Directors' Remuneration report

Remuneration Committee

The Committee is primarily responsible for determining and recommending to the Board the policy for the remuneration and employment terms of the Executive Directors and the Chair of the Board and, in consultation with the CEO, for determining the remuneration packages of other senior executives, as well as the Company Secretary and the Group Counsel. The Committee is also responsible for the review of share incentive plans and performance related pay schemes and their associated targets, and for making recommendations, to the Board in connection with them. It is also responsible for the oversight of employee benefit structures across the Group.

No Director or other senior executive is involved in any decisions as to their own remuneration.

The Committee's terms of reference are reviewed and approved by the Board annually and are available on the Company's website.

	Meetings attended
Henrietta Marsh (Chair)	7/7
Martin Lea	7/7
Richard Last	7/7
Xavier Robert	7/7

Directors' Remuneration report structure and content

This report for the year ended 31 December 2021 is split into the following main areas:

Dear shareholder,

I am pleased to introduce the Directors' Remuneration report for the year ended 31 December 2021.

Performance and approach to COVID-19

This year has been one of continued positive progress at Gamma. The Chair's statement (on pages 2 to 3) provides an overview of the strong financial performance and the strategic steps the Group has achieved. The highlights include Revenue growth of 14% to £447.7m, and growth of 25% in Adjusted Profit Before Tax to £77.2m.

These positive results have been achieved against ongoing volatility in the economy caused by the COVID-19 pandemic. Gamma has recurring revenues and supplies services for which, in general, there has been an increasing requirement. It therefore has experienced ongoing steady growth in revenues rather than a sharp contraction and bounce back and has not needed to access any government support schemes relating to COVID-19. Our continued good growth underpinned a 13% increase in dividend to shareholders in 2021, maintaining our record of having increased our dividend every year since IPO in 2014, with a 13% increase recommended for 2022. In the area of remuneration, we have also sought to maintain a consistent approach. However, recruitment markets have become tight and in areas such as development and sales we are seeing sharp pressure on retention.

Early in the pandemic, the Committee considered the potential impact of the pandemic on its Senior Leadership Team (SLT) remuneration and if any steps should be taken to ensure remuneration remained effective and fair. Overall, the Committee felt a consistent approach should be taken and it has continued with this approach in 2021. In particular, the metrics for LTIPs (Total Shareholder Return (TSR) and adjusted Earnings Per Share (EPS)) have remained unchanged as have the growth targets. In line with the policy set out in last year's Annual Report, the LTIPs granted in 2021 to the Executive Directors were at 150% of salary. The share price at award for the LTIPs represented a 64% increase on that for the LTIPs issued in 2020 and a 66% increase on the figure in 2019.

A consistent approach has also been adopted to the setting of metrics and targets for the bonus scheme for 2022. A modest adjustment has been made through the introduction of a 5% element relating to ESG objectives. For both the Executive Directors and the SLT, the targets are designed to increase focus on diversity when recruiting, to disseminate the ownership of risk management through the leadership team and to improve recognition and measurement of Scope 3 emissions.

Executive Director remuneration outcomes in 2021

Based on overachievement against the Executive Directors' maximum Adjusted Profit before Tax performance targets (relating to 80% of their maximum bonus opportunity), and achievement of 75% in each case for the CEO's and CFO's personal performance objectives (relating to 20% of their maximum bonus opportunity), the CEO earned a bonus of 119% of salary (compared to the maximum potential bonus of 125%) and the CFO earned a bonus of 95% of salary (compared to a maximum of 100%). 25% of the bonus earned in both cases is subject to deferral into shares for three years.

The three-year performance conditions for the LTIP share option awards made in 2018 to the Executive Directors, as well as other senior executives, were exceeded. These options therefore vested fully in 2021. Both Executive Directors are now shareholders in their own names and more than meet the shareholding requirements which the Committee instituted in 2020.

Whether the Policy operated as intended and exercise of discretion

The Committee considers that the Remuneration Policy has operated as intended. The share price and earnings performance over the three years to April 2021 was strong and the upper targets were comfortably exceeded. This has been appropriately rewarded with full vesting of the 2018 LTIPs. The bonus scheme has also operated as intended, incentivising collective effort across the senior team towards common financial goals as well as bringing individual focus on specific contributions to the major strategic goals. The Committee did not exercise discretion in the determination of the Executive Directors' remuneration during 2021.

Review of Executive Director remuneration

The Committee is committed to structuring senior executive remuneration that is competitive, enables the Company to attract, retain and motivate executives of the calibre required to successfully further develop and execute the Group's strategy, and that rewards good performance. As the Group grows in size, geographical reach and complexity, we are actively building the capability and size of our senior team. During the year, we decided to expand our senior executive capacity and recruited a new CFO who will join us in May 2022. Andrew Belshaw will be promoted to Deputy CEO at the same time. We also recruited a replacement Chief People Officer.

In our recruitment processes, we have typically found we need to increase base pay remuneration to meet market levels. We will publish the terms on which our new CFO has been recruited next year when they are no longer commercially sensitive. In the meantime, we have increased the base pay of Andrew Belshaw to £325,000 with effect from the new year reflecting his enlarged responsibilities and the demonstrated market pay rates for his role. From our exposure to various potential new recruits, we have strong evidence this represents good value to the Company.

The pay of the CEO which was reviewed against comparators last year has been increased by 2.5% in line with the standard increase for the workforce.

During 2021, the Committee conducted a full review of the bonus scheme with the assistance of its advisers h2glenfern Remuneration Advisory. It reviewed the size of opportunities under the bonus scheme against comparators and decided not to make any changes. While the Committee continued to feel that the broad structure continued to be appropriate, it has introduced an element to be focused on ESG related objectives and the scheme for 2022 has 75% of opportunity related to Adjusted PBT, 20% to personal objectives, and 5% to ESG objectives. This structure is also being applied to the senior management.

In respect of the long-term incentives, the Committee decided not to change the quantum of the awards which stand at 150% of salary for both the Executive Directors. Having last year introduced a two-year holding period post vesting and a shareholding requirement of 200% of salary, in 2021 the Committee decided to introduce post termination shareholding requirements for Executive Directors signing new service contracts. The Committee considers that after these changes, the incentives to support the long-term progress of the Company are among the best on AIM and that malus and clawback clauses remain in line with best practice.

The Committee also considered whether to change the metrics for the LTIP awards which relate to the achievement of TSR and EPS growth goals over a three-year measurement period from absolute to relative. Given the Group's growth profile, its stage of development and the challenges of identifying a relevant peer group, the Committee considers that absolute performance goals remain more relevant than comparative performance measures.

Employee share schemes

In order to continue to strengthen the alignment of our employee and shareholder interests, the Group operates a Save As You Earn scheme ("SAYE") and a Share Incentive Plan ("SIP") which are open to all UK employees.

In addition, there is a Company Share Option Plan ("CSOP") which is designed to enable the Group to selectively incentivise key high performing employees. In 2021 awards of 183,643 options were made to high performing employees under the CSOP.

Under the SAYE scheme, employees who choose to participate are granted options, at a 20% discount to market price, and then save a pre-determined sum over a period of three years. The money saved can then be used by the employee to exercise their options. In 2021 34% (2020: 42%) of all employees chose to participate, with options being granted over 155,514 (2020: 345,953) shares.

The SIP scheme is evergreen. It allows staff to buy up to £150 of shares each month out of gross salary (Partnership shares). The shares need to be held for five years for the employees to keep the tax benefit. As at 31 December 2021, 48 employees had joined the scheme.

Employee remuneration

2021 has been another challenging year for employees, the large majority of whom worked from home or were hybrid working for most of the year. Given changed working patterns, consultation has taken placed with employees and managers to find the best mode of working on a team by team basis and a new hybrid working contract is in the process of being introduced for some staff and some new recruits. In the area of remuneration, the Board was pleased to approve a 2.5% general salary increase at the end of 2021 and it is hoped that this, combined with a hybrid working approach will be sufficient to deliver good staff retention and attract new employees. Nevertheless, in certain areas, for example software development and sales, we are facing significant competition for staff and we are making ad-hoc higher rises as required.

Employees in the Group generally participate in a bonus scheme that enables them to earn up to and in exceptional circumstances over 10% of basic salary based on a combination of personal and Group performance.

During the year, the Group refined its use of 'Pulse Surveys' as described on pages 43 to 44. In the latest six-monthly survey, employees had the opportunity to comment on their pay and reward. Comments were reviewed by the central Reward Team and Senior Leadership to enable actions to be taken where pay was not deemed to be fair or in line with internal best practice.

Appropriateness of Executive Director remuneration

In addition to considering the competitiveness of remuneration, incentivisation and alignment with shareholders, the Committee also considers appropriateness in the context of the workforce. The Group is growing strongly and requires increasing numbers of experienced and skilled staff. Reflecting these pressures, the median salary for existing employees in the UK increased by 2.5% for 2022 but the average UK salary, which takes account of the changing profile of the workforce, increased by 6.3% between 2020 and 2021. The CEO pay ratios increased significantly at all percentiles as a result of the vesting of the award made to the CEO in 2018 on recruitment. The total number of employees rose from 1,530 to 1,745.

Chair and Non-Executive Director remuneration

A review of the Chair of the Board's remuneration was completed in 2021 with the help of the Committee's advisers h2glenfern Remuneration Advisory. As a result of the Group's strong growth, both organic and inorganic, as well as the requirement in a bigger Group for clear strategic direction and higher standards of governance, the role of the Chair of the Board has enlarged. In recent years, restraint has been shown but consequently the remuneration has become increasingly uncompetitive. The Committee therefore decided to increase the Chair of the Board's pay to £140,000 with effect from 1 January 2022.

The fees of the committee chairs, the Senior Independent Director and the Non-Executive Directors were increased by 2.5% with effect from 1 January 2022 in line with the general Company-wide salary increase. A fee for the Workforce Engagement director has been allowed for in the Remuneration Policy if this is necessary to secure the right new non-executive to take on this role.

Governance disclosure and the year ahead

This report is included in line with the requirements of the QCA Corporate Governance Code. As a matter of best practice, we are progressively aligning ourselves to the UK Corporate Governance Code in the area of remuneration and it is our intention to continue to increase the scope and content of the report. This year we have introduced post termination shareholding requirements for Executive Directors signing new service contracts. We have also disclosed the comparator group used for benchmarking exercises in 2020.

Engagement with shareholders

The Company regularly consults with institutional shareholders on strategic matters, including consultation through the Chair of the Board. At this stage in its development, the Company requires the flexibility associated with the AIM market to support its continued strong growth and we have not at this stage adopted the consultation processes outlined in the Corporate Governance Code. However, we welcome dialogue with shareholders and the Directors' Remuneration report will be put to an advisory vote at the forthcoming 2022 AGM. The 2020 Directors' Remuneration report was approved on an advisory basis at the 2021 AGM with 99.92% of votes cast in favour.

On behalf of the Committee, I thank you for your support in 2021 and hope that you find this report increasingly helpful and informative.

Henrietta Marsh
Remuneration Committee Chair

21 March 2022

Main activities during 2021

January	Consideration of likely outcome of 2020 bonus scheme Determination of 2021 bonus scheme financial targets Approval of revisions to LTIP and bonus scheme documentation
March	Determination of 2020 bonus payments and deferral Consideration of the impact of employee share schemes on dilution Recommendation of 2021 LTIP awards to the Board together with performance conditions and targets Approval of LTIP vesting terms for good leaver Review of Executive Director and SLT bonus scheme targets in light of acquisition of Mission Labs and retention incentives for ML staff
April	Determination of vesting of 2018 LTIPs Recommendation of CSOP awards to the Board Review of gender pay gap
June	Review of bonus scheme against comparators Review of change of conditions for senior employee
July	Review of shareholder and proxy agent feedback Review of terms of reference Review of employee share schemes against alternatives Review of expenses policy Review of competitiveness of Executive Director remuneration Mid-year review of appropriateness of bonus targets Introduction of post-employment shareholding requirements for Executive Directors signing new contracts
September	Approval of remuneration of new Chief People Officer
November	Discussion on introduction of a reward framework across the Group Approval of remuneration and service contract of new CFO
December	Determination of Company-wide pay increase Approval of Senior Leadership Team pay increases Determination of Executive Director pay rise Consideration of bonus targets Approval of Chair of the Board's remuneration

Examples of how the Committee has addressed provision 40 of the Code in 2021

Clarity	The Committee is committed to transparency and has improved disclosure. For example, this year we have disclosed the comparator group we use when benchmarking remuneration. We have also provided greater detail in the policy on recruitment.
Simplicity	The structure of the Remuneration Policy is broadly unchanged and is commonly used by premium listed companies.
Risk	The Committee recognises the risk of target-based plans and has sought to improve alignment in the coming year by introducing post termination shareholding requirements. For 2022, in common with many larger businesses, we have introduced an element in the bonus scheme to incentivise progress in our ESG strategy and applied it to the SLT as well as the Executive Directors. In the ESG targets, there are specific objectives for the Executive Directors and senior management which relate to our risk management framework.
Predictability	A range of possible outcomes for Executive Director remuneration is set out on page 76.
Proportionality	There is a clear link between individual awards and the delivery of strategy, particularly through the non-financial objectives of the bonus scheme which are disclosed retrospectively in the Annual Report on Remuneration. The link of remuneration outcomes to long-term performance is primarily through the LTIP which has stretching targets based on EPS and absolute share price performance as well as having vesting values which are directly linked with share price performance.
Alignment to culture	The Gamma core values are encapsulated in the expression 'Working Smarter, Together.' The Remuneration Policy is aligned to our core values, being designed to ensure that successful long-term partnership with shareholders delivers good rewards to the Executive Directors, the Senior Leadership Team and the workforce as a whole. Feedback from employees in 2021 has shown that a number of aspects relating to ESG are an important part of the culture, particularly improving diversity and targets dates for carbon net-zero. The inclusion of ESG targets in the bonus scheme will help align remuneration with culture.

Comparator group used for Executive Director benchmarking in 2020

Avast plc	RWS plc	FDM Group (Holdings) plc	EMIS Group plc
Softcat plc	GB Group plc	Telecom Plus PLC	NCC Group plc
Computacenter plc	Kainos Group plc	First Derivatives plc	

Remuneration Policy

This part of the Directors' Remuneration report sets out Gamma's Remuneration Policy with regard to its Directors.

Purpose

The Group's Remuneration Policy is designed to ensure that it can attract, retain and motivate executives and senior management of the right quality to enable it to fulfil its strategic objectives and deliver long-term sustainable growth. The retention of key management and the alignment of management incentives with the creation of shareholder value is a key objective of this policy. In addition, the Committee seeks to keep Executive Director remuneration consistent with the Company's culture and to take account of the effects of Executive Directors' remuneration on the workforce and other stakeholders.

Strategic rationale for Executive Director remuneration policies, structures and performance measures

Setting base salary for Executive Directors at an appropriate level is key to attracting and retaining high quality management. Therefore, the Remuneration Committee seeks to ensure that salaries are market-competitive for comparable companies. In addition to base salary, there are market competitive benefits and pension contributions which are at the same level as those available to eligible employees across the wider workforce. A significant proportion of total remuneration is performance-based using a structure which is common among AIM traded and premium listed companies. The Group's strategy has four key elements as set out on pages 14 to 15 and is designed to enable the business to grow both its profitability and revenues by developing new innovative communications products and services, and through acquisition. Reflecting the strategic emphasis on profitability, short-term performance is incentivised with an annual bonus scheme which is based on Company financial objectives such as Adjusted PBT as well as personal performance objectives. The latter typically support strategic and ESG initiatives.

Long-term performance is incentivised with a performance share plan ("LTIP"), which is typically based on the achievement of demanding Total Shareholder Return and Adjusted Earnings Per Share growth targets. Given the Company's growth profile, its stage of development and the challenges of identifying a relevant peer group, the Committee considers that absolute performance goals remain more relevant than comparative performance measures. The Committee retains the discretion to set weightings on the performance goals or to set different performance measures from year to year.

In addition, the Company has applied a policy of using share incentives across the Group. This includes awards to more senior staff under the Company Share Option Plan ("CSOP"), as well as both a Save as You Earn ("SAYE"), and a Share Incentive Plan ("SIP"), the participation in which is open to all UK employees.

We believe these policies help the Company to continue to grow profitably through the successful execution of its strategy as well as providing alignment between the interests of shareholders and all employees who can share in the Company's success.

Consideration of shareholders' views on remuneration

The Company welcomes dialogue with its shareholders over matters of remuneration. The Chair of the Remuneration Committee is available for contact with institutional investors concerning the approach to remuneration.

Consideration of pay and employment conditions elsewhere in the Group

The Committee considers the pay and conditions of employees throughout the Group when determining the remuneration arrangements for Directors although no direct comparison metrics are applied. In particular, the Committee considers the relationship between general changes to UK employees' remuneration and Executive Director reward. Whilst the Committee does not directly consult with employees as part of the process of determining executive pay, the Board does receive feedback from employee surveys that take into account remuneration in general. The Committee also receives updates from the Chief People Officer.

Summary of policy changes for 2022

Changes to the Remuneration Policy are set out in the Remuneration Policy Table. A statement of how the Company intends to implement its Remuneration Policy in 2022 is included in the Annual Report on Remuneration. On 2 December 2021, we were pleased to announce that a new Chief Financial Officer, Bill Castell, is expected to join Gamma in May 2022 at which point Andrew Belshaw will become Deputy Chief Executive Officer. A summary of Bill Castell's remuneration will be included in the 2022 annual report of remuneration. Remuneration will be in accordance with the Remuneration Policy.

Remuneration Policy table

Purpose and link to strategy	Operation	Potential remuneration	Performance metric	Change to policy?
Base salary				
This is the core element of pay that reflects the individual's role and position within the Group. Staying competitive in the market allows us to attract and retain high calibre executives with the skills and experience to deliver our strategy.	Base salaries are typically reviewed annually, with any changes effective from 1 January, but exceptionally may take place at other times of the year. When determining an appropriate level of base salary, the Committee considers: • Group performance; • the role, responsibilities, experience and personal performance of the Director; and • the general salary increase for the workforce. In addition to the above, salaries are independently benchmarked from time to time against comparable roles at premium listed and AIM traded companies of a similar size and complexity.	The actual base salaries paid to the Executive Directors and those set for the current year are disclosed in the Annual Report on Remuneration.	Not applicable	No
Benefits				
A comprehensive benefits package is offered to complement basic salary to attract and retain executives.	Reviewed from time to time to ensure that benefits when taken together with other elements of remuneration remain market competitive. Benefits for the Executive Directors currently comprise participation in the Group's life assurance and income protection schemes, which are also available to all other UK employees.	The cost of providing these benefits varies year on year depending on the schemes' premiums. The Remuneration Committee monitors the overall cost of the benefits package.	Not applicable	No
Pension				
Provides a competitive and appropriate pension package. To provide retirement benefits which, when taken together with other elements of the remuneration package, will enable the Group to attract and retain executives.	The Executive Directors (together with all other eligible staff) may participate in the Group's defined contribution (money purchase) pension scheme.	Only the CFO participates. Employer contribution of up to 5.1% of salary per annum is paid into the scheme or by means of a cash alternative (provided there is no additional cost to the Company). This is the same level available to eligible employees across the wider workforce.	Not applicable	No
All employee share plans				
Executive Directors are eligible to participate in all employee share schemes which are designed to encourage share ownership across the wider UK workforce. These currently include regular Save as You Earn Option Plans ("SAYE" Plan) and an evergreen Share Incentive Plan ("SIP").	Executive Directors may participate in these plans in line with HMRC guidelines and on the same basis as other eligible UK employees.	Participation levels are in accordance with HMRC limits as amended from time to time.	Not applicable	No

Purpose and link to strategy	Operation	Potential remuneration	Performance metric	Policy change?
Annual Bonus				
To incentivise the achievement of the Group's annual financial targets, or other near-term strategic objectives.	The Executive Directors and other senior executives participate in a discretionary, annual, performance-related bonus scheme. The Remuneration Committee at its discretion may determine that a proportion of any bonus that it awards may be deferred into an allocation of shares or grant of options each with a three-year vesting period and governed by the terms of the Deferred Bonus Plan. Typically, 25% of any bonus awarded to the Executive Directors is deferred into shares. Other than to the extent deferred, under the terms of the deferred bonus plan, bonuses are paid in cash, based on audited financial results. The bonus scheme rules include a clawback and a malus provision.	The maximum bonus (including any part of the bonus deferred into share awards) deliverable under the plan is up to 125% of annual base salary in the case of the CEO and 100% in the case of the CFO.	Bonus awards are based on annual performance against stretching company financial targets (e.g. Adjusted Profit before Tax) and personal performance objectives for the individual Directors. Targets are set by the Committee at the beginning of each year with up to 20% of the maximum bonus opportunity being based on personal objectives, from 2022 5% will be based on ESG related objectives and the remaining 75% based on Group financial performance targets. The Committee has the discretion to vary targets and weightings from year to year.	No However, this year ESG objectives have been introduced at 5% and Group financial objectives reduced from 80% to 75% with effect from 2022.
Long-Term Incentive Plan ("LTIP")				
To align the interests of executives with those of shareholders; to motivate and incentivise delivering sustained business performance over the long term; to aid retention of key executive talent long term.	The Executive Directors and other senior executives participate in a discretionary LTIP. The plan entitles participants to an allocation of, or options over, free (or nominal value) shares after a performance period of three years (or any other period as the Committee may decide), subject to certain performance and service conditions being met. Participation is at the discretion of the Remuneration Committee. Awards will typically be made annually based on a multiple of annual salary. Performance conditions are set by the Remuneration Committee at the time of the award. The plan rules amongst other things include clawback and malus provisions and a limitation to ensure that new shares issued, when aggregated with all other employee share awards, must not exceed 10% of issued share capital over any ten-year period. From 2021, LTIP awards to Executive Directors have been subject to a two-year post vesting holding period.	The Remuneration Committee would in normal circumstances expect to make annual LTIP awards to the Executive Directors at a value of up to 150% of base salary to the CEO and the CFO, all with a maximum of 200%. In the event of recruitment only, there is a limit of 400%.	The vesting of LTIP awards is conditional upon the successful achievement of financial performance conditions over the performance period, which are set by the Committee at the time of the award. Performance conditions currently include compound annual growth in adjusted earnings per share ("EPS"), and compound annual growth in total shareholder return ("TSR") with each having equal weighting i.e. up to a maximum vesting of 50% of the shares. In both cases ("TSR" and "EPS") the Committee has currently determined that at this stage of Gamma's development and its market position, absolute performance measures are more appropriate than relative measures. For future LTIP awards the Committee will assess what performance conditions and associated weightings it considers appropriate in supporting the Company's strategy and longer-term objectives.	No
Shareholding guidelines				
Encourages Executive Directors to build a meaningful shareholding in Gamma to further align interests with shareholders.	Each Executive Director is expected to build up and maintain a shareholding in Gamma equivalent to 200% of base salary. The shareholding includes beneficially owned shares, vested LTIPs on an after-tax basis and bonuses deferred into shares on an after-tax basis. If an Executive Director does not meet the guidelines, the Remuneration Committee may delay the release of 50% of LTIPs at the end of the holding period until the requirement is met. For Executive Directors who have entered into new service contracts after July 2021, the shareholding requirements apply for two years post cessation.	Not applicable	Not applicable	Yes Post cessation shareholding requirements introduced for executives signing new contracts.

Committee discretion, flexibility and judgement in operating the incentive plans

In line with market practice and the various scheme rules, the Committee retains discretion relating to operating and administering the annual bonus and the LTIP. This discretion includes, but is not limited to:

The Discretionary Annual Bonus Plan:

- The scheme participants.
- The review of and setting of annual performance measures and targets.
- The determination and calculation of any bonus payment, including upward or downward adjustment as appropriate.
- The timing of any bonus payments.
- The determination of the proportion of any bonus award that is deferred into an award under the terms of the deferred bonus plan.
- The determination of the treatment of leavers depending on the circumstances.
- Overriding Committee discretion.

The LTIP Plan:

- The scheme participants.
- The form and timing of the grant of an award.
- The size of awards made.
- The setting of appropriate performance measures.
- The determination of the treatment of leavers depending on the circumstances.
- To withhold the release of 50% of any year's LTIP award for Executive Directors not meeting the agreed shareholding requirements
- Discretion relating to vesting in the event of a change of control of the Company.
- The ability to substitute a cash equivalent in place of shares.
- To make appropriate adjustments to awards required in certain circumstances e.g. Demerger, capitalisation or rights issue, or other restructuring events.
- To change any performance or other condition applying to an award, if any event or series of events happen, which results in the Committee considering it is fair and reasonable to make such change.
- Overriding Committee discretion.

Differences in Remuneration Policy for employees and Executive Directors

The principles behind the Remuneration Policy for Executive Directors are cascaded down through the Group and their aims are to attract and retain the best staff and to focus their remuneration on the delivery of long-term sustainable growth by using a mix of salary, benefits, bonus and longer-term incentives. As a result, no element of the Executive Director Remuneration Policy is operated exclusively for Executive Directors other than the two-year post vesting holding period and the post-employment shareholding policy:

- The annual performance related pay scheme for Executive Directors is largely the same as that of the rest of the Senior Leadership Team. In the UK, all are aligned with similar business objectives. In the European subsidiaries, there are objectives relating to the subsidiaries' financial and business performance.
- Participation in the LTIP is extended to the rest of the Senior Leadership Team and several other senior managers.
- The pension scheme is operated for all permanent employees and the Executive Directors receive the same level of contribution as the majority of other employees other than the CEO who does not participate.

The main difference between pay for Executive Directors and employees is that, for Executive Directors, the variable element of total remuneration is greater while the total remuneration opportunity is also higher to reflect the increased responsibility of the role.

Policy on recruitment

When hiring a new Executive Director, the Committee will consider the overall remuneration package by reference to the Remuneration Policy set out in this report. Salary and annual bonus levels will be set so as to be competitive with comparable roles in companies in similar sectors, and also taking into account the experience, seniority and the scope of responsibility of the appointee coming into the role. New Executive Directors will be able to participate in the annual bonus scheme on a pro-rated basis for the portion of the financial year for which they are in post. New Executive Directors may receive benefits and pension contributions in line with the Company's existing policy. LTIP awards are made on an ongoing basis in line with our policy for Executive Directors and other senior executives. In the year of recruitment, a higher award may be made to the new recruit within the limits of the plan (maximum of 400% of salary) and may be made with non-standard performance conditions or without performance conditions and with a shorter vesting period and without a holding period. Such an award may be spread over the two years following recruitment.

The approach in respect of compensation for forfeited remuneration from a previous employer will be considered on a case-by-case basis taking into account all relevant factors, such as the form of compensation forfeited, performance achieved or likely to be achieved, and the proportion of the performance period remaining. If any compensation for forfeited remuneration is paid, its value will not exceed 400% of salary when combined with any one-off LTIP awards.

In the case of an internal appointment, any variable pay element awarded in respect of a prior role would be allowed to pay out according to its terms, adjusted if relevant to take account of the appointment.

Change in policy?

Yes. While the overall limit of 400% of salary on recruitment is unchanged, a policy on compensation for forfeited remuneration has been introduced and there is greater flexibility on the method of payment and period over which recruitment awards can be made. A policy on promotions has been included.

Policy on loss of office

The following sets out the Company's policy in normal circumstances with regard to exit payments for each remuneration element for Executive Directors. The Group will pay any amounts it is required to in accordance with or in settlement of a director's statutory employment rights and in accordance with their service contract. A Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as serious dishonesty, gross misconduct, incompetence, or willful neglect of duty.

Basic salary: This will be paid over the contractual notice period (CEO: 12 months: CFO: 12 months). However, the Company has the discretion to make a lump sum payment for termination in lieu of notice.

Benefits and Pension contributions: These will normally continue to be provided over the notice period; however, the Company has the discretion to make a lump sum payment on termination equal to the value of the benefits payable during the notice period.

Annual Bonus: The payment of any annual bonus would be entirely at the discretion of the Remuneration Committee and if made would be pro-rated to the time of active service in the year that employment ceased and be subject to the original performance conditions and policy on deferral. The decision of the Committee, in such circumstances, would take into consideration the financial performance of the Company, the performance of the individual, and the circumstances of the termination of employment.

Long-Term Incentive Plan ("LTIP"): Awards are governed by the rules of the LTIP scheme at the time of award. In the case of good leavers, the current plan rules specify that, on exit, awards will be pro-rated for time served and vest in accordance with the performance conditions other than in limited circumstances. The Committee retains discretion to decide to waive in full or in part the performance conditions if it feels that is appropriate in any particular circumstances.

Post cessation shareholding requirements: For Executives Directors who have entered into new service contracts after July 2021, the shareholding requirements, by which an Executive Director is expected to build up a shareholding (including beneficially owned shares, vested LTIPs on a post-tax basis and deferred bonuses on a post-tax basis) of twice salary apply for two years post cessation.

The Committee retains discretion to consider the termination terms of any Executive Director, having regard to all the relevant facts and circumstances available to them at the time.

Change in policy?

Yes. Post cessation shareholding requirements introduced.

Policy on Non-Executive Director remuneration

Purpose and link to strategy	Approach to setting fees	Other items
Chair and Non-Executive Directors' fees		
To enable Gamma to recruit and retain Non-Executive Directors of the highest calibre, at an appropriate cost.	Non-Executive Directors are paid a basic annual fee. Additional fees may be paid to Non-Executive Directors who chair the Board, chair a committee and to the SID to reflect additional responsibilities, as appropriate. The level of fees for 2021 is shown in the Annual Report on Remuneration. Non-Executive Directors' fees are reviewed annually with changes effective from 1 January each year. Non-Executive Directors and the Chair of the Board are entitled to reimbursement for reasonable expenses (other than travel to and from the Company's London and Newbury offices unless this is by air). The Chair's fee is approved by the Board on the recommendation of the Remuneration Committee. The other Non-Executives' fees are approved by the Board on the recommendation of the Chair of the Board, the CEO and the CFO. The Non-Executive Directors are not involved in any decisions about their own remuneration.	Non-Executive Directors are not entitled to receive any compensation for loss of office, other than fees for their notice period. They do not participate in the Group's bonus, LTIP, employee share plans or pension arrangements, and do not receive any employee benefits. A taxable expense allowance has been introduced which replaces the Chair's and Non-Executives' previous entitlement to claim expense to and from the Company's London and Newbury offices. The amounts are set out in the Annual Report on Remuneration under Implementation of Remuneration Policy in the financial year 2022.

Service agreements

Executive Directors

The Executive Directors' service agreements summary is as follows:

Key element	CEO Andrew Taylor	CFO Andrew Belshaw
Effective date of contract	CEO Designate – 4 April 2018 CEO – 23 May 2018	10 October May 2014
Notice period	12 months' notice given by either party	12 months' notice given by either party
Termination payments	The Company has the discretion to make a payment of basic salary in lieu of notice to terminate the employment forthwith in the event of notice being given	The Company has the discretion to make a payment of basic salary in lieu of notice to terminate the employment forthwith in the event of notice being given

Non-Executive Director letters of appointment

Non-Executive Directors have letters of appointment (as opposed to service contracts) and are appointed for a three-year term which may be extended by mutual agreement. All Non-Executive Directors are subject to annual re-election by the shareholders.

The Chair and Non-Executive Directors have notice periods of three months from either party which do not apply in the case of a Director not being re-elected by shareholders or retiring from office under the Articles of Association. Other than fees for this notice period, the Chair and Non-Executive Directors are not entitled to any compensation on exit.

The current Non-Executive Directors' initial appointments commenced on the following dates:

Director	Date of first appointment
Richard Last	17 June 2014
Martin Lea	17 June 2014
Wu Long Peng	6 June 2014
Henrietta Marsh	16 April 2019
Charlotta Ginman	8 September 2020
Xavier Robert	8 September 2020

Illustrations of application of the Remuneration Policy

The charts below represent estimates under three performance scenarios ("Minimum", "Maximum" and "Maximum" assuming a 50% share price appreciation between award and vesting under the LTIP scheme) of the potential remuneration outcomes for each Executive Director resulting from the application of the 2022 base salaries to awards made in accordance with the proposed policy for 2022. The majority of Executive Directors' remuneration is delivered through variable pay elements, which are conditional on the achievement of stretching targets.

The Remuneration Committee will review the actual remuneration outcomes taking into account the quality of performance outcomes and, if appropriate, use its discretion to adjust these, taking into account Gamma's performance, the operation of the remuneration structures and any other relevant factors, to ensure that the highest variable pay outcomes are only achieved in years with the highest quality performance.

The scenario charts are based on the proposed policy award levels and are calculated on the same basis as the single figures of remuneration (on page 77). The pay scenarios are forward looking and only serve to illustrate the proposed policy. The scenarios are based on the current CEO and CFO roles.

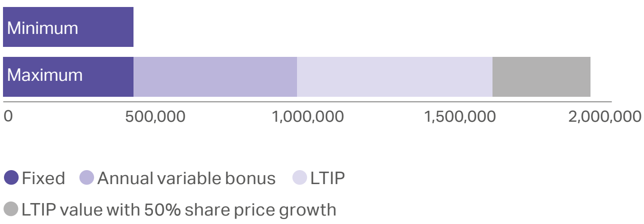
Performance scenarios

	Minimum	Maximum[1]
Base salary (2022)	✓	✓
Benefits (2021 actuals)	✓	✓
Pension (2022 estimate)	✓	✓
Bonus	Nil	125% CEO 100% CFO
LTIP	Nil	150% CEO 150% CFO

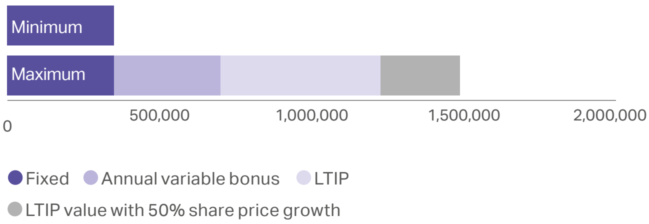
1 Maximum scenario assuming 50% share price appreciation.

An "on target" figure is not presented because the incentive scheme is structured with stretching targets which, if achieved, results in the executives receiving their maximum remuneration as depicted in the chart below.

Chief Executive Officer



Chief Financial Officer



Annual Report on Remuneration

This Annual Report on Remuneration sets out information about the remuneration of the Directors of the Company, for the year ended 31 December 2021. The information in this report is unaudited, unless indicated otherwise.

Single total figure of remuneration for Executive Directors (audited)

Director	Year	Salary £000s	Benefits £000s	Annual bonus £000s	Long-term incentive ("LTIP") £000s	Pension £000s	Total £000s	Fixed £000s	Variable £000s
Andrew Taylor	2021	418	–	496	1,968	–	2,882	418	2,464
	2020	412	–	500	–	–	912	412	500
Andrew Belshaw	2021	269	–	256	627	3	1,155	272	883
	2020	262	–	248	350	6	866	266	598

Annual bonuses are shown on an accrued basis and include both the cash and deferred share element. The value of the LTIP in 2021 relates to the vesting of the 2018 LTIP awards, and the value has been calculated using the share price on the vesting date of 28 April 2021. Of the LTIP value of £1,968,000 for the CEO, £1,218,000 is attributable to share price appreciation. Of the LTIP value of £627,000 for the CFO, £388,000 is attributable to share price appreciation. In 2021, Andrew Belshaw received £8,727 (2020: £6,358) salary in lieu of a contribution by the Company to his pension of £9,931 (2020: £7,235).

The Directors have no rights under any Company pension schemes that are designated as defined benefit schemes. In addition to the above, the Company provides life assurance and Group income protection for the Executive Directors.

Annual performance bonus 2021

The maximum annual bonus award opportunity in respect of the year ended 31 December 2021 was 125% of salary for the CEO and 100% of salary for the CFO. The structure of the bonus and the objectives for the Executive Directors are set out in the table and comments below.

Measure	Weighting	Threshold £m	Maximum £m	Outcome £m	% of Bonus Opportunity Payable	
					A.Taylor	A.Belshaw
Adjusted profit before tax[1]	80%	64.0	74.0	77.2	80%	80%
Personal Objectives	20%	n/a	n/a	n/a	15%	15%
					95%	95%

1 For the purpose of the bonus scheme Adjusted PBT was further adjusted by the Committee to exclude contributions from acquisitions made during the year, as decided by the Committee at the time the targets were set.

The personal objectives set for 2021 and main achievements were:

CEO:

- Demonstrate significant progress in the integration of the European businesses into the Gamma Group: good progress has been made in integrating the European businesses into Gamma's Group Operating Model which includes the operational, technical and product environment.
- Execute the product road map: this has been focused on the core UK businesses and building a platform to launch products across the Gamma Group. Notable achievements included the development and go to market execution of MSTDR, Collaborate 2.0, UCaaS, CCaaS and the launch of Gamma's MVNO.
- Successfully launch our reformulated mobile offering: this was fully achieved.
- Train and develop the Senior Leadership Team: progress was made with the development and strengthening of the SLT. A replacement CPO was recruited, a full contribution was seen from the CMPO recruited in 2020 and a deputy CEO was appointed through internal promotion.

CFO:

- Continue to improve Group and business level reporting: this has evolved well and investment is underway in a new finance consolidation system.
- Prepare a roadmap for evolution of our governance structures to premium list standards: progress has been made and recruitment is underway to further improve governance.
- Continue to develop the finance team to support the UK and European businesses: significant progress was made with the recruitment of the new CFO who starts in May 2022.

The deferred bonus award is calculated as 25% of bonuses earned in 2021. The number of shares over which awards will be made will be determined by the share price on the trading day prior to the date of award. The value of each individual's award in respect of their bonus has been determined as follows:

Measure	Overall bonus outcome	Bonus for 2021 £000s	Cash-settled £000s	Value of 2021 deferred bonus award £000s
Andrew Taylor	95%	496	372	124
Andrew Belshaw	95%	256	192	64

Deferred bonus awards will be granted under the Deferred Bonus Plan in April 2022. These awards will not be subject to any further performance conditions and will vest in full on the third anniversary of the vesting commencement date.

Details on the options granted during 2021 in respect of the deferred bonus for 2020 are below:

Director	Type of scheme interest	Number of awards	Vesting date	Face value of award[1]	Exercise price
Andrew Taylor	Nil-cost option	7,616	31 March 2024	125	£0.0025
Andrew Belshaw	Nil-cost option	3,789	31 March 2024	62	£0.0025

1 The face value of the award has been calculated using the closing share price on the day prior to the vesting commencement date, being 31 March 2021.

The Remuneration Committee did not exercise any discretion in determining the bonus awards.

Long-Term Incentive Plan ("LTIP") – Vesting of 2018 LTIP awards

Details of the share options vesting during the year are set out below:

Director	Total number of shares	Face value at grant	% Vesting	Shares Vesting	Share price[1] £	LTIP value
Andrew Taylor	108,381	750,000	100%	108,381	18.16	1,968,199
Andrew Belshaw	34,504	238,769	100%	34,504	18.16	626,593

1 The long-term incentive figure for the year has been valued using the market value of the shares that vested in 2021 at the vesting date of 28 April 2021.

The 2018 LTIP was subject to a combination of performance conditions based on annual compound growth in total shareholder return ("TSR") and annual compound growth in earnings per share ("EPS") over the three-year period. Details of the performance against these performance conditions are shown below.

Measure	Weighting	Threshold performance (30% vesting)	Target performance (100% vesting)	Actual performance	% vesting
Annual compound growth in TSR	50%	8%	15%	38.4%	100%
Annual compound growth in EPS	50%	8%	20%	30.3%	100%

The Remuneration Committee did not exercise any discretion in determining the achievement of the performance criteria.

Share options awarded during the year ended 31 December 2021 under the LTIP (audited)

During the year ended 31 December 2021 the following LTIP awards were granted. The performance conditions are set out below the table.

2021 Director	Type of scheme interest	Basis of award	Number of awards	Share price at award	Vesting date[1]	Face value of award	Exercise price
Andrew Taylor	Nil-cost option	150% of salary	38,253	£16.40	April 2024	627,358	£0.0025
Andrew Belshaw	Nil-cost option	150% of salary	23,789	£16.40	April 2024	390,141	£0.0025

1 The vesting date is approximately one month from the date of announcement of the Group's results, which historically has been in March, and is when the Remuneration Committee determines the extent to which the performance conditions have been satisfied.

2020 Director	Type of scheme interest	Basis of award	Number of awards	Share price at award	Vesting date	Face value of award	Exercise price
Andrew Taylor	Nil-cost option	125% of salary	51,507	£10.00	April 2023	515,070	£0.0025
Andrew Belshaw	Nil-cost option	125% of salary	32,031	£10.00	April 2023	320,310	£0.0025

At the time of making an award the Remuneration Committee sets challenging long-term performance targets to align the interests of the Directors with shareholders and which, together with continuous employment conditions, must be satisfied before an award vests.

The 2020 and 2021 LTIP awards have a performance period of three years starting from the vesting commencement date. The awards will vest as follows:

- 15% of the shares if annual compound total shareholder return ("TSR") over the performance period equals 8%, and 50% of the shares if annual compound TSR over the performance period equals 15% or higher with pro rata straight-line vesting in between; and
- 15% of the shares if the annual compound growth of the Company's adjusted earnings per share between the financial years at the beginning and the end of the performance period is equal to 8%, and 50% of the shares if the annual compound growth of the Company's adjusted earnings per share over the same period is equal to or in excess of 20% with pro rata straight-line vesting in between.

Save As You Earn ("SAYE") Share Scheme

During the year the Executive Directors were eligible to participate in Gamma's SAYE Scheme which is open to all UK employees.

The Scheme is an HM Revenue & Customs ('HMRC') approved scheme open to all staff permanently employed by a Gamma company in the UK as of the eligibility date. Options under the plan are granted at up to a 20% discount to market value. Executive Directors' participation is included in the option table below:

		Options									
	Grant date	At 1 Jan 2020	Granted in 2021	Exercised in 2021	Lapsed in 2021	At 31 Dec 2022	Option price (p)	Date Exercisable	Expiry date	Market price on exercise (p)	Gain on exercise
Andrew Belshaw	1 July 2019	2,173	–	–	–	2,173	828	1 July 2022	31 December 2022	–	–
Andrew Taylor	1 July 2020	2,250	–	–	–	2,250	800	1 July 2023	31 December 2023	–	–

Single total figure of remuneration for Non-Executive Directors (audited)

	Directors' Fees		Committee Chair/SID Fees		Taxable Expenses		Total	
Director	2021 £000s	2020 £000s	2021 £000s	2020 £000s	2021 £000s	2020 £000s	2021 £000s	2020 £000s
Richard Last	104	102	–	–	–	2	104	104
Alan Gibbins[1]	19	49	3	8	–	–	22	57
Charlotta Ginman[2]	50	16	5	–	–	–	55	16
Martin Lea[3]	50	49	24	21	–	–	74	70
Henrietta Marsh[4]	50	49	8	5	–	–	58	54
Wu Long Peng	50	49	–	–	–	5	50	54
Xavier Robert	50	16	–	–	–	–	50	16
Andrew Stone	19	49	–	–	–	–	19	49

1 The 2021 fee shown is pro-rated as Alan Gibbins and Andrew Stone stood down from the Board at the AGM on 20 May 2021.
2 Charlotta Ginman was appointed Chair of the Audit Committee on 20 May 2021.
3 Martin Lea received a fee for acting as SID. He is also Chair of the ESG Committee and the Risk Committee.
4 Henrietta Marsh is the Chair of the Remuneration Committee.

Statement of Directors' shareholding and share interests (audited)

Directors' share interests at 31 December 2021 are set out below:

Executive Directors are required to build up and maintain a shareholding of at least 200% of base salary in Gamma Communications plc shares. Both Executive Directors meet this requirement.

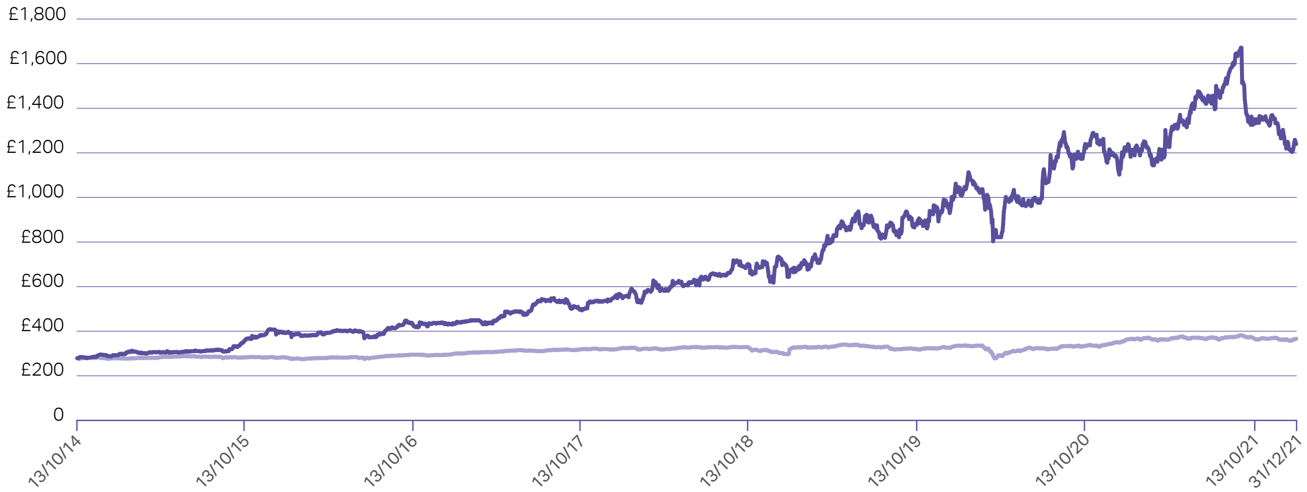
			Options			
2021	Percentage of shareholding requirement	Number of beneficially owned shares	With performance measures	Without performance measures	Vested but unexercised	Exercised during the year
Executive Director						
Andrew Taylor	226%	57,173	140,724	31,135	–	108,381
Andrew Belshaw	611%	99,505	87,513	12,212	–	34,504
Non-Executive Director						
Richard Last		53,475	–	–	–	–
Charlotta Ginman		1,000	–	–	–	–
Martin Lea		13,368	–	–	–	–
Henrietta Marsh		2,015	–	–	–	–
Wu Long Peng		–	–	–	–	–
Xavier Robert		3,000	–	–	–	–

Directors' share interests at 31 December 2020 are set out below:

2020	Percentage of shareholding requirement	Number of beneficially owned shares	Options: With performance measures	Options: Without performance measures	Options: Vested but unexercised	Options: Exercised during the year
Executive Director						
Andrew Taylor	0%	–	210,852	23,519	–	–
Andrew Belshaw	811%	129,505	98,228	8,423	–	38,140
Non-Executive Director						
Richard Last		53,475	–	–	–	–
Alan Gibbins		13,368	–	–	–	–
Charlotta Ginman		1,000	–	–	–	–
Martin Lea		13,368	–	–	–	–
Henrietta Marsh		1,000	–	–	–	–
Wu Long Peng		–	–	–	–	–
Xavier Robert		3,000	–	–	–	–
Andrew Stone		425,000	–	–	–	–

Performance graph and table

The Remuneration Committee has chosen to compare the TSR of the Company's ordinary shares against the AIM 100 Index because this index consists of the most comparable companies to the Group. The values indicated in the graph show the share price growth plus re-invested dividends from a £100 hypothetical holding of ordinary shares in Gamma Communications plc from the date of IPO.



Chief Executive's historical remuneration (audited)

The table below sets out the total remuneration of the Chief Executive over the last eight years valued using the methodology applied to the single total figure remuneration (page 77).

	CEO	Total remuneration	Annual bonus payment level achieved (% of maximum opportunity)	LTIP Vesting level achieved (% of maximum opportunity)
2021	Andrew Taylor	£2,882,813	95%	100%
2020	Andrew Taylor	£911,608	97%	N/A
2019	Andrew Taylor	£884,408	96%	N/A
2018[1]	Andrew Taylor	£655,990	100%	N/A
	Bob Falconer	£1,466,688	100%	92.83%[2]
2017	Bob Falconer	£2,243,428	100%	100%
2016	Bob Falconer	£599,760	100%	N/A[3]
2015	Bob Falconer	£2,320,287	100%	N/A[3]
2014	Bob Falconer	£544,793	100%	N/A[3]

1 Bob Falconer retired as CEO on 23 May 2018 and was replaced by Andrew Taylor.
2 92.827% represents the blended rate for the vesting of Bob Falconer's 2015, 2016 and 2017 LTIP schemes. These schemes achieved performance vesting percentages of 93.875%, 91.847% and 90.046% respectively.
3 Share options schemes prior to the 2015 LTIP scheme (which vested in 2017) did not have performance conditions attached to them.

Percentage change in remuneration of the Director undertaking the role of CEO

The table below outlines the year on year increase in salary, other pay and benefits and annual bonus for the year ended 31 December 2022 for Andrew Taylor in comparison to the wider workforce.

	CEO % increase/(decrease)	Employee % increase
Salary, other pay and benefits	2.5%	6.3%
Annual bonus	(1.0%)	1.5%

The table below sets out the historical changes in CEO annual increase compared to those granted to the wider workforce as previously reported:

	% change in base salary				
	FY17	FY18	FY19	FY20	FY21
CEO	2.0%	39.1%	2.0%	2.5%	2.5%
Employee	2.7%	3.1%	3.1%	5.3%	6.3%

The 2018 CEO change reflects the appointment of Andrew Taylor to the role of CEO replacing Bob Falconer.

Pay ratio information in relation to the total remuneration of the Director undertaking the role of CEO

The table below sets out the ratio of the total remuneration received by the Group CEO to the total remuneration received by our UK employees at the median, 25th and 75th percentiles.

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2021	Option A	96.7	64.2	43.5

Pay data	Base salary	Total pay and benefits
Group CEO	418,239	2,882,813
UK employees 25th percentile	27,591	29,798
UK employees 50th percentile	40,148	44,869
UK employees 75th percentile	58,365	66,303

"Option A" methodology was selected on the basis that it provides the most robust and statistically accurate means of identifying the median, lower and upper quartile colleagues.

The Group Chief Executive remuneration is the total single figure remuneration for the year ended 31 December 2021 contained on page 77.

The workforce comparison is based on actual payroll data for the period 1 January 2021 to 31 December 2021.

The total single figure remuneration calculated for each employee includes full-time equivalent base pay, annual bonuses for the 2021 performance year, overtime, benefits, allowances and employer pension contributions.

Part-time workers have been included by calculating the full-time equivalent value of their pay and benefits.

Leavers, joiners and employees on reduced pay (due to sick pay, maternity leave, etc.) have been included on a full year equivalent basis.

Relative importance of spend on pay (audited)

The following table shows the Group's actual spend on pay for all Group employees relative to dividends and pre-tax profit.

	2021 £m	2020 £m	Change %
Overall spend on pay, including Executive Directors	96.5	83.3	+15.8%
Profit before tax	67.2	75.0	-10.4%
Capital expenditure[1]	16.8	15.4	+9.1%
Dividends	11.7	10.4	+12.5%

1 Capital expenditure has been included in the above table as it represents a key expenditure, being the Group's investment in infrastructure to drive future growth.

Implementation of Remuneration Policy in the financial year 2022

The changes in the Remuneration Policy in 2022 are explained in the Remuneration Committee Chair's statement on page 66 and set out in the Remuneration Policy table. The principal changes are the introduction of post-cessation shareholding requirements for Executive Directors signing new contracts and the introduction of ESG objectives into the bonus scheme.

Executive Directors

The following table summarises the Executive Director remuneration package for 2022.

Director	Salary £000s	Benefits	Maximum pension contribution (% of salary)	Maximum annual bonus opportunity (% of salary)	Maximum LTIP opportunity (% of salary)
Andrew Taylor	428	–	–	125%	150%
Andrew Belshaw	325	–	5.1%	100%	150%

Salary: With effect from 1 January 2022, the salaries of the CEO was increased by 2.5%, the salary of the CFO was increased by 25%, reflecting his increased responsibilities as Deputy CEO designate and the market rate for the CFO role as evidenced during the recruitment process for the new CFO who joins in May 2022 and as explained in the Remuneration Committee Chair's statement.

Pension and Benefits: There are no changes to these arrangements for the year commencing 1 January 2022.

Annual performance bonus: The maximum annual bonus opportunity remains the same as it was in the prior year. The performance measures and weightings have been amended with 75% of the maximum potential bonus being based on growth in adjusted PBT, 5% on ESG related objectives and 20% based on personal objectives. The specific targets for the annual bonus for 2022 will be disclosed in the 2022 Annual Report on Remuneration.

Long-Term Incentive Plan ("LTIP"): It is anticipated that further performance-based share option awards will be made in April 2022. The Committee will determine the levels, performance conditions, weighting and targets to be applied at the time of the award and will disclose them in the announcement of the awards and in the 2022 Annual Report.

Non-Executive Directors

With effect from 1 January 2022, the Chair of the Board's fees were increased from £104,000 to £140,000 as described in the Remuneration Chair's statement. The committee chair fees, the SID fee and the Non-Executive Directors' general fees were increased by 2.5% with effect from the 1 January 2022. An expense allowance has been introduced in 2022 for the Chair and the Non-Executive Directors which replaces their entitlements in their appointment letters to claim travel expenses (other than airfares and hotels) to and from the Company's London and Newbury offices as well as incidental expenses. These expenses are shown in the single figure of remuneration table but were not significant in 2020 and 2021 due to the pandemic. They were expected to revert to normal levels in 2022. The expense allowance is subject to tax and national insurance.

The following table summarises the 2022 Non-Executive Director fees.

Director	Directors' Fees £000s	Committee Chair Fees £000s	SID Fee £000s	Expense allowance £000s	Total Fees £000s
Richard Last	140	–	–	4	144
Charlotta Ginman	51	8	–	2	61
Martin Lea	51	17	8	2	78
Henrietta Marsh	51	8	–	2	61
Wu Long Peng	51	–	–	2	53
Xavier Robert	51	–	–	2	53

Advisers to the Remuneration Committee

During the year, h2glenfern Remuneration Advisory advised the Committee on certain aspects of the remuneration of the Executive Directors and the Chair of the Board. Fees of £25,800 exclusive of VAT were paid to h2glenfern Remuneration Advisory. h2glenfern Remuneration Advisory is a member of the Remuneration Consultants Group and, as such, voluntarily adheres to its Code of Conduct. The Committee considers the advice that it receives from h2glenfern to be independent.

Statement of Voting

During the 2021 AGM, a motion was set for the shareholders to approve on an advisory only basis the Remuneration Committee report. 99.92% votes were cast in favour of the motion.

This Directors' Remuneration report will be put to an advisory vote at the forthcoming 2022 AGM. This report was approved by the Board of Directors on 21 March 2022 and signed on its behalf by:

Henrietta Marsh
Remuneration Committee Chair

21 March 2022