

# Members' Remuneration Report

## Chair's introduction

During the year, the Committee has focused on managing remuneration decisions in the context of uncertainty surrounding Brexit and balancing this with fair reward decisions for staff in a year of significant change while we implement our 4 All The UK programme in 2019.

In addition, a significant activity of the Committee was gender and BAME pay gap reporting, ensuring a level of transparency and assurance around the disclosure, understanding key drivers and consideration of future actions.

## Annual statement by the Chair of the Remuneration Committee

This report sets out the activities of the Remuneration Committee for the year ended 31 December 2018. It discloses the remuneration policy and remuneration details for the Executive and Non-Executive Members of the Corporation. It has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013. Channel 4's status as a statutory corporation without shareholders means these provisions are not all directly applicable, but the Members have decided to comply voluntarily with the provisions to the extent that they are relevant to Channel 4, in line with the Board's commitment to high standards of corporate governance.

The report is set out in three sections: the statement by the Chair of the Remuneration Committee, the annual report on remuneration, and the policy report. The annual report on remuneration provides details on remuneration relating to 2018 and other information required by the Regulations.

The Companies Act 2006 requires the auditor to report on certain parts of the Members' Remuneration Report and to state whether, in its opinion, those parts of the report have been properly prepared in accordance with the Regulations. The parts of the annual report on remuneration that are subject to audit are indicated in the Auditor's Report. The statement by the Chair of the Remuneration Committee and the policy report are not subject to audit.

The Remuneration Committee oversees all aspects of pay for the Executive Members and staff of Channel 4, reviewing proposals for the overall annual pay awards and variable pay schemes applicable to all staff, and the details of remuneration packages for the Executive team. The Committee's recommendations and decisions in 2018 reflect its remuneration policy, which is designed to enable Channel 4 to attract, motivate and retain high-calibre staff by offering both fixed and variable pay to reward commercial and creative success, while being sensitive to Channel 4's position as a public service broadcaster.

Where Executive Members or senior management are involved in advising or supporting the Remuneration Committee, care is taken to recognise and avoid conflicts of interest. No Executive Members attend meetings of the Remuneration Committee at times when any aspect of his or her individual remuneration, benefits or terms of employment are being discussed.

## Composition of the Remuneration Committee

During 2018, the Remuneration Committee comprised Stewart Purvis (Chair), Lord Chris Holmes and Fru Hazlitt. All the members of the Committee are Independent Non-Executive members. The Chair of the Board, the Chief Executive, the Chief Human Resources Officer, the Chief Operating Officer and the Chief of Staff attend meetings as appropriate.

# Members' Remuneration Report (continued)

## Responsibilities of the Remuneration Committee

The Committee's principal responsibilities are:

- to recommend to the Board the level of any average annual salary increases and variable pay awards and the structure of remuneration;
- to recommend to the Board the structure of the annual Corporate Variable Pay and Advertising Sales Schemes and to review progress against the targets set for the schemes;
- to review any other aspect of HR strategy or performance as appropriate; and
- to review any other significant change in Channel 4's remuneration arrangements and policies.

The Chair of the Remuneration Committee reports to the Board on the Remuneration Committee's discussions and recommendations, and brings to the Board's attention any matters of an unusual or sensitive nature.

## Activities of the Remuneration Committee

The Committee's work in 2018 and 2019 to date included making an award recommendation to the Board for the Corporate Variable Pay Scheme in respect of 2018 and reviewing the structure and appropriateness of the Corporate Variable Pay and Advertising Sales Schemes for 2019:

- The variable pay award for 2018 and the details of the Corporate Variable Pay Scheme are detailed on pages 186 to 187.
- The Remuneration Committee agreed that the Corporate Variable Pay Scheme for 2019 will continue to be focused on creative achievement and financial sustainability. The Committee continue to develop the structure of the scheme and reviewed the corporate objectives for 2019 to ensure performance achievement was appropriately linked to scheme rewards
- The Remuneration Committee reviewed and adjusted the Advertising Sales Scheme for 2018 and 2019 to ensure staff participating in it were appropriately incentivised

In January 2018, the Committee agreed that an average pay award of 2.5% would be made to all staff effective 1 April 2018.

In July 2018, the Committee updated and approved the Remuneration Committee Terms of Reference to reflect the revised UK Corporate Governance Code.

In August 2018, the Committee reviewed and approved all HR and staff policies in the context of the 4 All The UK programme including relocation and pay principles.

In January 2019, after careful consideration and review, the Committee agreed that a pay award at an average of 2% would be made to all staff effective 1 April 2019.

Throughout 2018, the Committee agreed adjustments to existing Executive remuneration in light of increased responsibilities and agreed remuneration for new Executive posts.

## Gender and BAME Pay Report 2018

In March 2018, Channel 4 published its first Gender Pay Report. Driven by our commitment to inclusion and diversity, we have also chosen to be transparent about our BAME pay gap and bonus gap, and expanded the scope of our report to include the publication of BAME data in 2018.

The 'Channel 4 Gender and BAME Pay Report 2018' was published in October 2018 and revealed a mean gender pay gap of 22.6% as at March 2018 (March 2017: 28.6%). The gap continues to be driven by two key factors. Firstly, there are significantly more women than men in the lowest paid quartiles and, secondly, the majority of employees in the highest-paid quartile are male. The reduction in our latest gender pay gap is the consequence of a concerted focus to increase the proportion of senior women in the organisation. Channel 4 is targeting a 50:50 gender balance in the top 100 earners by 2023.

The report also revealed a mean BAME pay gap of 19.1%. Just as with our gender pay gap, there are two factors that drive the BAME pay gap: a lower representation at senior levels and a higher representation at junior levels. By 2020, Channel 4's target is for the leadership group to be comprised of 20% BAME employees.

The Remuneration Committee appointed PricewaterhouseCoopers LLP to provide assurance over the Corporation's gender pay methodology and disclosures in its 'Channel 4 Gender and BAME Pay Report 2018'.

# Members' Remuneration Report (continued)

## Remuneration Report

The following provisions on this page are subject to audit

The remuneration of the Executive Members for the years ending 31 December 2018 and 2017 is made up as follows:

£000					Total for 2018					Total for 2017
	Salary	Taxable benefits	Variable pay	Pension		Salary	Taxable benefits	Variable pay	Pension	
Alex Mahon <sup>1</sup>	564	3	256	113	936	96	11	–	19	126
Jonathan Allan	418	1	202	33	654	375	1	118	30	524
Dan Brooke <sup>2</sup>	301	1	55	47	404	313	1	100	50	464
Ian Katz <sup>3</sup>	350	1	125	30	506	–	–	–	–	–
David Abraham <sup>4</sup>	–	–	–	–	–	471	1	195	118	785
Jay Hunt <sup>5</sup>	–	–	–	–	–	375	1	160	56	592
<b>Total</b>	<b>1,633</b>	<b>6</b>	<b>638</b>	<b>223</b>	<b>2,500</b>	<b>1,630</b>	<b>15</b>	<b>573</b>	<b>273</b>	<b>2,491</b>

<sup>1</sup> Appointed on 30 October 2017

<sup>2</sup> Ceased to be a Member on 11 December 2018

<sup>3</sup> Appointed on 8 January 2018

<sup>4</sup> Ceased to be a Member on 30 October 2017

<sup>5</sup> Ceased to be a Member on 30 September 2017

The figures in the table above represent the gross amounts received by Executive Members in 2018 and 2017, after taking account of salary increases during the year where applicable.

In 2018 and 2017, all of the Executive Members received pension benefits in the form of cash payments.

In 2018 and 2017, Jonathan Allan's variable pay is split between the Advertising Sales Scheme and the Corporate Variable Pay Scheme.

Taxable benefits includes private medical insurance for all Executive Members. Alex Mahon's taxable benefits in 2017 also included one-off legal costs in relation to her appointment paid on her behalf by the Corporation.

Where Executive Members have been released to serve as Non-Executive Members elsewhere, they do not retain any fee in relation to this.

The remuneration of the Non-Executive Members for the years ending 31 December 2018 and 2017 is as follows:

£000	2018 salary and fees	2017 salary and fees
Charles Gurassa	95	95
Lord Chris Holmes	26	22
Stewart Purvis	22	22
Simon Bax	22	22
Althea Efunshile (term commenced on 1 January 2018)	22	–
Paul Geddes	22	22
Uzma Hasan (term commenced on 1 January 2018)	22	–
Fru Hazlitt (term commenced on 1 January 2018)	22	–
Tom Hooper (term commenced on 1 January 2018)	22	–
Roly Keating	22	22
Paul Potts (term concluded on 31 December 2017)	–	22
MT Rainey (term concluded on 31 December 2017)	–	30
Josie Rourke (term concluded on 31 December 2017)	–	22
<b>Total</b>	<b>297</b>	<b>279</b>

No detailed disclosure has been provided for the Non-Executive Members other than that relating to their fee, as it is the only form of remuneration they receive.



# Members' Remuneration Report (continued)

## Variable pay

During the year, the Committee met to monitor performance as part of its oversight of variable pay across the business. The Committee met again in January 2019 to agree on a recommendation to the Board on variable pay once results for the year were available.

## Corporate Variable Pay Scheme outline

The Corporation's business model and strategy are set out in the Strategic Report on page 158. The Corporate Variable Pay Scheme has been designed specifically to link variable pay with the business model and is based on the following areas of achievement:

- Creativity – to maintain Channel 4's reputation for originality and creativity with an emphasis on innovation, impact and creative risk-taking and achievement of the remit
- Sustainability – with the aim of growing total revenues and successfully developing new sources of revenue that can be reinvested into content

Progression against diversity objectives is also a key performance measure of the scheme. Achievement of at least the budgeted surplus or deficit before tax for the year and Ofcom licence requirements is a condition for any element of the scheme to pay out to staff. There may be circumstances where additional strategic or content investments are made or accounting adjustments arising from one-off events occur in the year which means the budgeted surplus or deficit before tax is adjusted for the purpose of the Corporate Variable Pay Scheme award, as agreed by the Board. Where this is the case, the surplus or deficit before tax is measured against the adjusted budget so that the financial impact of such items can be taken into account.

Most staff and the Executive team participate in the Corporate Variable Pay Scheme, where the amounts provided can be up to 10% of total gross salary for staff, 20% for Heads of Department and between 30% and 50% for the Executive team. These percentages represent the maximum average amount that can be provided across each employee category. Actual awards for each staff member will vary from the average to reflect their individual achievement against personal performance objectives.

## Process for determining variable pay

To decide on how much variable pay should be provided each year, the Remuneration Committee reviews business performance using a monthly performance dashboard and report which tracks performance across a range of qualitative and quantitative metrics. Where relevant, performance versus competitors against the same metrics is also a key part of the Committee's deliberations. The Committee also monitors progress against the corporate objectives set for the year and considers a report written by the Chief Executive in conjunction with others in the Executive team, describing how the Corporation has performed in relation to creativity, commercial sustainability and diversity.

The scheme is based on a mix of both qualitative and quantitative information, and a degree of judgement is required around creative performance measures. Creativity and sustainability are considered to be of broadly equal weighting because they are both equally important to the long-term success of the Corporation, but the weighting allocated to each in a given year is at the discretion of the Committee.

After due consideration of performance during the year, the Remuneration Committee makes a judgement on the overall performance for the year and proposes an amount, based on what they consider the average payout across the Corporation should be for the year. The Committee produces a narrative assessment of its evaluation which is then presented to the Board, which has the final approval of any payout. The Committee will review the Corporate Variable Pay Scheme each year to ensure it remains appropriate.

## Variable pay decision for 2018

The Committee noted that the first gateway to the scheme, meeting the licence requirements, had been met. The other gateway of achieving the budgeted surplus before tax was adjusted as agreed by the Board to take into account exceptional accounting adjustments in respect of the acquisition of The Box Plus Network Limited.

The Committee undertook a detailed review of all the information available to it, including the CEO and Executive team's 2018 end of year report, the Corporation's performance across a wide range of performance metrics and the progress and achievement of the corporate objectives set for the year. An extract of the performance metrics considered by the Remuneration Committee is set out on pages 232 to 234 and includes programme quality, creative achievements, linear and digital viewing performance, commercial impact performance in key demographics and financial and ad sales performance. The creative achievements and financial results are also outlined in detail throughout this Annual Report.

The Committee determined that 2018 had been another successful year of remit delivery. The Corporation maintained its strong lead over other broadcasters compared to 2017 across a range of Statement of Media Content Policy ('SMCP') metrics (pages 106 to 141).

From a creative perspective, there had been major television awards (pages 144 to 151) and a year of resounding film success with several high-profile award wins, including *Three Billboards Outside Ebbing, Missouri* winning two Academy Awards, four Golden Globes and five BAFTAs in 2018. Channel 4 also won more awards than any other broadcaster at the 2018 Edinburgh TV awards including Best Entertainment (*Gogglebox*) and Best Comedy (*Derry Girls*). *The Great British Bake Off* continued to attract some of the largest audiences in Channel 4's history while *Kiri* became Channel 4's biggest drama series to date. Significant strides were also made in Channel 4's plan to champion and develop new and diverse talent. The Committee recognises that in the pursuit of creative innovation not all endeavours will be successful; however, overall, 2018 had been another strong year of creative performance.

## Members' Remuneration Report (continued)

Channel 4's digital platform, All 4, achieved viewing growth of 26% in 2018 and over 20 million registered viewers by the end of 2018. The All 4 product has been further refined throughout the year with new platform launches, new product features, new original content and significantly improved accessibility.

The Committee also determined there had been positive commercial performance in an extremely challenging advertising market which declined in 2018. Overall revenue growth was driven by digital revenues which grew by 11% and film revenues, buoyed by the success of *Three Billboards Outside Ebbing, Missouri*. The Commercial Growth Fund also progressed with four further investments in 2018.

Overall, 2018 performance has to be set in the context of challenging TV ad market conditions relating to Brexit, continued decline in total TV viewing, significant competitive pressures, with the 2018 FIFA World Cup strengthening competitors, adverse EPG changes and a reduction in the total content budget. Despite this, the Channel 4 Sales House sustained TV ad market share in a difficult trading environment and main channel viewing share was also flat at 5.9%. However, portfolio viewing share and our performance in the 16-34-year-old and ABC1 SOCI demographics declined as our digital channels were impacted by these competitive pressures.

During the year Channel 4 developed and delivered its 4 All the UK plan, securing government and sector support and selecting locations for the National HQ and Creative Hubs. Significant work has already been undertaken ahead of our implementation programme in 2019.

After a careful and detailed consideration, following an exceptional year of creative and commercial performance taking into account the challenging market conditions, the Committee recommended to pay out an average award of 90% of the maximum opportunity under the Corporate Variable Pay Scheme in 2018. Actual awards for staff would vary from the average to reflect individual performance with the on-target payout set at 85% to give management flexibility to recognise exceptional performance and award higher percentages to certain individuals, whilst ensuring the overall average was 90%.

### Advertising Sales Scheme

Staff working within advertising sales have a separate Advertising Sales Scheme, linked to advertising revenue and paid bi-annually based on performance. They are not eligible for the Corporate Variable Pay Scheme, with the exception of Executive Member Jonathan Allan whose variable pay comprises a split between the Advertising Sales Scheme and the Corporate Variable Pay Scheme.

**The following provisions on this page marked with \* are subject to audit**

### Variable pay awards to Executive Members\*

The Committee made the following awards to Executive Members in respect of 2018 performance:

- Alex Mahon was awarded an amount of 45% of year-end salary under the Corporate Variable Pay Scheme
- Jonathan Allan was awarded an amount of 36% of the portion of his year-end salary which is subject to the Corporate Variable Pay Scheme. He also received £125,340 through the Advertising Sales Scheme
- Dan Brooke was awarded an amount of 17% of year-end salary under the Corporate Variable Pay Scheme
- Ian Katz was awarded an amount of 36% of year-end salary under the Corporate Variable Pay Scheme which was pro-rated from his appointment on 8 January 2018

### Taxable benefits\*

Executive Members are eligible for a range of taxable benefits, which can include a pension allowance and membership of a private medical insurance scheme (which is provided to all staff). With the exception of one-off legal costs paid by the Corporation on behalf of Alex Mahon in respect of her appointment in 2017, no expenses claimed by Executive Members were chargeable to UK income tax as they were incurred wholly for the purposes of the business of the Corporation.

### Pension\*

The Corporation has two pension schemes: a defined contribution scheme open to all staff, and a defined benefit scheme which is closed to new entrants and closed to future accrual from 31 December 2015. Further details relating to the defined benefit plan are provided in note 18 to the financial statements.

All of the Executive Members received cash payments in lieu of pension benefits in 2018.

Non-Executive Members are not eligible for membership of either pension scheme.

### CEO remuneration table

The table below shows the percentage change in remuneration of the CEO and the Corporation's employees as a whole between the years 2017 and 2018:

	CEO	All staff <sup>1</sup>
Salary and fees	+3.5%	+2%
Variable pay <sup>2</sup>	+31%	+44%
<b>Total</b>	<b>+19%</b>	<b>+5%</b>

1 All staff includes the CEO but excludes the costs of a small number of on-screen talent who are remunerated via Channel 4's payroll. This is consistent with the information in note 4 to the financial statements.

2 Alex Mahon was not eligible for an award under the Corporate Variable Pay scheme in 2017. For the purpose of this table, her variable pay award in 2018 has been compared to the award for Channel 4's previous CEO, David Abraham, in 2017 which was pro-rated to his last day in office.

The Group is not presenting a table on CEO pay in comparison to Total Shareholder Return as it is a statutory corporation without shareholders and the requirements are therefore not applicable.



# Members' Remuneration Report (continued)

## Payment for loss of office\*

No payments were made for loss of office in 2018 to Executive Members, and at the balance sheet date there were no provisions made for compensation payable for early termination of contracts or loss of office to Executive Members.

## Payment to past Members\*

Dan Brooke continued to receive salary, taxable benefits and payments in lieu of pension benefits between 11 December 2018 and 31 December 2018 as part of his notice period. He also received a variable pay award based on the achievement of performance in 2018. The amount of salary and variable pay disclosed in the single figure table on page 185 relates to his period of service as a Member to 11 December 2018.

David Abraham continued to receive salary, taxable benefits and payments in lieu of pension benefits between 30 October 2017 and the end of his notice period on 31 December 2017. The amount of salary and variable pay disclosed in the single figure table on page 185 relates to his period of service as a Member to 30 October 2017. In 2018, he received a variable pay award based on the achievement of performance in 2017.

Jay Hunt continued to receive salary, taxable benefits and payments in lieu of pension benefits between 30 September 2017 and the end of her notice period on 14 January 2018. The amount of salary and variable pay disclosed in the single figure table on page 185 relates to her period of service as a Member to 30 September 2017. In 2018, she received a variable pay award based on the achievement of performance in 2017.

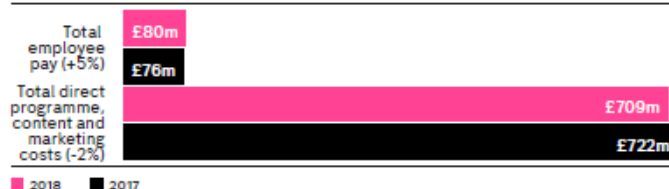
No other payments were made to past Members in 2018.

## Members' service contracts

Members' service contracts are kept available for inspection at the Corporation's Head Office, 124 Horseferry Road, London SW1P 2TX.

## Relative importance of spend on pay

The graph below shows the actual expenditure of the Group and the change between the current and previous years.



The Members have chosen the change in total direct programme, content and marketing costs as disclosed in note 2 to the financial statements as the comparative measure for relative spend on pay as it is considered to be the most significant indicator in understanding total Corporation expenditure year-on-year. Employee pay was approximately 11% (2017: 11%) of on-screen expenditure.

Total employee pay is detailed in note 4 to the financial statements.

By Order of the Board

## Stewart Purvis

Chair of the Remuneration Committee  
3 April 2019

# Members' Remuneration Report (continued)

## Remuneration policy for 2019

The remuneration of Executive Members is determined by the Remuneration Committee, the membership and terms of reference of which are detailed on pages 183 to 184. In framing its remuneration policy, the Committee has given full consideration to the best practice provisions of the UK Corporate Governance Code. There have been no significant changes to the remuneration policy for 2019.

## Future policy table

The following table sets out the key components of the remuneration package for Executive Members:

Component	How this supports the strategic aims of the Group	How this operates	Maximum amount payable	Performance measures
Salary		Salaries are paid monthly.  The Remuneration Committee discusses the performance of each Member with the Chair of the Board and with the Chief Executive for other Executive Members.	Annual salaries for the year to 31 December 2019 are approved as follows:  – Alex Mahon – increase from £569,250 to £580,635 with effect from 1 April 2019 – Ian Katz – increase from £355,000 to £362,100 with effect from 1 April 2019 – Jonathan Allan – increase from £425,000 to £433,500 with effect from 1 April 2019  Salaries are usually reviewed annually in the first quarter of the year.	None.
Taxable benefits		The Corporation offers a range of benefits to all staff including private medical insurance. Other benefits, such as life assurance, are available through a flexible benefits scheme.	The value of private medical insurance in 2019 is expected to range from £1,057 to £2,642 for Executive Members.	None.
Pensions	Offering competitive remuneration packages helps the Corporation attract, motivate and retain a high-calibre Executive team.	The Corporation currently offers a defined contribution pension scheme for new staff.  Certain Executive Members also receive cash payments in lieu of pension benefits.	The maximum amount contributed by the Corporation under the defined contribution scheme is 13% of pensionable salary.  All of the Executive Members receive cash payments in lieu of pension benefits and are not members of the defined contribution scheme.	None.
Variable pay		All of the Executive team participate in the Corporate Variable Pay Scheme. Payout is determined annually by the Remuneration Committee shortly after the financial year end based on performance and paid in March following the year end.  Jonathan Allan also participates in the Advertising Sales Scheme. His variable pay is split between the Advertising Sales Scheme and the Corporate Variable Pay Scheme.	The Corporate Variable Pay Scheme will pay between 50% and 40% of total gross salary for the Executive Members.  The Advertising Sales Scheme is linked to advertising revenue and paid bi-annually throughout the year based on performance.	The Remuneration Committee agreed that the Corporate Variable Pay Scheme and the Advertising Sales Scheme for 2019 will remain largely unchanged from 2018. Details of the schemes are set out on pages 186 to 187.

## Members' Remuneration Report (continued)

None of the components of remuneration contain any provisions for recovery of sums paid.

There are no other differences between the Corporation's policy on the remuneration of Directors and the policy on the remuneration of other employees.

The following table sets out the key components of the remuneration package for Non-Executive Members:

Component	Purpose	Operation
Fees	The Non-Executive Members constructively challenge and help develop proposals on strategy, and bring strong, independent judgement, knowledge and experience to the Board's deliberations.	Fees are set by Ofcom, paid monthly and reviewed periodically.  Annual fees for the year to 31 December 2019 are expected to be:  Chair – £95,000 Deputy Chair – £29,940 Other Non-Executive Members – £22,177

Non-Executive Members are appointed by Ofcom and service contracts are subject to fixed terms of a maximum of three years. Fees for Non-Executive Members do not contain any provisions for recovery of sums paid. No other components of remuneration are available for Non-Executive Members.

Non-Executive Members are entitled to reimbursement of travel and accommodation expenses incurred in connection with attending Board and other meetings in relation to fulfilling their duties.

### Remuneration policy framework

The Corporation looks to attract, retain and motivate the best people in the market. To be able to do this, it looks to offer a fair and competitive rewards package. The Committee will seek to align the remuneration package offered to new Executive Members with the policy, which will involve determining remuneration appropriate and necessary to recruit and retain the individual. A summary of the policy is set out below:

Fixed remuneration	Base salary is benchmarked against the external market and broadly aligned to market median.
Variable remuneration	Awards under the Corporate Variable Pay Scheme are limited to between 50% and 40% of base salary for the Chief Executive and other Executive Members.
Benefits	Executive Members are provided with private medical insurance, life assurance, Group income protection and health screening. All other benefits are provided on a voluntary basis.  The Corporation has a standard pension contribution scale but will consider paying a cash alternative depending on individual circumstances.  The Corporation will pay legal fees incurred by any new Executive Member in respect of their appointment.
Internal promotions	In the event that an internal candidate was promoted to the Board, legacy terms and conditions would normally be honoured, including pension entitlements.

The Committee monitors the effectiveness of Executive Member remuneration and has regard to the impact and compatibility with remuneration policies in the wider workforce. During the year the Committee is provided with information regarding pay in the wider workforce which gives additional context for the Committee to make informed decisions. The Committee determines the overall approach for salary and variable pay for the overall workforce and similar principles are applied when considering Executive Member arrangements.



# Members' Remuneration Report (continued)

## Policy on payment for loss of office

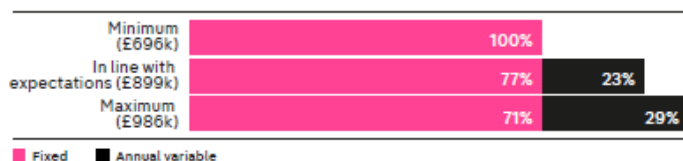
The service contracts of all the Executive Members are subject to notice periods of one year or less. The Committee's policy is to make payments in line with contractual obligations covering payment in lieu of notice including base salary and other benefits.

The Remuneration Committee will consider what compensation commitments (including pension contributions and all other elements) the Executive Members' terms of appointment would entail in the event of early termination. The aim of this is to avoid rewarding poor performance.

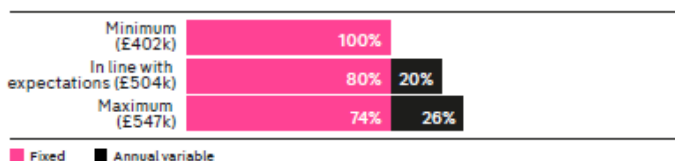
## Illustration of application of remuneration policy

The graphs below represent the variations in the remuneration at different levels of performance for the 2019 remuneration policy for the Executive Members:

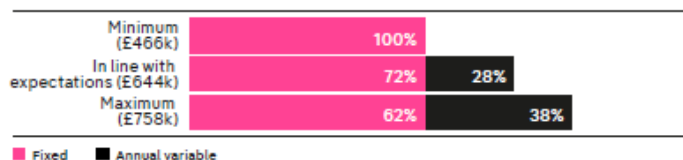
### Chief Executive Officer



### Director of Programmes



### Chief Commercial Officer



The variable element of total remuneration in relation to 'in line with expectations' reflects the average award under the Corporate Variable Pay Scheme over the last ten years.

## Audited information

The Members' Remuneration Report (pages 183 to 191), where indicated, has been audited by the Corporation's auditor in accordance with Schedule 8 of the Companies Act 2006 as if those requirements were to apply to the Corporation.