Remuneration Report
Annual Statement by Caroline Thomson, Chairman of the Remuneration Committee

Dear Shareholder

I am pleased to present to you our 2017 Remuneration Report which is split into three separate sections.

- **Firstly, my annual statement setting out the work of the Remuneration Committee in 2017 and priorities for 2018.**
- **Secondly, a summary of the Remuneration Policy Report ("Policy Report"). The Policy Report was approved by over 99% of shareholders voting at the 2017 Annual General Meeting and sets out the Company's policy on Directors' remuneration for the three years from May 2017 to May 2020.**
- **Thirdly, the Annual Report on Remuneration that sets out the remuneration paid to Directors in 2017 as well as details of how the Committee intends to implement our remuneration policy for 2018. Shareholders will have the opportunity for an advisory vote on the Annual Report on Remuneration at the 2018 AGM.**

2017 performance

Vitec achieved record performances in adjusted revenue* and adjusted profit* for 2017 as well as a material appreciation in share price from an opening price in January 2017 of £6.48 per share to a closing share price at 31 December 2017 of £11.30. In addition to growth in revenues and adjusted profit*, management successfully carried out strategic corporate activity including the disposals of the non-core businesses of Haigh-Farr and Bexel, the US Services business, as well as the acquisitions of the JOBY and Lowepro brands and RTMotion. The Group delivered a strong cash performance and has reduced Group net debt. The Group's Return on Capital Employed ("ROCE") performance was also strong in 2017. The Group is well positioned for future growth in its core markets with a robust balance sheet.

Committee activities in 2017

The Remuneration Committee in 2017 dealt with the following matters:

- The Committee sought approval from shareholders at the 2017 AGM for a new Remuneration Policy following a detailed shareholder consultation in 2016. The policy is similar to that approved by shareholders in 2014 except for two changes:
  - Firstly, under the Long Term Incentive Plan ("LTIP") a re-balancing in the performance conditions from a 50%/50% split between Total Shareholder Return ("TSR") and Earnings per Share ("EPS") to a 33%/67% split respectively. Vesting is underpinned by Committee discretion that will take into account, in particular, ROCE performance over the performance period for the EPS element of awards.
  - Secondly, under the pension contribution, a reduction in the Company contribution for Executive Directors appointed from 2017 onwards from 20% of salary to 15% of salary.

  The Policy Report was approved by over 99% of shareholders voting at the 2017 AGM giving a clear mandate on Directors' remuneration for the next three years.
- The Committee approved an increase in the Group Chief Executive's, Group Finance Director's and Group Business Development Director's salaries with effect from 1 January 2018 of 2.5%, reflecting pay increases within the Group's workforce and current market conditions. The fees paid to the Chairman and Non-Executive Directors have also been increased by the same percentage.
- Bonus payments for 2017 were 88.4%, 87.9% and 88.4% respectively of the maximum potential award for the Group Chief Executive, Group Finance Director and Group Business Development Director. The 2017 Annual Bonus Plan paid out against the adjusted profit and operating cash* performance measures at 84.2% and 100% respectively as well as an individual assessment against personal objectives for each Executive Director. Each of the Executive Directors is required to defer half of their earned 2017 bonus (after taxes) into the Deferred Bonus Plan ("DBP") for three years, ensuring focus on long-term growth for the Company.

- The Committee approved the remuneration packages for Kath Kearney-Croft upon her appointment as Group Finance Director with effect from 24 April 2017, Martin Green upon his appointment as Group Business Development Director with effect from 4 January 2017, and also approved the leaving arrangements for Paul Hayes upon his departure as Group Finance Director on 28 April 2017.
- LTIP awards made in 2015 to Executive Directors partially achieved their performance conditions based upon TSR and adjusted basic earnings per share* growth with 100% of the TSR performance condition achieved and 35% of the EPS growth performance condition achieved. As a consequence a blended level of 67.5% of the 2015 LTIP will vest to Executive Directors (and other participants) on the third anniversary of the award on 8 April 2018. As part of the calculation of EPS the Committee exercised a discretion around the treatment of acquisitions and disposals made in the performance period. The detail is set out on page 82.
- The Committee made LTIP awards to Executive Directors and senior managers on 28 February 2017 with performance conditions based on TSR and EPS growth with a discretionary ROCE underpin. Share awards made to Executive Directors under the LTIP are subject to a further two year holding period following a three year performance period.
- The 2017 AGM approved the Company's 2016 Annual Report on Remuneration with over 99% of shareholders voting in favour of the Report which was in accordance with the Remuneration Policy approved by shareholders in 2014.
- The Remuneration Committee approved the structure of the 2018 Annual Bonus Plan to ensure that it motivates Executive Directors to deliver against challenging financial targets for 2018. Its structure is the same combination of both financial targets (Group adjusted profit before tax* and operating cash flow* generation) and personal objectives as was used in 2017. We will disclose financial targets for the 2018 Annual Bonus Plan against actual performance in the 2018 Remuneration report along with a commentary on our assessment of the personal objectives element.

Committee priorities for 2018

The Committee in 2018 will focus on the following matters:

- Securing shareholder approval at the 2018 AGM for the Annual Report on Remuneration.
- Granting LTIP awards in 2018 to support our strategic growth targets with appropriately stretching performance conditions based on the Company's EPS and TSR performance and with a ROCE underpin.
- Ensuring that the 2018 Annual Bonus Plan is structured to drive performance, with stretching financial performance targets, and to reward growth in the Company.
- Considering the impact and actions necessary to address proposed changes to the UK Corporate Governance Code relating to Directors' remuneration and other matters that is currently under consultation by the Financial Reporting Council and that is likely to be implemented for accounting periods beginning on or after 1 January 2019.

Annual General Meeting

The Annual Remuneration Report will be put to the Company's shareholders for an advisory vote at the AGM to be held on Tuesday 15 May 2018. I encourage all shareholders to vote in favour of this resolution and I look forward to the opportunity to meet with shareholders at the 2018 AGM.

Caroline Thomson
Chairman, Remuneration Committee

21 February 2018

* This report provides alternative performance measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards ("IFRS"). We have included a glossary on page 150 which provides a comprehensive list of APMs that we use including an explanation of how they are calculated, why we use them and how they can be reconciled to a statutory measure where appropriate.

Remuneration Policy Report

Policy Report

The following is a summary of the Policy Report that covers remuneration for Directors of the Company for a three year period from the Company's AGM on 17 May 2017 until the 2020 AGM. The full Policy Report, as approved by shareholders, is available on the Company's website and is contained in the 2016 Annual Report. Should there be any need to change the Company's remuneration policy ahead of the 2020 AGM, shareholders will be asked to approve a revised Policy Report.

This Report contains further information required under the Listing Rules and the April 2016 version of the UK Corporate Governance Code.

Remuneration policy table for Executive Directors

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

	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Annual bonus	To provide a material incentive to drive Executive Directors to deliver stretching strategic and financial performance and to grow long-term sustainable shareholder value. Half of any earned annual bonus is deferred into the Deferred Bonus Plan and focuses the Executive Director on long-term value delivery and growth.	Paid annually based on performance in the relevant financial year. The amount is determined based on published full year results after the financial year end. Award levels and performance measures are reviewed annually. The Committee ensures that performance measures remain aligned to the Company's business objectives and strategic priorities for the year. 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. After a period of three years, the awards are paid out to Directors 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. 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, the Committee may reduce, cancel or impose further conditions on awards.	An absolute maximum of 125% of base salary to be paid in each year.	Measures and targets for the annual bonus are set annually by the Committee. Currently, half of the annual bonus is based on the achievement of annual targets set against the Group's adjusted profit before tax*, with the remainder based on the achievement of annual personal objectives and achievement of annual targets set against the Group's operating cash flow* generated as a percentage of adjusted operating profit*. The Committee reserves the right to vary these proportions and also the measures annually to ensure the annual bonus remains appropriate and challenging. Targets are measured over a one year period. Payments range between 0% and 125% of base salary for threshold and maximum performance. Awards granted under the Deferred Bonus Plan are not subject to any performance conditions.

Remuneration policy table for Executive Directors (continued)

	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Long Term Incentive Plan ("LTIP")	To provide a long-term performance and retention incentive for the Executive Directors involving the Company's shares. To link long-term rewards to the creation of long-term sustainable shareholder value by way of delivering on the Group's agreed strategic objectives.	Under the LTIP, awards are made over a fixed number of shares, which will vest based on the achievement of performance conditions over a performance period of, unless the Committee determines otherwise, at least three years. The performance conditions are set by the Committee at the start of the performance period. Awards can take the form of a conditional award of shares, a nil-cost option or similar rights. Awards may be settled in cash. 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. Awards made since 2015 are subject to a mandatory two year holding period for any shares that vest for an Executive Director. 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, the Committee may reduce or impose further conditions on awards.	The maximum value of shares over which awards may be granted in respect of each year is 150% of base salary (although 200% is permitted in exceptional circumstances determined by the Committee). Awards to Executive Directors in 2018 will be at a level representing 125% of base salary.	LTIP awards may be based on both financial and share price based performance conditions as determined from time to time by the Committee. LTIP awards from 2017 onwards have 33% of the award subject to the Company's TSR compared to a comparator group measured over a three year performance period and 67% of the award 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 performance period. However the Committee 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. For LTIP awards from 2017 onwards the Remuneration 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. At threshold, 25% of the award will vest, increasing on a straight-line basis up to 100% for performance in line with maximum. Below threshold none of the award will vest. There is no re-testing of any performance measure.
Pension contribution	To provide a benefit comparable with market rates, helping with the recruitment and retention of talented Executive Directors able to deliver a long-term growth strategy.	Usually paid monthly in arrears. Executive Directors may receive a contribution into the Company's Defined Contribution Plan, a personal pension arrangement and/or a payment as a cash allowance.	Executive Directors appointed before 2017 receive a pension contribution of 20% of base salary. Executive Directors appointed from 2017 onwards receive a pension contribution of 15% of base salary. Salary is the only pensionable element of Executive Director remuneration.	Not applicable.

Notes to the remuneration policy table for Executive Directors

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

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.

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.

LTIP awards from 2017 onwards are based 67% on adjusted basic earnings per share* growth and 33% on TSR performance against a specific comparator group. The Committee considers these to be important measures of Company performance 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. For LTIP awards from 2017 onwards, the Committee has 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 we will not be disclosing a formulaic target in advance, the Committee will ensure that it provides full retrospective disclosure around our decision-making process, including a summary of the ROCE trajectory over the performance period. The Committee will measure ROCE using a standard definition of adjusted operating profit* divided by average total assets less current liabilities excluding the current portion of interest-bearing borrowings, calculated on an average monthly basis at constant currency. 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 are as set out in the table above and on page 89.

Remuneration policy table for the Chairman and Non-Executive Directors

The table below sets out a description of the Chairman and Non-Executive Directors' remuneration for the period through to the 2020 AGM.

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

Illustrative remuneration performance scenarios

The following charts set out three scenarios for the current remuneration of Stephen Bird, Kath Kearney-Croft and Martin Green for 2018 in line with the Policy Report:

	Stephen Bird	Kath Kearney-Croft	Martin Green
Basic Remuneration			
Base salary	£451,758	£317,750	£266,500
Benefits	£28,286	£22,627	£22,200
Pension	(20% of salary) £90,352	(15% of salary) £47,663	(15% of salary) £39,975
Total fixed pay (minimum)	£570,396	£388,040	£328,675
On target performance:			
Fixed pay	£570,396	£388,040	£328,675
Annual Bonus	£282,349	£198,594	£166,563
LTIP	£141,175	£99,297	£83,282
Total On Target Pay	£993,920	£685,931	£578,520
Maximum pay:			
Fixed pay	£570,396	£388,040	£328,675
Annual Bonus	£564,698	£397,188	£333,125
LTIP	£564,698	£397,188	£333,125
Total Maximum Pay	£1,699,792	£1,182,416	£994,925

The illustrations above are based on the following assumptions:

- Fixed pay – Base salary as at 1 January 2018.
- The total value of benefits received for the full year ended 31 December 2017 which included car allowance, private healthcare and income protection.
- Pension contribution of 20% of base salary for Stephen Bird and 15% of base salary for Kath Kearney-Croft and Martin Green.
- Annual Bonus
  - At Minimum – nil.
  - On Target – 50% of maximum payout (i.e. 62.5% of base salary).
  - At Maximum – 100% of the maximum payout (i.e. 125% of base salary).
- LTIP
  - At Minimum – nil.
  - On Target – 25% vesting under the LTIP (i.e. 25% of 125% of base salary) and set out at face value, with no share price growth or dividend assumptions.
  - At Maximum – 100% of the maximum payout (i.e. 125% of base salary) and set out at face value, with no share price growth or dividend assumptions.

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.

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 of Dialight plc. In this role he receives a basic fee of £42,000 per annum, an additional £5,100 per annum in the role of Senior Independent Director and £5,100 as Chairman of the Remuneration Committee. Under the terms of their service contracts, Kath Kearney-Croft and Martin Green, with the agreement of the Chairman and Group Chief Executive, may take up one external non-executive appointment of a listed company. As of the date of this report neither Kath Kearney-Croft nor Martin Green had taken up any such external non-executive appointment.

Executive Directors' service contracts

The Executive Directors' service contracts are as follows:

	Date of Contract	Notice period from the Company to the Executive	Notice period from the Executive to the Company
Stephen Bird, Group Chief Executive – appointed on 14 April 2009	28 January 2009	12 months	6 months
Kath Kearney-Croft, Finance Director – appointed on 24 April 2017	21 February 2017	12 months	6 months
Martin Green, Group Business Development Director – appointed on 4 January 2017	3 January 2017	12 months	6 months

Details of the Committee's approach and policy on payment for loss of office are given in full in the 2016 Remuneration Policy Report and are available on the Company's website.

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 Remuneration Policy table for the Chairman and Non-Executive Directors there are no further obligations which could give rise to a remuneration or loss of office payment under the letters of appointment. All the Non-Executive Directors and Chairman (as well as the Executive Directors) are subject to annual reappointment by the shareholders at the AGM.

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

Consideration of shareholder views

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

The Company received over 99% support for the 2016 Remuneration Policy Report and over 99% support for the 2016 Annual Report on Remuneration at the 2017 AGM indicating a strong level of support for the structure of Directors' remuneration.

During 2017, the Committee continued to take into account the views of the Company's major shareholders on the structure of the Remuneration Policy with a view to the Policy being submitted to shareholders for approval at the 2017 AGM. This entailed a consultation letter setting out the structure and several face-to-face meetings with major shareholders to review the detail in the latter part of 2016 and early 2017. This consultation was on the basis that the current policy was fit for purpose and achieved the objectives of incentivising management in the delivery of the Company's growth strategy. A summary of the Policy is set out earlier in this Report and the strong level of support from shareholders indicates that the Committee and shareholders are aligned on the issue of Directors' remuneration.

The Committee further took into consideration the views of shareholders in its treatment in connection with the resignation of Paul Hayes, particularly the lapsing of LTIP awards and also in the recruitment and remuneration packages of both Martin Green and Kath Kearney-Croft, appointed in 2017.

Remuneration Report
Annual Report on Remuneration

This Annual Report on Remuneration will be put to an advisory vote at the AGM to be held on Tuesday 15 May 2018.

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 2017 and 2016:

	Base salary / fees		Benefits		Pension		Annual bonus		Long-term incentives		Total	
	2017 £	2016 £	2017[1] £	2016 £	2017[2] £	2016 £	2017[3] £	2016 £	2017[4] £	2016 £	2017 £	2016 £
Executive Directors												
Stephen Bird	**440,740**	429,990	**28,286**	27,861	**88,148**	85,998	**486,771**	418,450	**528,199**	-	**1,572,144**	962,299
Martin Green (appointed 4/1/17)	**260,000**	-	**22,200**	-	**39,000**	-	**287,155**	-	**270,707**	-	**879,062**	-
Kath Kearney-Croft (appointed 24/4/17)	**213,125**	-	**15,426**	-	**31,969**	-	**235,043**	-	**-**	-	**495,563**	-
Paul Hayes (left on 28/4/17)	**98,534**	295,601	**7,542**	22,739	**19,707**	59,120	**-**	285,820	**-**	-	**125,783**	663,280
Non-Executive Directors												
John McDonough	**150,000**	150,000	**-**	-	**-**	-	**-**	-	**-**	-	**150,000**	150,000
Christopher Humphrey	**54,152**	53,075	**-**	-	**-**	-	**-**	-	**-**	-	**54,152**	53,075
Caroline Thomson	**53,152**	52,075	**-**	-	**-**	-	**-**	-	**-**	-	**53,152**	52,075
Mark Rollins	**50,152**	49,075	**-**	-	**-**	-	**-**	-	**-**	-	**50,152**	49,075
Lorraine Rienecker	**44,152**	43,075	**-**	-	**-**	-	**-**	-	**-**	-	**44,152**	43,075
Total	**1,364,007**	1,072,891	**73,454**	50,600	**178,824**	145,118	**1,008,969**	704,270	**798,906**	-	**3,424,160**	1,972,879

Notes:

1. Benefits includes car allowance, healthcare cover and income protection.
2. Stephen Bird receives a pension contribution of 20% of base salary. Both Kath Kearney-Croft and Martin Green receive a pension contribution of 15% of base salary. Each Executive Director currently takes this contribution in the form of a cash payment.
3. For the Annual Bonus 2017, Stephen Bird and Martin Green's bonus potential was 125% of base salary. Kath Kearney-Croft's bonus potential was also 125% of base salary but pro-rated from her start date of 24 April 2017. Further details are set out in the "Further notes" section on the following page.
4. Long-term incentives comprise LTIP awards. Awards made in 2015 achieved in part performance conditions based on TSR and growth in adjusted basic earnings per share*. Long-Term Incentives – 2015 LTIP to vest at 67.5%, share price as at 31 December 2017 of £11.30 and associated dividend shares paid on shares vesting (76.9 pence per share). The 2018 Remuneration Report will reflect updated final values. Awards made in 2014 did not achieve their performance conditions also based on the same performance conditions and therefore lapsed. Further details on the vesting of the 2015 LTIP awards are set out in the "Further notes" section on the following pages.
5. 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 for 2017:

Executive Director	2017 Salary
Stephen Bird	£440,740
Paul Hayes – left on 28 April 2017	£98,534 (£295,601 for the full year)
Martin Green – appointed on 4 January 2017	£260,000
Kath Kearney-Croft – appointed on 24 April 2017	£213,125 (£310,000 for the full year)

(2) Benefits

The single figure of total remuneration table sets out the total value of benefits received by each Executive Director in 2017. Details are as follows:

Executive Director	Car allowance	Healthcare cover	Income protection
Stephen Bird	£22,031	£1,455	£4,800
Paul Hayes – left on 28 April 2017	£5,457 (£16,372 for the full year)	£485 (£1,455 for the full year)	£1,600 (£4,800 for the full year)
Martin Green – appointed on 4 January 2017	£16,519	£881	£4,800
Kath Kearney-Croft – appointed on 24 April 2017	£11,256 (£16,372 for the full year)	£970 (£1,455 for the full year)	£3,200 (£4,800 for the full year)

(3) Pension allowance

The table below sets out the value of the cash payment in lieu of pension for each Executive Director in 2017:

Executive Director	Pension allowance
Stephen Bird	£88,148
Paul Hayes – left on 28 April 2017	£19,707 (£59,120 for the full year)
Martin Green – appointed on 4 January 2017	£39,000
Kath Kearney-Croft – appointed on 24 April 2017	£31,969 (£46,500 for the full year)

(4) Annual bonus

In 2017, each Executive Director was entitled to receive, subject to performance, a maximum bonus of up to 125% of base salary, half of which is deferred into the Deferred Bonus Plan. Kath Kearney-Croft's bonus potential was pro-rated from her appointment date of 24 April 2017. Paul Hayes was not entitled to any bonus payment for 2017 due to his departure on 28 April 2017.

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 operating cash flow* (over a quarterly and full year average target) measured against financial targets set by the Board. The Group adjusted profit before tax* financial element represents 50% of the maximum bonus that could be earned and the Group conversion of adjusted operating profit* into operating cash flow* represents 25% of the maximum bonus that could be earned.

Under the rules of the annual bonus plan there is a link between the two financial performance conditions so that the conversion of adjusted operating profit* into operating cash flow* element will only pay out if the Group adjusted profit before tax* element has at least achieved threshold performance.

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 profit before tax* and operating cash flow* generation and had the most direct impact upon shareholder value for the year ended 31 December 2017.

Annual Report on Remuneration

The personal objective element of the 2017 annual bonus plan for each Executive Director, representing 25% of the maximum bonus that could be earned, is based upon individual performance measured against stretching personal objectives set by the Board and Remuneration Committee, as set out below:

Stephen Bird - 2017 Personal Objectives

- Build a world class organisation – Replace Group Finance Director and ensure successful induction for both Kath Kearney-Croft and Martin Green in their Executive Director roles; improve the quality of succession planning and talent development across the Group; and ensure that Group strategy is well communicated to employees.
- Execution of growth strategy – Deliver budgeted underlying constant currency sales and PBT growth in 2017 as well as achieve ROCE and operating cash targets; ensure strategy review in 2017 is streamlined; deliver Enterprise Video budget; focus on new product development launches; drive cross Group synergies; and growth plans for APAC market.
- Creative Solutions – Develop the Creative Solutions business structure including synergies across business units to maximise sales and operating profit.
- Corporate structure – Dispose of non-core businesses (Haigh-Farr and the US Services business (Bexel)) and maximise shareholder value; review divisional structure to reflect focus on core markets and areas of growth; and deliver on acquisition targets.
- Investor Relations ("IR") strategy – Review current strategy with advisors and deliver new shareholders, ensure greater analyst coverage and increase in share liquidity.

Martin Green - 2017 Personal Objectives

- Execution of growth strategy – Support Group Chief Executive on growth strategy review; growth plans for APAC market; drive synergies between the Creative Solutions businesses and deliver on revenue and operating profit uplift; and embed processes around strategic plan KPIs and tracking of major R&D projects.
- Talent development – Support Group Chief Executive with improving the quality of succession plans and talent development across the Group; support Group Chief Executive and Divisional Heads in improving employee communications; and lead Divisional HR Directors to support execution of strategy.
- Corporate Development – Investigate and deliver on potential disposals of Haigh-Farr and the US Services business (Bexel) to maximise shareholder value; identify acquisition targets in line with strategic criteria; and monitor integration of Wooden Camera into the Creative Solutions Division.
- Investor Relations strategy – support Group Chief Executive on the review of IR strategy.

Kath Kearney-Croft - 2017 Personal Objectives

- Continue to build a world class finance team – Develop talent and succession plans for global finance team; review and develop finance team including communications and ensuring finance function is an effective business partner while ensuring financial reporting and controls are maintained.
- Execution of growth strategy – Support Group Chief Executive on growth strategy review; lead Group synergies project to deliver quantified savings; support M&A activity including financial due diligence and ensure appropriate financing to support M&A activity.
- Investor Relations strategy – Review and refresh current IR strategy with input from advisors; ensure wider analyst base understands the business and support Group Chief Executive on shareholder engagement including improving share liquidity.
- 2018 Budget – Preparation and approval of a budget for 2018 reflecting underlying growth in line with strategic plan.
- Onboarding – Review and refresh functional strategies and requirements including tax and treasury strategy, management reporting processes and working capital model.
- Induction and personal development – Undertake a thorough induction to the Group visiting its main locations; attend training and develop personal development plan.
- Manage a successful external audit tender.

2017 Annual Bonus Outcome

The table below sets out the annual bonus awards made to Executive Directors in respect of the year ended 31 December 2017 including the financial trigger points used in determining whether a bonus was payable. Paul Hayes did not receive any bonus for 2017 due to leaving the Company on 28 April 2017.

Name	Bonus potential	Elements of bonus potential	Threshold	Target	Maximum	Actual Group Performance/ Assessment of personal objective performance	Pay-out and % of maximum
Stephen Bird	125% of annual salary	50% Group adjusted PBT*	£34.3m	£38.1m	£41.9m	£40.7m**	£231,968 (84.2%)
		25% Group conversion of adjusted operating profit* into operating cash flow#	72%	80%	88%	108%	£137,731 (100%)
		25% Personal objectives				85%	£117,072
						TOTAL	**£486,771 (88.4%)**
Kath Kearney-Croft – appointed on 24 April 2017 – bonus pro-rated to reflect start date	125% of annual salary	50% Group adjusted PBT*	£34.3m	£38.1m	£41.9m	£40.7m**	£112,646 (84.2%)
		25% Group conversion of adjusted operating profit* into operating cash flow#	72%	80%	88%	108%	£66,884 (100%)
		25% Personal objectives				83%	£55,513
						TOTAL	**£235,043 (87.9%)**
Martin Green – appointed 4 January 2017	125% of annual salary	50% Group adjusted PBT*	£34.3m	£38.1m	£41.9m	£40.7m**	£136,842 (84.2%)
		25% Group conversion of adjusted operating profit* into operating cash flow#	72%	80%	88%	108%	£81,250 (100%)
		25% Personal objectives				85%	£69,063
						TOTAL	**£287,155 (88.4%)**

** The £40.7 million Group adjusted profit before tax* represents an average of:
- £42.4 million being the reported Group adjusted profit before tax*; and
- £39.0 million being the Group adjusted profit before tax* adjusted for constant foreign exchange rates with those of 2016.

A straight line sliding scale operates between each of the above trigger points for both financial targets. The Remuneration Committee considered that these trigger points were appropriate and sufficiently stretching for 2017 given the uncertain macroeconomic environment, challenging markets that the Group faced, strategic objectives and performance in the prior year.

For the conversion of adjusted operating profit* into operating cash flow* element of annual bonus, trigger points and performance are measured over a quarterly and full year average. The table above shows the full year performance and equivalent trigger points only.

Under the rules of the Annual Bonus Plan the Remuneration Committee retains a full and absolute discretion as to whether a bonus is payable or not, and that discretion may only be used in exceptional circumstances, taking into account the overall financial performance of the Company. Any use of this discretion in connection with an Executive Director will be clearly explained in the Remuneration Report. For the 2017 Annual Bonus Plan the Remuneration Committee determined the following treatment of disposals and acquisitions made during 2017:-

Group Adjusted PBT Element

- For the disposals of Haigh-Farr and the US Services business (Bexel) – actual and budgeted results from 1 January 2017 to the respective dates of disposal were excluded from the financial targets.
- For the acquisition of the JOBY and Lowepro brands and RTMotion – their actual results and base case financials for the acquisitions were included in the financial results from the dates of acquisition until 31 December 2017.
- JOBY and Lowepro integration costs were excluded from both actual results and base case for the 2017 Annual Bonus Scheme.

Group conversion of adjusted operating profit* into operating cash flow*

- For the disposals of Haigh-Farr and Bexel, the US Services business – their actual and budgeted cash conversion was excluded from financial targets.
- For the acquisition of the JOBY and Lowepro brands and RTMotion – excluded the businesses from measurement of Group cash conversion given that there was only three months left of the year and that the calculation involves an average of annual and quarterly cash conversion measures.

Half of the 2017 annual bonus will be deferred into the Deferred Bonus Plan. The 2017 deferred bonus will be used to purchase core award shares to be held in trust for a three year period. No matching award shares can be earned under the Deferred Bonus Plan. After three years, the core award shares plus any dividends accrued on the core award are released from the Trust to the Executive Directors.

The Committee determined the treatment as detailed above was merited as the acquisitions and disposals were strongly in line with agreed Group strategy and executed well. The Committee considered that the best interests of the Company performance overall were served by ensuring that the executives were incentivised to deliver the restructuring savings resulting from the acquisitions as quickly as possible and that therefore they should be removed from the calculations. The Committee, as part of this decision, took into account share price growth, growth in adjusted PBT and dividends paid, reduction in Group Net Debt and improvement in the Group's ROCE performance.

(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 2015 and vesting in respect of performance to 31 December 2017

These relate to awards made in 2015 under the LTIP. Awards are measured based 50% upon the Company's TSR measured against a comparator group and 50% subject to growth in the Company's adjusted basic earnings per share*. Each performance condition is entirely independent from the other performance condition and there is no retesting of either performance condition. The detail of each performance condition for each award is set out below.

For that part of an LTIP award made in 2015 measured against TSR, if the Company's TSR performance is at the median of the comparator group at the end of the three year performance period, 25% of that element of an award may vest. The full element of an award may vest if the Company's TSR performance is in the top 25% of the comparator group. There is a pro-rata straight line vesting between these two points. The comparator group comprises the constituents of the FTSE 250 index (excluding financial services companies and investment trusts) over a three year performance period. The Remuneration Committee considered that this index has a greater level of complexity and internationality and was most comparable to Vitec's business operations where approximately 90% of revenues are generated outside of the UK.

For that part of an LTIP award made in 2015 measured against EPS growth, if the percentage growth in the EPS of the Company exceeds 6% per annum (Compound Average Annual Growth Rate), 25% of that element of an award may vest. Full vesting of an award occurs if the growth in EPS over the performance period exceeds 12% (Compound Average Annual Growth Rate) or greater. There is a pro-rata straight line vesting between these two points.

An award lapses if the lower point under both performance conditions is not achieved during the performance period.

The Remuneration Committee also considered the underlying financial performance of the Company before it confirmed vesting.

Performance out-turn

The table below summarises the value of awards vesting for the 2015 award.

2015 Awards	Actual performance	Vesting as a % of total award
TSR	Vitec ranked in the 83rd percentile of the comparator group (100th percentile being the highest) with TSR performance of 104.9% over the 3 year performance period.	50%
EPS	Adjusted EPS of 68.1p	17.5%
Total vesting		67.5%

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

EPS is determined in accordance with note 2.5 of the Financial statements on page 114. As part of the assessment of EPS performance the Committee adopted a policy of:- (i) including disposed businesses in all years during the performance period up until the date of disposal; (ii) including all acquisitions of businesses during the performance period from the date of their acquisition; (iii) excluding integration costs for JOBY and Lowepro incurred in 2017; and (iv) excluding integration costs for JOBY and Lowepro entirely in 2018 on the basis that they are excluded from adjusted earnings (see page 150). While other treatments were possible, the Committee considered that this treatment was appropriate, consistent with past treatment and best reflected the true underlying performance of the business.

The Remuneration Committee has confirmed that 2015 awards will therefore vest at a level of 67.5% on the third anniversary of the awards on 8 April 2018. Indicative values for vesting awards for the Executive Directors are shown in the Remuneration Table on page 78. Final values will be reported in 2018's Remuneration Report.

Awards made in 2014 and vesting in respect of performance to 31 December 2016

These relate to awards made in 2014 under the LTIP and DBP. The performance conditions for these awards are the same as those made in 2015. The EPS growth targets were 6% growth per annum (Compound Average Annual Growth Rate) for 25% of that element of an award to vest and 12% or more growth per annum for full vesting respectively. The Remuneration Committee also considered the underlying financial performance of the Company before it confirmed vesting.

As disclosed in last year's report, both performance conditions were measured to 31 December 2016 and the final outcome resulted in 0% of the TSR and EPS elements vesting. As a consequence the 2014 LTIP awards lapsed on 2 April 2017 and the DBP matching award shares lapsed on 31 March 2017.

Other outstanding awards made in 2016 and vesting in respect of performance to 31 December 2018

For awards made in 2016, 50% 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.

50% of the award will be subject to EPS growth over a three year performance period. For awards made in 2016 the adjusted EPS* growth figures were set at 5% compound average per annum for 25% vesting and 12% plus compound average per annum for full vesting. A straight line sliding scale will operate between each of the above points and below 5% adjusted EPS* compound average growth none of the award will vest. Subject to satisfaction of performance conditions to 31 December 2018, these awards will vest in March 2019.

Awards made in 2017 and vesting in respect of performance to 31 December 2019

The table below provides details of the awards made under the LTIP on 28 February 2017 to Stephen Bird and Martin Green. Kath Kearney-Croft's LTIP award was made on 15 May 2017 following her appointment as Group Finance Director on 24 April 2017. Performance for these awards is measured over the three financial years from 1 January 2017 to 31 December 2019.

As reported to shareholders in the 2016 Annual Report while the performance conditions of TSR and EPS growth targets remain, awards in 2017 and in the future have been re-balanced so that the split in performance conditions is changed to 33%/67% between TSR and EPS respectively. Vesting will be underpinned by Remuneration Committee discretion that will take into account, in particular, Return on Capital Employed ("ROCE") performance over the performance period for the EPS element of the award.

Under the EPS element the performance required for threshold vesting (25% of this part of the award) is adjusted EPS* growth of 6% per annum. Full vesting of this part of the award required adjusted EPS* growth of 14% plus per annum, with a straight line sliding scale between these two points. None of this part of the award will vest for adjusted EPS* absolute growth lower than 6% per annum.

TSR is calculated on the basis of growth in the Company's share price over a three year performance period plus dividends paid during that period and is expressed as a percentage of average compound annual growth. Share price performance is averaged over three months at the start and end of a performance period to eliminate volatility that may result in anomalous outcomes. The TSR performance is independently verified by Mercer on behalf of the Committee and is ranked against the comparator group companies' TSR performance to determine the outcome. The same targets apply for vesting under TSR as in 2016 and 2015.

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

Long Term Incentive Plan 2017 awards (audited)

Executive Director	Type of award	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	78,647	£550,925	125%	25%	100%	31 December 2019
Martin Green	Performance shares	46,395	£325,000	125%	25%	100%	31 December 2019
Kath Kearney-Croft	Performance shares	41,876	£387,500	125%	25%	100%	31 December 2019

(1) Face value has been calculated using the Company's share price at the date of the award of £7.00 for Stephen Bird and Martin Green and £9.25 for Kath Kearney-Croft following her appointment on 24 April 2017.

Deferred Bonus Plan 2017 awards (audited)

The following table provides details of the awards made under the DBP on 5 April 2017. There are no performance conditions or matching shares associated with these awards. The core shares are held in an Employee Trust on behalf of the Directors for three years and will be released to the individuals on 5 April 2020. Dividends accrued on the core shares during the three years will be paid out as additional dividend shares on this same date. Kath Kearney-Croft having joined the Company on 24 April 2017 did not participate in the DBP during 2017.

Executive Director	Type of award	Number of core shares awarded	Face value[(1)] (£)	End of holding period
Stephen Bird	Core award shares using deferred annual cash bonus	13,344	£110,882	5 April 2020
Martin Green[(2)]	Core award shares using deferred annual cash bonus	4,203	£34,925	5 April 2020

(1) Face value has been calculated using the Company's share price at the date of the award of £8.31.
(2) Martin Green's award relates to a bonus earned prior to his appointment as a Director of the Company.

Payments to Past Directors (audited)

There were no payments in 2017 to past directors of the Company. Payments made to Paul Hayes in 2017 up to the date he ceased to be a director on 28 April 2017 are set out below:

- Salary totalling £98,534 for the period to his departure date.
- Annual Bonus of £285,820 paid in March 2017 in connection with financial and personal objectives for the year ended 31 December 2016 and disclosed in the 2016 Remuneration Report.
- Pension contribution totalling £19,707 for the period to his departure date.
- Benefits (including car allowance, healthcare and income protection) totalling £7,542 for the period to his departure date.
- Core award shares under the DBP plus associated dividend shares were paid out to Paul Hayes as follows:-
  - 31 March 2017 – 2014 DBP – 20,147 shares plus 1,842 dividend shares at a price of £7.94 per share and a total value of £174,593
  - 19 May 2017 – 2015 DBP – 6,531 core shares plus 470 dividend shares at a price of £9.225 per share and a total value of £64,592
  - 19 May 2017 – 2016 DBP – 3,242 core shares plus 148 dividend shares at a price of £9.225 per share and a total value of £31,279
  - All of Paul Hayes' LTIP awards up until the date of his resignation were lapsed with effect from that date.

Chairman and Non-Executive Directors (audited)

The Chairman and Non-Executive Directors were paid the following fees in 2017:

Role	2017 Annual Fee	Comment
Chairman	£150,000	Last increased to £150,000 with effect from 1 January 2016.
Non-Executive Director	£44,152	Base fee paid to Non-Executive Directors. Fee effective from 1 January 2017.
Chairman of Audit Committee	£10,000	Fee was last increased on 1 January 2014.
Chairman of Remuneration Committee	£9,000	Fee was last increased on 1 January 2014.
Senior Independent Director	£6,000	Fee was last increased on 1 January 2014.

Fees for the Chairman, Non-Executive Directors, Committee Chairmen and Senior Independent Director roles are reviewed annually by the Board with the support of Mercer providing market data to ensure that fees remain appropriate given 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 holding of shares in the Company of at least one times base salary. A reasonable period is considered to be the life of a performance period tied to an award vesting under the Company's LTIP or DBP. Stephen Bird and Martin Green met this requirement throughout the whole of 2017 and up to the date of this report. Kath Kearney-Croft having been appointed Group Finance Director on 24 April 2017 is building a shareholding towards this requirement. 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 following table sets 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 2017.

Executive Director's shareholdings as at 31 December 2017 (audited)

Executive Director	Share ownership requirement (% of salary)	Number of shares owned outright (including connected persons)	Number of shares beneficially owned (DBP core award shares)	Number of shares unvested and subject to performance (LTIP shares)	Ownership requirement - % of salary held as shares
Stephen Bird	100%	173,731	27,300	246,847	515%
Kath Kearney-Croft	100%	2,700	-	41,876	10%
Martin Green	100%	26,937	8,466	122,894	153%

Chairman and Non-Executive Directors' shareholdings as at 31 December 2017 (audited)

Director	1 January 2017	31 December 2017
John McDonough, Chairman	50,000	50,000
Caroline Thomson	8,407	8,407
Mark Rollins	10,000	10,000
Christopher Humphrey	10,000	10,000
Lorraine Rienecker	3,248	3,248

1. The closing mid-market share price on 31 December 2017 was £11.30 and the calculation of the percentage shareholding requirement achieved for the Executive Directors is based on this closing mid-market share price.
2. The shares shown in the beneficial holdings table above were acquired by the Directors using their own funds and not through any share incentive scheme (or similar) with the exception of the following disclosures in notes 3,4 and 5 below.

3. Stephen Bird's share interests include 27,300 shares (at 31 December 2017) 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 Vitec Group DBP. These shares will vest out of the DBP in 2018, 2019 and 2020 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 2017 Stephen Bird acquired 15,449 shares through the exercise of awards under the DBP arising from awards made in 2014. Stephen Bird also sold 75,000 shares during the year ended 31 December 2017. 2,000 shares of Stephen Bird's holding are held by his spouse.

4. Martin Green's share interests include 8,466 shares (at 31 December 2017) 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 Vitec Group DBP. These shares will vest out of the DBP in 2018, 2019 and 2020 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 2017 Martin Green acquired 4,967 shares through the exercise of awards under the DBP arising from awards made in 2014.

5. Kath Kearney-Croft's share interests were acquired following her appointment on 24 April 2017.

6. There has been no change to the Directors' shareholdings described in the table above in the period from 31 December 2017 to 21 February 2018.

Sharesave (audited)

The Group operates an all-employee savings-related share option scheme in the UK ("Sharesave") and a similar international plan in respect of overseas employees in certain countries (US, Italy, Costa Rica, Japan, France, Singapore, Hong Kong, Netherlands and Germany). The scheme and plan are open to all the Group's employees in those countries, including the Executive Directors. As at 31 December 2017 Stephen Bird, Kath Kearney-Croft and Martin Green participate in the UK scheme and the details are shown below.

Director	Date of grant	At 1 January 2017 or date of appointment if later (shares)	Options exercised during the year	Options lapsed during the year	Options granted during the year	At 31 December 2017 (shares)	Exercise price (pence)	Market price at date of grant (pence)	Date from which exercisable[4]	Expiry date
Stephen Bird	25 September 2015	2,560	-	-	-	2,560	492	614[1]	1 November 2018	30 April 2019
Martin Green	27 September 2016	2,597	-	-	-	2,597	485	606[2]	1 November 2019	30 April 2020
Kath Kearney-Croft	9 October 2017	-	-	-	1,607	1,607	784	980[3]	1 November 2020	30 April 2021

[1] The market price for the grant of shares under option was calculated on the basis of a three day average of the closing mid-market share price from 27 August 2015 to 1 September 2015 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 a three day average of the closing mid-market share price from 31 August 2016 to 2 September 2016 inclusive. A 20% discount was applied to this price under this HMRC approved Sharesave plan.

[3] The market price for the grant of shares under option was calculated on the basis of a three day average of the closing mid-market share price from 11 September 2017 to 13 September 2017 inclusive. A 20% discount was applied to this price under this HMRC approved Sharesave plan.

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

Long Term Incentive Plan (audited)

Each year the Executive Directors are made a conditional award of shares in the Company. Up until 2015 this had been at a level representing 100% of annual base salary, based on the three day average closing mid-market share price of the Company in the period just prior to the award. From 2015, awards to Executive Directors have been increased to a level representing 125% of annual base salary to partly compensate for the removal of the matching share award element under the Deferred Bonus Plan (as disclosed in the 2014 Annual Report). The Executive Directors at that time agreed to waive this increase in 2015. The award is subject to satisfaction of performance conditions over a three year performance period. The following table sets out the outstanding awards under the LTIP as at 31 December 2017 for the Executive Directors:

Director	Date of award	Awards at 1 January 2017	Award exercised during the year	Associated dividend shares with the exercised award	Awards lapsed during the year	Awards made during the year	At 31 December 2017	Market price on which award made (pence)	Market price at exercise date (pence)	Face value of award	Percentage of interest that vests if threshold performance achieved	End of performance period
Stephen Bird	2 April 2014[1]	65,958	-	-	65,958	-	-	620.5	-	100% of annual salary	25%	31 December 2016
	8 April 2015[2]	64,838	-	-	-	-	64,838	647	-	100% of annual salary	25%	31 December 2017
	1 March 2016	103,362	-	-	-	-	103,362	520	-	125% of annual salary	25%	31 December 2018
	28 Feb 2017	-	-	-	-	78,647	78,647	700	-	125% of annual salary	25%	31 December 2019
Total		**234,158**	**-**	**-**	**65,958**	**78,647**	**246,847**					
Martin Green[3]	2 April 2014[1]	33,037	-	-	33,037	-	-	620.5	-	100% of annual salary	25%	31 December 2016
	8 April 2015[2]	33,230	-	-	-		33,230	647	-	100% of annual salary	25%	31 December 2017
	1 March 2016	43,269	-	-	-	-	43,269	520	-	125% of annual salary	25%	31 December 2018
	28 Feb 2017	-	-	-	-	46,395	46,395	700	-	125% of annual salary	25%	31 December 2019
Total		**109,536**	**-**	**-**	**33,037**	**46,395**	**122,894**					
Kath Kearney-Croft (appointed 24 April 2017)	15 May 2017	-	-	-	-	41,876	41,876	925	-	125% of annual salary	25%	31 December 2019
Total		**-**	**-**	**-**	**-**	**41,876**	**41,876**					

(1) The LTIP award made on 2 April 2014 did not achieve either of its performance conditions based on adjusted EPS* growth and TSR performance compared to a comparator group. As a consequence the award lapsed on its third anniversary of 2 April 2017.

(2) The LTIP award made on 8 April 2015 has achieved 100% of the TSR performance condition and 35% of the Adjusted EPS* growth performance condition, resulting in a blended level of vesting of 67.5%. As a consequence 67.5% of this award, plus associated dividend shares, will vest on its third anniversary of 8 April 2018. Details of the estimated associated value are shown in the remuneration table for the year ended 31 December 2017 on page 78.

(3) The LTIP awards to Martin Green for 2014, 2015 and 2016 were made before he was appointed a director on 4 January 2017 and are reported for completeness.

Deferred Bonus Plan (audited)

Each year, Executive Directors are required to defer a proportion of their annual bonus into the DBP. No matching awards can be earned on deferred shares since 2014. Kath Kearney-Croft having been appointed on 24 April 2017 does not currently participate in the Deferred Bonus Plan.

Director	Date of award	Awards at 1 January 2017 (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 2017	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	31 March 2014 (core award)[1]	28,313	28,313	2,588	-	-	-	628	-	50% of annual bonus	Not applicable	31 December 2016
	31 March 2014 (matching award)[1]	28,313	-	-	28,313	-	-	628	-	50% of annual bonus	33.30%	31 December 2016
	16 April 2015 (core award)[2]	9,240	-	-	-	-	9,240	649	-	50% of annual bonus	Not applicable	Shares held in Employee Trust to third anniversary of award date
	11 April 2016 (core award)	4,716	-	-	-	-	4,716	589	-	50% of annual bonus	Not applicable	Shares held in Employee Trust to third anniversary of award date
	5 April 2017 (core award)	-	-	-	-	13,344	13,344	831	-	50% of annual bonus	Not applicable	Shares held in Employee Trust to third anniversary of award date
Total		**70,582**	**28,313**	**2,588**	**28,313**	**13,344**	**27,300**					
Martin Green[3]	31 March 2014 (core)[1]	8,588	8,588	785	-	-	-	628	-	50% of annual bonus	Not applicable	31 December 2016
	31 March 2014 (matching award)[1]	8,588	-	-	8,588	-	-	628	-	30% of annual bonus	33.30%	31 December 2016
	16 April 2015 (core)[2]	2,777	-	-	-	-	2,777	649	-	30% of annual bonus	Not applicable	Shares held in Employee Trust to third anniversary of award date
	11 April 2016	1,486	-	-	-	-	1,486	589	-	30% of annual bonus	Not applicable	Shares held in Employee Trust to third anniversary of award date
	5 April 2017	-	-	-	-	4,203	4,203	831	-	30% of annual bonus	Not applicable	Shares held in Employee Trust to third anniversary of award date
Total		**21,439**	**8,588**	**785**	**8,588**	**4,203**	**8,466**					

[1] The DBP award made on 31 March 2014 did not achieve either of its performance conditions based on EPS growth and TSR performance compared to the comparator group. As a consequence the matching award lapsed on its third anniversary of 31 March 2017.

[2] The DBP core award made on 16 April 2015 will vest on its third anniversary of 16 April 2018. The core award plus associated dividend shares will be paid out to the participant on this anniversary.

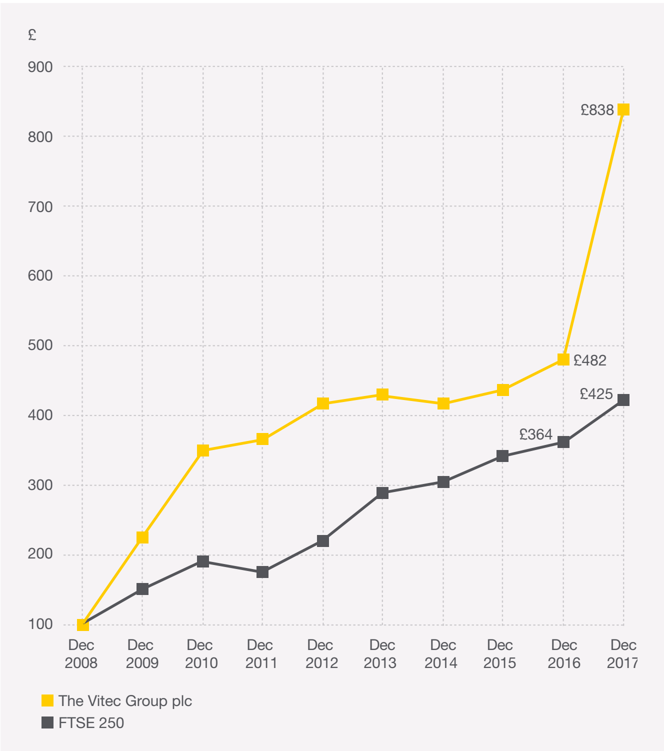
[3] Martin Green's DBP award relates to a bonus period prior to his appointment as an Executive Director of the Company.

Remuneration Report
Annual Report on Remuneration

Performance graph of the Company's ordinary shares compared to comparator group

Since 2013, the Company is required to include a line graph showing the Company's ordinary share performance compared to an appropriate index initially over a five year period, but building up to a ten year performance period. The graph below illustrates the Company's annual Total Shareholder Return ("TSR") (share price growth plus dividends that have been declared, paid and reinvested in the Company's shares) relative to the FTSE 250 for the preceding eight year period, 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.

Each point is a 30 trading day average of the indices. TSR data is taken from Datastream.



The Company's share price on 31 December 2008 was £2.355 and on 31 December 2017 was £11.30.

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 nine years ended 31 December 2017.

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 %
2017	Stephen Bird	£1,572,144	88.4% (£486,771)	67.5%
2016	Stephen Bird	£962,299	77.9% (£418,450)	0%
2015	Stephen Bird	£636,374	20% (£104,876)	0%
2014	Stephen Bird	£745,388	44.25% (£226,378)	0%
2013	Stephen Bird	£1,057,407	71% (£355,616)	28.55% (£195,634)
2012	Stephen Bird	£1,697,841	79.4% (£386,434)	92.4% (£817,428)
2011	Stephen Bird	£2,053,828	87.3% (£323,816)	100% (£1,259,398)
2010	Stephen Bird	£812,946	98.75% (£355,994)	-
2009	Stephen Bird (from 14 April 2009)	£487,087	68.7% (£172,069)	-
2009	Alastair Hewgill (from 1 January 2009 to 14 April 2009)	£151,634	42% (£51,911)	-

Percentage change in remuneration of the Group Chief Executive

The table below sets out a comparison of the following elements of remuneration paid to the Group Chief Executive, Stephen Bird, in the year ended 31 December 2017 compared to the year ended 31 December 2016 and compared to that of UK based employees: Annual Salary; Taxable Benefits; and Annual Bonus. The Remuneration Committee has selected this comparator group on the basis that the Group Chief Executive is UK based and this provides a local market reference, is a sizeable population and a fair representation of the Group's employee base.

	Annual Salary (% change in 2017 compared to 2016)	Taxable benefits (% change in 2017 compared to 2016)	Annual Bonus (% change in 2017 compared to 2016)
Stephen Bird, Group Chief Executive	2.5%	2.5%	16.3%
UK based employees	2.5%	2.5%	20.5%

Relative importance of spend on pay

The following table sets out for the year ended 31 December 2017 compared to the year ended 31 December 2016 the actual expenditure of the Company in terms of remuneration paid to or receivable by all employees of the Vitec Group and distributions to shareholders by way of dividends. In 2017, the Company acquired 15,600 ordinary shares that are held in treasury to cover Employer's National Insurance Contribution costs in relation to the Company's LTIP. 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 2017	Year ended 31 December 2016	% change
Total remuneration paid to all Vitec Group employees	£91.1m	£99.7m	8.6%
Total dividends paid to shareholders	£12.4m	£11.1m	11.7%

Statement of Implementation of Remuneration Policy in the Year Ending 31 December 2018

This section provides an overview of how the Committee is proposing to implement the Remuneration Policy in 2018.

(1) Base salary

The table sets out the 2018 base salary for each Executive Director, together with the percentage increase from 2017:

Executive Director	2018 Salary	Increase from 2017
Stephen Bird	£451,758	2.5%
Kath Kearney-Croft	£317,750	2.5%
Martin Green	£266,500	2.5%

In determining the increases for 2018, the Committee took into account a number of factors, including Company and individual performance, the executive's responsibilities and experience, pay increases for the Company's employees, market rates for Executive Director remuneration, the need for retention of a talented executive team and prevailing economic conditions.

(2) Benefits

The car allowance taxable benefit has been increased in line with base salary increases for 2018. The other taxable benefits of private healthcare and income protection are respectively premium and contractually based.

(3) Pension allowance

Pension allowances paid to Executive Directors are set out in the table below. Stephen Bird's allowance represents 20% of his base salary. For any Executive Director appointed since 1 January 2017, the pension allowance has been set at 15% of base salary.

Executive Director	Pension allowance
Stephen Bird	£90,352
Kath Kearney-Croft	£47,663
Martin Green	£39,975

(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 2018 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 2018 annual bonus plan will be measured:

Core measures for 2018 annual bonus plan	Weighting (% of overall opportunity)
Group adjusted 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 Committee considers that the specific targets and personal objectives for 2018 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, Kath Kearney-Croft and Martin Green will each receive an award of shares under the LTIP equivalent to 125% of base salary in 2018. These awards will be made in the 42 day period following the announcement of the full year results for the year ended 31 December 2017 that will be announced on 22 February 2018. The performance conditions for the LTIP awards to be granted in 2018 will be as follows: 67% of the award will be subject to adjusted basic earnings per share* growth over a three year performance period. The Remuneration Committee has determined that the EPS targets for threshold and maximum vesting levels for 2018 will be 81.1 pence and 100.9 pence to be achieved in the year ending 31 December 2020, equivalent to 6% and 14% per annum growth over the three year performance period. 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. Vesting will be underpinned by Committee discretion that will take into account, in particular, ROCE performance over the performance period for the EPS element of the award. Any awards vesting under the LTIP 2018, after deduction of taxes, will be subject to a further two year holding period, thereby more closely aligning their interests with the long-term interests of shareholders.

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. In addition, any award made since February 2015 under the above plans includes a clawback provision 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.

(6) Chairman and Non-Executive Directors' remuneration

The fee structure for the Chairman and Non-Executive Directors for 2018 is set out in the table below:

Role	2018 fee	2017 fee
Chairman	£153,750[1]	£150,000
Non-Executive Director's Base fee	£45,255[1]	£44,152
Chairman of Audit Committee	£10,000[2]	£10,000
Chairman of Remuneration Committee	£9,000[2]	£9,000
Senior Independent Director	£6,000[2]	£6,000

[1] The Chairman's and Non-Executive Director's base fee was increased by 2.5% with effect from 1 January 2018.

[2] The Chairman of the Audit Committee, Chairman of the Remuneration Committee and Senior Independent Director fees are reviewed annually to ensure that they remain appropriate taking into account the nature of each role, the time commitment, performance of the respective individuals, market conditions for the complexity of the roles and the calibre of individuals. The last increases for each of these roles were with effect from 1 January 2014.

The Board has agreed that the Chairman's and basic Non-Executive Director fee will typically be increased in line with the level of salary increases given to Executive Directors on an annual basis in future years. The fees paid to the Senior Independent Director and Chairmen of the Audit and Remuneration Committees will be reviewed annually to ensure that they remain appropriate.

Voting at Annual General Meeting

At the Company's last AGM held on 17 May 2017, shareholders were asked to vote on the Directors' Remuneration Policy Report and an advisory vote on the Directors' Annual Remuneration Report for the year ended 31 December 2016. The Policy Report set out the policy towards Directors' remuneration for a three year period from the date of the 2017 AGM until 2020. Both the Policy Report and Annual Remuneration Report resolutions were approved by shareholders on a poll. The table below sets out the proxy votes voted for, against and withheld against each resolution.

Resolution	For proxy votes and % of votes cast	Against proxy votes and % of votes cast	Withheld proxy votes
Remuneration Policy Report	36,268,829 (99.97%)	9,424 (0.03%)	11,500
Advisory vote on the Remuneration Report for the year ended 31 December 2016	36,272,645 (99.99%)	5,308 (0.01%)	11,800

As at the date of the Company's AGM on 17 May 2017 the Company had 44,744,200 ordinary shares in issue. The Remuneration Committee considers that an against or withheld vote of 20% or more of the votes cast is deemed to be significant in connection with a resolution on Directors' remuneration. Based on the level of support at the 2017 AGM, the Committee did not consider that there were any significant issues of concern. In the event that a significant level of concern is raised at future AGMs, both the Chairman of the Board and the Chairman of the Remuneration Committee will contact the Company's major shareholders following an AGM to understand the precise detail of the concern being raised. Subject to that, the Committee and the Board as a whole will consider how best to address the concern being raised. This may involve a revision to the Company's Policy on Directors' Remuneration at a subsequent AGM or some other change which can be implemented without further shareholder consultation. The Committee and the Board are committed to an open and transparent dialogue with shareholders on material matters of concern.

The Remuneration Committee

The Remuneration Committee comprised the following members during 2017: Caroline Thomson – Chairman, Mark Rollins, Lorraine Rienecker and Christopher Humphrey.

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.

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.

The Committee invites individuals to attend meetings, as it deems necessary, to assist with consideration of remuneration matters. The Chairman, John McDonough, the Group Chief Executive, Stephen Bird, the Group Finance Director, Kath Kearney-Croft, the Group Company Secretary, Jon Bolton and the Group Business Development Director, Martin Green, attended meetings by invitation in the year ended 31 December 2017. 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 70 and 71 of this Annual Report.

External advisors

The Committee received independent advice from Mercer (formerly Kepler) as the Committee's appointed remuneration advisor during 2017. During 2017 the level of fees paid to remuneration advisors totalled £19,565 (2016: £53,085) and this fee covered advice relating to disclosures in the 2016 Directors' Remuneration Report, measurement of performance conditions associated with long-term incentive arrangements, preparation of the 2017 Policy, consultation exercise with shareholders on the 2017 Policy and general remuneration advice. Mercer is 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 Mercer during 2017 was objective and independent. The Committee also received advice and administrative support during 2017 from the Group Company Secretary, Jon Bolton, and the Group Business Development Director, Martin Green.

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

Caroline Thomson
Chairman, Remuneration Committee

21 February 2018