonti. The Remuneration Committee reverted to an award to Executive Directors at a level representing 125% of salary. Andrea Rigamonti's award was at a lower multiple reflecting that he was not a Director of the Company at that time. The Remuneration Committee set challenging performance conditions as set out below.

Performance for the 2022 Award is to be measured over the three financial years from 1 January 2022 to 31 December 2024. 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 2022 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.

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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 100 pence per share and full vesting for adjusted basic Earnings Per Share* was set at 130 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 2022 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.

LTIP awards granted to Executive Directors in 2022:

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	11 March 2022	55,722	£611,085	125%	25%	100%	31 December 2024
Martin Green (until 13 December 2022)	Performance shares	11 March 2022	41,677	£457,063	125%	25%	100%	31 December 2024
Andrea Rigamonti (appointed 13 December 2022)	Performance shares	11 March 2022	13,299	N/A	N/A	25%	100%	31 December 2024

(1) The face value has been calculated using the three-day average share price from 7 to 9 March 2022 prior to the award being made on 11 March 2022. This was £10.97.

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

These relate to awards made in 2019 under the LTIP. The performance conditions for these awards are the same as those made in 2021 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 2021 Annual Report on Remuneration, neither the TSR performance condition or EPS performance condition achieved threshold performance and so the 2019 award did not vest and lapsed in full on 8 March 2022.

Deferred Bonus Plan 2022 awards

The following table provides details of the awards made under the DBP on 4 April 2022 in respect of the 2021 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 2021 annual bonus. Normally Executive Directors are required to defer 50% of any after tax annual bonus into the DBP. The 2022 DBP award will be released on the third anniversary of the award – 4 April 2025.

Director	Type of award	Number of shares awarded	Face value(1) (£)	End of holding period
Stephen Bird	Shares awarded using deferred Annual Cash Bonus	11,115	£150,145	100% of award on 4 April 2025
Martin Green(2)		8,313	£112,301	100% of award on 4 April 2025

(1) Face value has been calculated using the Company's share price at the date of the award of £13.51.
(2) Martin Green ceased to be a Director on 13 December 2022. His 2022 DBP award will remain in the Employee Benefit Trust and only vest at the end of the deferral period on 4 April 2025. Andrea Rigamonti was not required to defer any bonus in respect of 2021, but will be required to defer 50% of any after tax annual bonus into the DBP from his appointment as Group Chief Financial Officer with effect from 13 December 2022.

Payments to past Directors for loss of office (audited)

On 13 December 2022, Martin Green ceased to be Group Finance Director of the Company. As part of his negotiated settlement agreement the following payments were agreed:

Salary and benefits – Martin Green will receive his salary and benefits during the 12 months' notice period expiring on 13 December 2023. Martin will go on garden leave from 31 March 2023 and if he obtains an alternative remunerated position during the notice period then the monthly instalments will be reduced in mitigation. The Company will maintain his car allowance, healthcare insurance and income protection during the 12 months' notice period.

Pension – Martin Green will continue to receive during the 12 months' notice period a pension contribution at the rate of 8% of salary. If he obtains an alternative remunerated position during the notice period then the monthly pension contribution will cease.

Annual bonus – Martin Green will remain eligible for a bonus in respect of the 2022 financial year, subject to satisfaction of performance conditions. Any bonus payable in respect of the 2022 financial year will likely be paid in March 2023 following publication of the Company's financial results for the year ending 31 December 2022. 50% of the after-tax bonus payment will be subject to deferral into an award under the DBP. Details of the 2022 bonus payment to Martin Green are set out on pages 139 and 140.

Martin Green will remain eligible for a bonus in respect of the 2023 financial year, prorated for time to reflect the portion of the year during which he remains actively working and not on garden leave and subject to satisfaction of performance conditions. Any bonus payable in respect of the 2023 financial year will likely be paid in March 2024 following publication of the Company's financial results for the year ending 31 December 2023. Payment of any bonus in relation to the 2023 financial year (during which Martin Green will not be a Director of the Company) is not strictly subject to the Company's shareholder-approved Remuneration Policy or to any relevant disclosure requirements but has been included for completeness.

Long Term Incentive Plan – Martin Green's outstanding LTIP awards will, subject to satisfaction of the applicable performance targets (and in respect of the 2021 and 2022 LTIP awards be subject to prorating for time), vest on their normal vesting dates as detailed in the table below and shall be subject to an additional holding period in accordance with the Company's shareholder-approved Remuneration Policy. The treatment of the 2021 and 2022 LTIP awards, is in accordance with the Company's shareholder-approved Remuneration Policy.

Year of award	Grant date	Normal vesting date	Number of shares granted	Pro-rated number of shares
2020	21 September 2020	21 September 2023	94,289	94,289
2021	3 March 2021	3 March 2024	72,008	66,681
2022	11 March 2022	11 March 2025	41, 677	24,397

Deferred Bonus Plan – Martin Green's outstanding DBP awards (and any 2023 DBP award, as described in the Annual Bonus section above) will vest on their normal vesting dates as detailed in the table below and shall be subject to an additional holding period in accordance with the Company's shareholder-approved Remuneration Policy. The Company's Remuneration Committee has exercised its discretion to permit this outcome in relation to the 2021, 2022 and 2023 awards, which is as contemplated by the Company's shareholder-approved Remuneration Policy.

Year of award	Grant date	Normal vesting date	Number of shares granted
2020	1 April 2020	1 April 2023	3,701
2021	13 May 2021	13 May 2024	1,897
2022	4 April 2022	4 April 2025	8,313
Expected 2023	Expected April 2023	Expected April 2026	Dependent on 2022 bonus outcome

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Outplacement and legal fees – Martin Green will be entitled to receive a contribution of up to £30,000 (excluding VAT) towards outplacement support and a contribution of up to £13,000 (excluding VAT) towards legal fees incurred in connection with his departure.

Sharesave – Martin Green's options held under the Sharesave Plan will become exercisable on 1 November 2023: Option over 2,282 Videndum Ordinary Shares at an option price of £5.52 per share.

Apart from the above payments, there were no other payments to past Directors of the Company for loss of office in 2022.

It is noted that Martin Green will continue to hold shares in the Company in adherence with the post-employment shareholding requirement set out on page 132.

Chairman and Non-Executive Directors

The Chairman and Non-Executive Directors were paid the following fees in 2022:

Role	2022 annual fee	Comment
Chairman	£175,000	Fee increased to £175,000 with effect from 1 January 2022 reflecting a 3% increase given to the wider UK workforce in 2022 and also the first increase given to the Chairman since his appointment in May 2019
Non-Executive Director	£52,750	Base fee increased to £52,750 with effect from 1 January 2022 from £51,250 reflecting a 3% increase given to the wider UK workforce
Chair of Audit Committee	£10,000	Fee was last increased on 1 January 2014
Chair 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.

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. This shareholding requirement is to represent at least two times base salary. Stephen Bird satisfied this requirement throughout 2022 with his holding representing 458% as at 31 December 2022. Martin Green up until his departure with effect from 13 December 2022 also satisfied this requirement with his holding representing 245% of salary. Andrea Rigamonti's current shareholding represents 8% of salary given his recent appointment on 13 December 2022 and he will work towards this shareholding requirement over the next few years. 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 page 147 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 2022.

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 prorated 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.
- Martin Green, who ceased to be a Director of the Company on 13 December 2022, will comply with the above post-employment shareholding policy.

Executive Directors' shareholdings as at 31 December 2022 (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)	Number of shares under Restricted Share Plan (RSP)	Ownership requirements met (based on shares owned outright and DBP award shares)
Stephen Bird	200%	188,315	19,328	278,058	2,282	0	458%
Andrea Rigamonti (appointed 13 December 2022)	200%	2,389	0	13,299	984	8,622	8%
Martin Green (until 13 December 2022)	200%	69,023	13,911	185,367	2,282	0	245%

Chairman and Non-Executive Directors' shareholdings as at 31 December 2022 (audited)

Director	1 January 2022 or date of appointment if later	31 December 2022
Ian McHoul (Chairman)	20,000	20,000
Erika Schraner (appointed 1 May 2022)	0	3,805
Teté Soto (appointed 24 November 2022)	231	231
Caroline Thomson	8,407	8,407
Richard Tyson	2,654	2,654

- The closing mid-market share price on 31 December 2022 was £10.78 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 disclosures below.
- Stephen Bird's share interests include 19,328 shares (at 31 December 2022) 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 2023, 2024 and 2025, 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 2022 Stephen Bird had the following share dealings:
  - On 4 April 2022 exercised and retained award shares under the DBP for 2019 over 8,715 ordinary shares and 341 dividend shares.
  - On 4 April 2022 acquired 11,115 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.
- Andrea Rigamonti's share interests were held upon his appointment as a Director of the Company on 13 December 2022.
- Martin Green's share interests include 13,911 shares (as at 31 December 2022) purchased in the market using deferred annual cash bonus and held by the Employee Benefit Trust. The trust is used to hold shares in respect of awards made under the DBP. These shares will vest in 2023, 2024 and 2025 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 2022 and up to his resignation date of 13 December 2022, Martin Green had the following share dealings:
  - 4 April 2022 exercised and retained award shares under the DBP for 2019 over 5,141 ordinary shares and 201 dividend shares.
  - 4 April 2022 acquired 8,313 ordinary shares through the DBP that are held in the Employee Benefit Trust.
- Teté Soto's share interests were held upon her appointment as a Director of the Company on 24 November 2022.
- Erika Schraner purchased 3,805 ordinary shares in the Company on 26 August 2022 at a price of £14.534 per ordinary share.
- There has been no change to the Directors' shareholdings described in the table above in the period from 31 December 2022 to 27 February 2023, the date of signing of this report.

Annual Report on Remuneration continued

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, 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 1,500 of the Group's employees participate in this valuable benefit. As at 31 December 2022 Stephen Bird and Andrea Rigamonti participate in the UK Scheme and the details are shown below.

Director	Date of grant	At 1 January 2022 (shares)	Options exercised during the year	Options lapsed during the year	Options granted during the year	At 31 December 2022 (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
Andrea Rigamonti (appointed 13 December 2022)	27 September 2021	984	0	0	0	984	1280	1600(2)	1 November 2024	30 April 2025

(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.
(2) 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 25 August 2021 to 27 August 2021 inclusive. A 20% discount was applied to this price under this HMRC approved Sharesave Plan.
(3) 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 COVID-19, 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. The LTIP awards for 2022 reverted to a pre-pandemic level representing 125% of salary. LTIP awards for 2023 will be made in the 42-day period following the announcement of the 2022 financial results on 28 February 2023. The following table sets out the outstanding awards under the LTIP as at 31 December 2022 for the Executive Directors.

Director	Date of award	Awards at 1 January 2022	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 2022	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	8 March 2019(1)	48,355	–	–	48,355	–	–	1197	–	125% of salary	25%	31 December 2021
	21 Sept 2020 (2)	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
	11 March 2022	–	–	–	–	55,722	55,722	1097	-	125% of salary	25%	31 December 2024
Total		**270,651**	**–**	**–**	**48,355**	**55,722**	**278,058**					
Andrea Rigamonti (appointed) 13 December 2022)	11 March 2022	–	–	–	–	13,299	13,299	1097	-	N/A	25%	31 December 2024
Total		**–**	**–**	**–**	**–**	**13,299**	**13,299**					

(1) 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 vested and the award lapsed in full on 8 March 2022. Details are shown in the remuneration table for the year ended 31 December 2022 on page 144.
(2) The LTIP award made on 21 September 2020 has a performance period running to 28 February 2023 and therefore its vesting level will not be known until that date which is after the date of this report. An indicative vesting level as at 31 December 2022 is 46.8% and is shown in the remuneration table on page 151 for the year ended 31 December 2022. A final outcome and value for this award will be shown in the 2023 Annual Report.

Deferred Bonus Plan

Each year, Executive Directors are required to defer a proportion of their annual bonus into the DBP representing 50% of any after tax bonus. For any bonus earned in respect of 2022, bonus deferral will be 50%. The following table sets out the outstanding awards under the DBP as at 31 December 2022 for the Executive Directors.

Director	Date of award	Awards at 1 January 2022 (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 2022	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	3 April 2019[(1)]	8,715	8,715	341	–	–	–	1149	1360	50% of annual bonus	Not applicable	Shares held in Employee Trust to 3rd anniversary of award date
	1 April 2020[(2)]	5,676	–	–	–	–	5,676	581	–	50% of annual salary	Not applicable	Shares held in Employee Trust to vest on 3rd anniversary of the award
	13 May 2021[(3)]	2,537	–	–	–	–	2,537	1394	–	50% of annual bonus	Not applicable	Shares held in Employee Trust to 3rd anniversary of award date
	4 April 2022[(4)]	–	–	–	–	11,115	11,115	1351	–	50% of annual bonus	Not applicable	Shares held in Employee Trust to 3rd anniversary of award date
Total		**16,928**	**8,715**	**341**	**–**	**11,115**	**19,328**					

(1) The DBP award made on 3 April 2019 vested on its third anniversary of 3 April 2022. The award plus associated dividend shares were paid out to participants on 4 April 2022.
(2) The DBP award made to Stephen Bird on 1 April 2020 will vest on the third anniversary of the award on 1 April 2023.
(3) 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.
(4) The DBP award made on 4 April 2022 to Stephen Bird covered 50% of the bonus earned in respect of the financial year ended 31 December 2021. The award will vest on its third anniversary on 4 April 2025.
(5) Andrea Rigamonti who was appointed a Director on 13 December 2022 currently holds no interests in the DBP. He will participate in the DBP at the rate of 50% of after tax annual bonus for 2022 to be paid in March 2023 and at the same rate in future years.

Restricted Share Plan ("RSP")

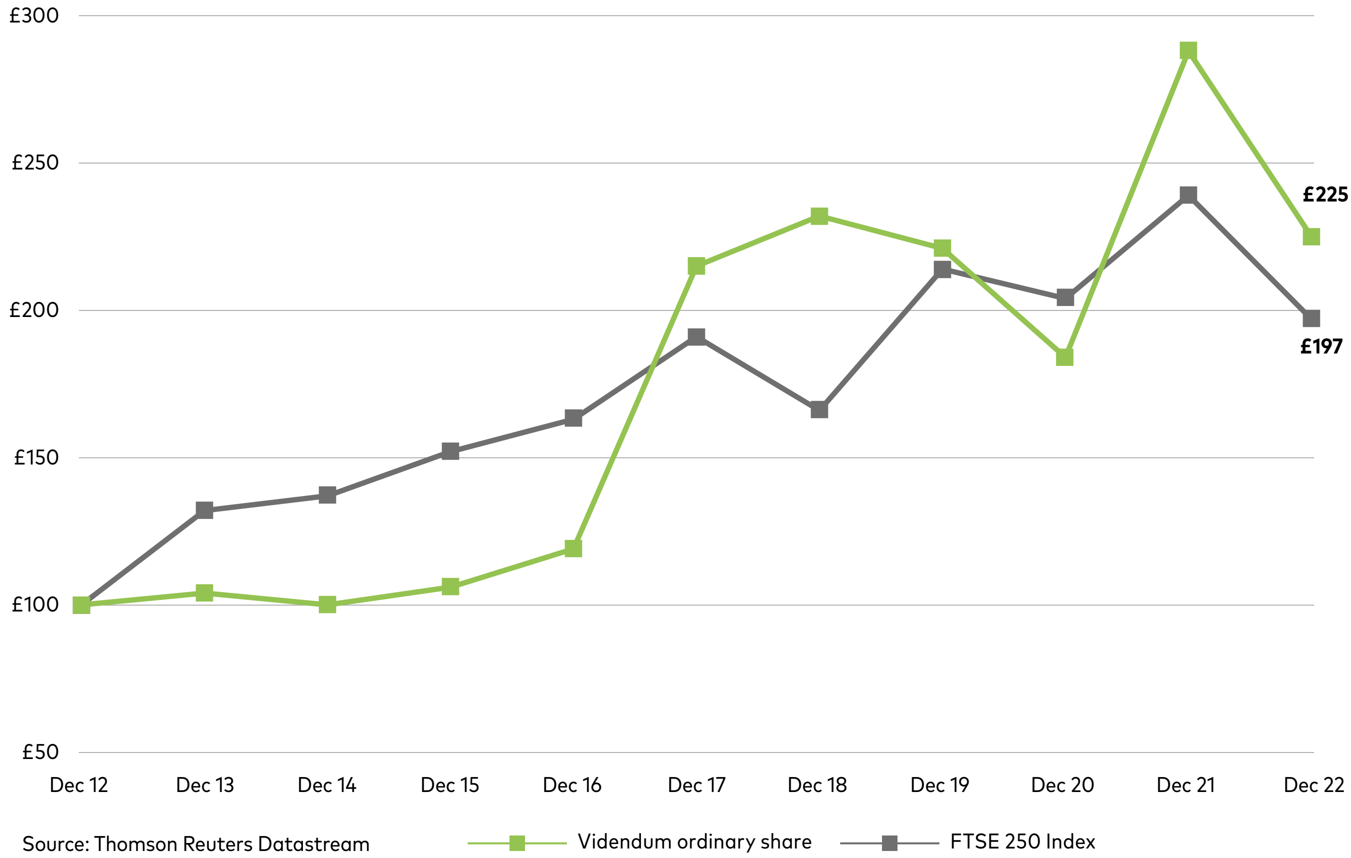
Before being appointed a Director on 13 December 2022, Andrea Rigamonti had been given a RSP award of shares in the Company that vest on the basis of remaining in employment with Videndum at a fixed date. The RSP award was put in place when he joined Videndum in October 2021 as part of the measures to compensate for other share incentives held with a previous employer. The details of the RSP award are set out in the table below. Dividend award shares will also be given on the vesting ordinary shares based on dividends paid during the period of the award. No individual will be given an RSP award once they become a Director of the Company.

Andrea Rigamonti - Award Date	Vesting date	Number of ordinary shares	Performance condition	Share price for award
16 November 2021	1 March 2024	8,622	Remaining employed at vesting date with Videndum	£14.65

Annual Report on Remuneration 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 2022. The graph below illustrates the Company's annual 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 2022, 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.



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 2022.

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 %
2022	Stephen Bird	£1,561,909	50.4%	46.8%(1)
			£307,987	
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)	

(1) The vesting level for the Long Term Incentive of 46.8% is indicative of the vesting level for the LTIP award made on 21 September 2020. This award performance period runs to 28 February 2023 but an indicative vesting level is shown above reflecting performance to 31 December 2022 and the closing mid-market share price of £10.78 on that date. The actual vesting achievement and value delivered to Stephen Bird will be disclosed in the 2023 Remuneration report.

Annual Report on Remuneration continued

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 2022 and the years ended 31 December 2021 and 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	2021/22 Annual salary	2021/22 Taxable benefits	2021/22 Annual bonus
Stephen Bird, Group Chief Executive	2.5%	2.5%	-7%	0%	0%	324%	3%	3%	-45%
Martin Green, Group Finance Director (until 13 December 2022)	2.5%	2.5%	-23%	0%	0%	324%	3%	3%	-59%
Andrea Rigamonti, Group Chief Financial Officer (from 13 December 2022)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ian McHoul, Chairman	0%	n/a	n/a	0%	n/a	n/a	3%	n/a	n/a
Caroline Thomson, Non-Executive Director	2.5%	n/a	n/a	0%	n/a	n/a	3%	n/a	n/a
Richard Tyson, Non-Executive Director	2.5%	n/a	n/a	0%	n/a	n/a	3%	n/a	n/a
Erika Schraner, Non-Executive Director (appointed 1 May 2022)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Teté Soto (appointed 24 November 2022)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Parent Company employees	2.5%	2.5%	-36%	2.2%	2.2%	292%	3%	3%	-42%

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 2022 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 2022 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 2021 and was paid in March 2022 as bonus information for 2022 is not calculated until March 2023 for many UK employees. It is therefore not possible to use 2022 bonus data since the 2022 Annual Report was approved on 27 February 2023. 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
2022	Option C	52:1	37:1	22:1
		£29,804	£42,020	£69,610

The actual salaries paid for each UK employee at the respective quartiles for 2022 were: 25th percentile – £26,935; 50th percentile – £38,000; and 75th percentile – £57,741. The change in the pay ratios from 2019 to 2022 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 has recovered from the impact of the pandemic in 2022 and that the Group had delivered a record profit in 2022 leading to a higher proportion of variable remuneration being delivered to the Group Chief Executive, the pay ratio gap has widened 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.

Annual Report on Remuneration continued

Relative importance of spend on pay

The following table sets out for the year ended 31 December 2022 compared to the year ended 31 December 2021 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. 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 2022	Year ended 31 December 2021	% change
Total remuneration paid to all Videndum employees	£114.4m	£101.0m	13.2%
Total dividends paid to shareholders	£18.0m	£7.1m	253.5%

Statement of implementation of Remuneration Policy in the year ending 31 December 2023

This section provides an overview of how the Committee is proposing to implement the Remuneration Policy in 2023.

(1) Base salary
The table below sets out the 2023 base salary for each Executive Director, together with the percentage increase from 2022. Salary increases in 2023 are to be implemented with effect from 1 April 2023 and the figure in brackets shows the base salary for the period from 1 January 2023 to 31 March 2023.

Executive Director	2023 salary	Increase
Stephen Bird	£513,310 (£488,868)	5%
Andrea Rigamonti	£310,000	See note below

The Committee decided that in line with normal practice, a 5% increase for Stephen Bird's salary was merited for 2023 and with effect from 1 April 2023. This was based on several factors including: (i) that the wider employee population across the Group received a 5% increase for 2023; (ii) the continuing recovery of the business from the impact of COVID-19; (iii) in recognition of the skills, experience and high performance of the individual and their importance to the Group; (iv) the need to provide a remuneration package to the Executive Directors that is competitive and retains and incentivises the individuals; and (v) in recognition of a period of sustained high inflation in the wider labour market.

Andrea Rigamonti's salary of £310,000 was determined at the time of his appointment as a Director and Group Chief Financial Officer on 13 December 2022. This salary took into account market data for compatible roles with other FTSE 250 companies and with the input of the Committee's remuneration consultants. Andrea Rigamonti's salary will next be reviewed on 1 January 2024.

(2) Benefits
Benefits, including car allowance, private healthcare and income protection will be paid at the same rate as in 2022.

(3) Pension allowance
Pension allowances paid to Executive Directors are set out in the table below. Stephen Bird's allowance reduced to 8% of his base salary with effect from 1 January 2023 (reduced from 20%) and is now aligned with the wider UK workforce. All Executive Directors therefore receive a pension contribution of 8% of base salary which is in line with pension contributions provided to the wider UK employee workforce. Stephen Bird's pension contribution in the table below reflects that his salary from 1 January 2023 to 31 March 2023 was £488,868 and from 1 April 2023 to 31 December 2023 is £513,310.

Executive Director	Pension allowance
Stephen Bird (8% of salary)	£40,576
Andrea Rigamonti (8% of salary)	£24,800

(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 2023 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 2023 Annual Bonus Plan will be measured.

Core measures for 2023 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 2023 will be measured against targets set for H1 2023 performance and full year 2023 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 2023 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 Andrea Rigamonti 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 2022 that will be announced on 28 February 2023. The performance conditions for the 2023 LTIP awards will be as follows: 67% of the award will be subject to adjusted basic EPS* growth over a three-year performance period. The Remuneration Committee will determine the precise adjusted EPS targets for threshold and maximum vesting in the 42-day period following the announcement of the full year results for the year ended 31 December 2022, to be announced on 28 February 2023. 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. 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. Once the LTIP award is made, details will be announced to the market, including the specific performance conditions. Any awards vesting under the LTIP 2023, 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. The Group Chief Executive's 2023 LTIP award will be increased from 125% to 150% of salary. This increase is proposed for several reasons including: (i) Stephen Bird is a proven and high-performing CEO and has served in the role of CEO at Videndum since April 2009. His leadership is essential in delivering our ambitious strategy; (ii) The increase in LTIP grant level for the Group Chief Executive will be accompanied by more stretching EPS targets, that are aligned with our medium-term goals; (iii) The Committee has never been over-reliant on benchmarking and market data has not been a driver of the proposed increase in incentive opportunity. The market data which shows that the median LTIP grant level for a CEO of a UK-listed company of Videndum's size is equal to the proposed grant level of 150% of salary and that change will increase the Group Chief Executive's total maximum pay to be in line with the market median for equivalent roles. Given Stephen Bird's service and performance we think this is both fair and reasonable. For the Group Chief Financial Officer the 2023 LTIP award on grant will represent 125% of salary.

Annual Report on Remuneration continued

(6) Chairman and Non-Executive Directors' remuneration

The fee structure for the Chairman and Non-Executive Directors for 2023 is set out in the following table. It has been agreed that fees for 2023 will be increased with effect from 1 April 2023 (with the fee in brackets the fee payable from 1 January 2023 to 31 March 2023).

Role	2023 fee	2022 fee
Chairman	£184,000 (£175,000)(1)	£175,000
Non-Executive Directors' base fee	£55,400 (£52,750)(2)	£52,750
Chair of Audit Committee	£10,000(3)	£10,000
Chair 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 £170,000 per annum. The fee was increased to £175,000 from 1 January 2022 and will increase on 1 April 2023 to £184,000 per annum. This increase in 2022 and 2023 reflects a similar level given to the wider employee workforce of 3% and 5% respectively in 2022 and 2023, is in line with market data provided by FIT Remuneration Consultants for the role and reflects the time commitment for the role.

(2) Following a review of Non-Executive Directors' fees with the support of FIT Remuneration Consultants, it was concluded that a 5% increase to the base fee would be applied for 2023 with effect from 1 April 2023. This aligned the Non-Executive Directors increase with the Executive Directors and wider employee workforce, also took into account market data provided by FIT Remuneration Consultants for the role and reflects the time commitment for the role.

(3) The Chair 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 Chair'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 2018 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 98 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 17 May 2022, shareholders were asked to vote for an advisory vote on the Directors' Annual Remuneration report for the year ended 31 December 2021. The resolution was approved by shareholders on a poll at the 2022 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 Annual Report on Remuneration for the year ended 31 December 2021	38,653,371	79,663	0
	99.79%	0.21%	

The Remuneration Policy 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 – 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 17 May 2022 the Company had 46,387,062 ordinary shares in issue including 133,600 shares held in treasury. 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. In the event that a significant level of concern is raised at future AGMs, both the Chairman of the Board and the Chair 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.

Annual Report on Remuneration continued

The Remuneration Committee

The Remuneration Committee comprised the following members during 2022: Caroline Thomson – Chairman, Christopher Humphrey (until 14 December 2022), Richard Tyson, Erika Schraner (from 1 May 2022), Teté Soto (from 24 November 2022) and Duncan Penny (until 17 May 2022). As announced on 14 December 2022, Anna Vikström Persson will join the Remuneration Committee as a member upon her appointment as a Director on 1 May 2023.

All of the Committee members are independent Non-Executive Directors.

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 2022 the following individuals attended meetings of the Committee: Ian McHoul (Board Chairman), Stephen Bird (Group Chief Executive), Martin Green (former Group Finance Director), Andrea Rigamonti (Group Chief Financial Officer) and Jon Bolton (Group Company Secretary and HR Director). Representatives of the Committee's remuneration advisor, FIT Remuneration Consultants, also attended meetings in 2022.

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 92 and 122 to 127 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 Consultants. FIT Remuneration Consultants charge for their time given in providing a service to the Company and during 2022 the level of fees paid to remuneration advisors totalled £44,759 (2021: £30,825) and was charged on a time basis. This fee covered advice relating to disclosures in the 2021 Directors' Remuneration report, measurement of performance conditions associated with long-term incentive arrangements, preparation around a new Remuneration Policy including consultation with major shareholders and general remuneration advice including recruitment and exit packages. FIT Remuneration Consultants 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 2022 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 2022 from the Group Company Secretary and HR Director, Jon Bolton.

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

Caroline Thomson
Remuneration Committee Chair
27 February 2023

* 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 224 to 228.