

Members' Remuneration Report

Chair's introduction

During 2021, the Committee has concentrated on ensuring remuneration decisions were aligned with delivering the Future4 strategy, and formed part of an appropriate reward framework in line with individual responsibility, performance and progression.

The Committee also focused on staff wellbeing in light of challenges faced during 2021, including continuing lockdowns followed by a move to hybrid working later in the year.

The Committee continued its focus on pay gap reporting with the publication of the 2021 Pay Report in January 2022.

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 2021. 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 2021 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 2021 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 2021, the Remuneration Committee comprised Lord Chris Holmes (Chair), Roly Keating, Stewart Purvis (until his departure from the Board in May 2021) and Fru Hazlitt (until her departure from the Board in September 2021). Dawn Airey and Tess Alps were appointed to the Committee in December 2021. All the members of the Committee are Independent Non-Executive Members. The Chair of the Board, the Chief Executive, the Director of People, the Chief Operating Officer and the Corporation Secretary attended meetings by invitation 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 2021 and 2022 to date included making an award recommendation to the Board for the Corporate Variable Pay Scheme in respect of 2021, and reviewing the structure and appropriateness of the Corporate Variable Pay and Advertising Sales Schemes for 2022:

- The variable pay award for 2021 and the details of the Corporate Variable Pay Scheme are detailed on pages 187 to 190
- In January 2021, the Committee considered the corporate objectives already agreed for the year, focused on the execution of the Future4 strategy and aimed at tracking delivery against the channel's remit and levels of staff engagement, in addition to key financial and viewing measures. Targets were agreed for 2021 against these objectives to provide focus for the organisation throughout the year and for evaluation in determining 2021 variable pay.
- In January 2021, after consideration of the performance of the business and in light of the challenges faced during the previous year, the Committee recommended setting the award for 2020 at the maximum opportunity under the Corporate Variable Pay Scheme
- In January 2021, the Committee approved an average pay award of 1.5% to be made across Channel 4 effective from 1 March 2021
- In February 2021, after careful consideration, the Committee approved 2020 variable pay for the Executive Members as well as a 2021 pay award in line with the rest of the business
- In June 2021, the Committee discussed a detailed review of the Corporate Variable Pay and Advertising Sales Schemes, with the aim of ensuring these remain appropriate in future years and are suitably aligned with the Future4 strategy
- In November 2021, the Committee reviewed the proposed corporate objectives for 2022, which remain focused on delivering Future4 and underpinned by existing metrics around remit delivery and financial performance
- In November 2021, the Committee approved updates to the design of the Advertising Sales Scheme to align this more closely with the Future4 strategy
- In January 2022, after careful evaluation of the economic climate and challenges around cost of living, the Committee agreed that a pay award of 4% would be made effective 1 March 2022, with an additional award made to those at Manager level and below bringing this to 5%. They also made recommendations on the appropriate opportunity for 2021 under the Corporate Variable Pay Scheme, outlined on pages 188 to 189.

During 2021, the Committee made recommendations on an increase to the maximum opportunity available to Alex Mahon as Chief Executive Officer under the Corporate Variable Pay Scheme to 80%, to ensure appropriate reward for her leadership during a period of significant uncertainty. This recommendation was approved by the Board in July 2021.

The Committee also received regular updates throughout 2021 on the continued impact of widespread home working on employee wellbeing, plans for returning to hybrid working and work in progress to refresh the organisation's reward framework.

Pay Report 2021

The 'Channel 4 Pay Report 2021' was published in January 2022, and included ethnically diverse, LGBTQ+ and disability pay data within its scope as a reflection of Channel 4's commitment to inclusion and diversity. This reporting was in addition to the gender pay reporting required by the Equality Act.

The report showed a reduction in the mean gender pay gap of 1.9% year-on-year, to 19.6% in March 2021 (2020: 21.5%). The median gender pay gap also reduced by 2.5% to 20.5%. These decreases are positive and Channel 4 has made steady progress in this area since it first started reporting on the gender pay gap in 2017, but more work remains to be done. The key drivers of the gender pay gap remain the same: we have nearly twice as many women as men in the lower-earning quartile (67.7%), bringing down average female earnings overall, with the pay gap further broadened by a higher proportion of men in senior positions. Channel 4 continues to target a 50:50 gender balance in the top 100 earners by 2023, and the proportion of senior women in the business has grown to 48 in March 2021 (March 2020: 44), up from 34 when we first started reporting this metric in 2017.

The report shows that the mean ethnically diverse pay gap has remained at 15.3% year-on-year, although we are pleased to have reduced the median pay gap by 2.1% in 2021 to 10.3%, which signifies an improved distribution of pay across the quartiles. Just as with our gender pay gap, there are two factors that drive the ethnically diverse pay gap: a lower representation at senior levels and a higher representation at junior levels. By 2023, Channel 4's target is to have 20% ethnically diverse employees across Channel 4 and in the top 100 paid. As at March 2021, the number of ethnically diverse employees in the top 100 earners had increased to 17 (March 2020: 14), with 18% of total employees being ethnically diverse.

Channel 4 reported a mean LGBTQ+ pay gap of 14.9% at March 2021, an increase from 10.6% in 2020. As LGBTQ+ staff make up a relatively small population in Channel 4's overall staff composition, changes in headcount can have a significant impact on the pay gap. We were pleased that high recruitment activity in 2021 attracted many diverse candidates; however, as these were primarily entry-level roles, that has had the effect of increasing our mean LGBTQ+ pay gap.

The report also showed a similar impact on the mean disability pay gap, which increased from 12.6% in 2020 to 17.4% in 2021. As above, given the relatively small number of employees with disabilities compared to the total, the disability pay gap can be significantly affected by changes in headcount (such as opening new entry-level roles). The median disability pay gap has remained more consistent at 5.4% (2020: 5.2%). As at March 2021, 11% of Channel 4 employees have a disability, with a target of 12% of disabled staff across the organisation by 2023.

Members' Remuneration Report (continued)

Pay Report 2021 (continued)

The 2021 Pay Report also outlines the key actions that we are taking to further decrease our pay gaps across all demographic groups, which form just a part of what we are doing to become a fully inclusive organisation. The focus in 2022 includes the organisation's new career and reward framework, which will help ensure greater diversity in our talent pipeline, especially for senior management.

Remuneration Report

The following provisions on this page are subject to audit

The remuneration of the Executive Members for the years ending 31 December 2021 and 2020 is made up as follows:

£000	Salary	Taxable benefits	Pension	Total fixed	Variable pay	Total for 2021	Salary	Taxable benefits	Pension	Total fixed	Variable pay	Total for 2020
Alex Mahon	593	3	124	720	476	1,196	555	2	141	698	293	991
Jonathan Allan	492	1	38	531	197	728	459	1	36	496	194	690
Ian Katz	407	1	46	454	166	620	347	1	42	390	146	536
Total	1,492	5	208	1,705	839	2,544	1,361	4	219	1,584	633	2,217

The figures in the table above represent the gross amounts received by Executive Members in 2021 and 2020, after taking account of salary increases during the year where applicable and salary reductions between April and June 2020 in financial response to the initial outbreak of Covid-19.

In 2021 and 2020, all of the Executive Members received pension benefits in the form of cash payments.

Taxable benefits includes private medical insurance for all Executive Members.

The remuneration of the Non-Executive Members for the years ending 31 December 2021 and 2020 is as follows:

£000	2021 salary and fees	2020 salary and fees
Charles Gurassa	95	90
Lord Chris Holmes	33	17
Stewart Purvis (term completed May 2021)	9	22
Andrew Miller (term commenced June 2020)	25	14
Paul Geddes	24	24
Althea Efunshile (term completed December 2021)	22	21
Uzma Hasan (term completed September 2021)	17	21
Fru Hazlitt (term completed September 2021)	17	21
Tom Hooper (term completed December 2021)	22	21
Roly Keating	22	21
Dawn Airey (term commenced December 2021)	2	-
Tess Alps (term commenced December 2021)	2	-
David Kogan (term commenced December 2021)	2	-
Sarah Sands (term commenced December 2021)	2	-
Total	294	272

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

Variable pay

During the year, the Committee regularly monitored performance as part of its oversight of variable pay across the business. The Committee met in January 2022 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 144. The Corporate Variable Pay Scheme has been designed specifically to link variable pay with the business model, with specific corporate objectives set in January 2021 (focused on programme streaming views, share of commercial impacts ("SOC"), remit delivery and revenue diversification) which were used as key performance measures for the scheme for the year.

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 considered.

Members' Remuneration Report (continued)

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 80% 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 may vary from the average in certain years to reflect their individual achievement against personal performance objectives.

Process for determining variable pay

To decide 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.

The scheme is based on a mix of both qualitative and quantitative information, and a degree of judgement is required around certain creative performance measures. The weighting allocated to each corporate objective 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 it considers 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 2021

It was reported that the first gateway to the scheme – meeting the Ofcom licence requirements – had been met. The Group's record financial results ensured that the second gateway, of achieving the budgeted result for the year, was clearly exceeded.

The Committee's assessment was based on a detailed review of all the information available to it, including the CEO and Executive team's 2021 end-of-year report, and the Corporation's performance across a wide range of performance metrics, including progress and achievement against the key corporate objectives. The Committee also reflected on the evolution of the scheme criteria in recent years, including a greater emphasis on individual performance in determining reward. An extract of the performance metrics considered by the Remuneration Committee is set out on pages 237 to 239 and includes programme quality, creative achievements, linear and digital viewing performance, commercial impact performance in key demographics and financial and commercial performance. The creative achievements and financial results are also outlined in detail throughout this Annual Report.

The Committee reflected that the organisational focus for 2021 had been aligning the business to deliver year one of the Future4 strategy – a fact reflected in digital-first corporate objectives for the year, with a significant growth target for All 4 views that made this the primary KPI, ranking above linear viewing metrics for the first time.

All 4 viewing grew by 21% in 2021, building on 26% growth in 2020, to achieve an impressive 1.5 billion views. Digital viewing now makes up 13.1% of total, versus 9.2% in 2020. Digital advertising revenue for the year reflects this performance, reaching 19% of the Group's total revenues for the year (up from 17% in 2020).

From It's A Sin to the ground-breaking Black to Front Project, the Paralympics and Emma Raducanu's triumph at the US Open, Channel 4's creative output in 2021 had ensured it had never been more bold and relevant than in the last 12 months – with an array of unique programming garnering both critical acclaim and strong performance across both linear and digital. Despite the focus on driving digital views, performance also exceeded expectations on linear in terms of SOCI (see page 147).

The Committee considered the Corporation's 2021 position across the range of its Statement of Media Content Policy ("SMCP") metrics (pages 84 to 128) and agreed that this strong creative performance was reflected in another successful year of remit delivery. Distinctive commissioning has ensured the channel maintains its reputation for representing different cultures and opinions around the UK, pushing boundaries and being willing to try something new.

Financially, the Corporation finished 2021 by presenting a record surplus for the second year running (£101 million for the year). The Group passed £1 billion revenues for the first time ever – with full-year corporate revenues of £1,164 million by far exceeding the previous historic high of £995 million in 2010. These financial results also reflect the initial success of Future4, with a strategic focus on diversifying revenues paying off in significant growth in key revenue metrics (non-advertising revenue now up to 9% of total, as well as the growth in digital advertising already mentioned). These strong results also helped to deliver cash balances in excess of £270 million and further strengthen the Group's balance sheet.

The Committee acknowledged that none of this could have taken place without a huge amount of work from the team at Channel 4 and expressed gratitude for their dedication. Channel 4's staff had done an incredible job during 2021, against ever tougher odds – be it a third lockdown at the beginning of the year at a time when resilience was already low, the uncertainty surrounding the ongoing government consultation process, or the immense workload taken on by some teams to keep the channel on air during the payout outage we experienced in the autumn. Despite all this, teams across the business had achieved real momentum towards the Future4 transformation, even after several years of major change across the organisation.

As part of this transformation, the Committee noted the success of the channel's 'Altogether Different' brand campaign, launched in the autumn as the result of a year of research and insight, and intended to provide a clear, distinctive position in the market for the next few years – setting the channel apart from both traditional broadcasters and the newer SVOs and best exemplified by its mantra, "Different – it's the one thing we've all got in common".

It was reported that 4Studio had entered its first full year in operation, growing to over 80 employees, almost all based in Leeds, and delivering an impressive set of results. 4Studio brought in 11.3 billion global views in 2021, a 7.3% increase on the previous year.

Members' Remuneration Report (continued)

The impressive array of awards picked up in 2021 was considered, providing confirmation of another very strong creative year, with the channel winning three BAFTAs, seven RTS Programme Awards, two Broadcast Awards, two Griersons Awards, two Rose D'or awards, as well as an International Emmy for *Adult Material*. Standout shows included *It's A Sin*, which has collected 22 awards from both UK and global events to date, and *We Are Lady Parts* collecting five awards in total to date.

The Committee reflected that Channel 4 had created several moments of shared national joy by bringing major sporting events to a free-to-air audience, including Test Cricket for the first time in 16 years, and the momentous US Open Tennis final, building on its widely admired coverage of Formula 1, Rugby Union and the Paralympic Games. Broadcasting Emma Raducanu's win, secured through an innovative deal with Amazon, peaked at 9.6 million (the biggest broadcast of the year) and delivered Channel 4's best daily share since 2012.

The positive impact of new bases in the Nations and Regions on the channel's creative output was reviewed, with 67% of main channel first-run origination hours in 2021 coming from the Nations and Regions. It was also taken into consideration that operational progress in the Nations and Regions had also continued apace, despite the constraints of the pandemic. Nearly 400 roles were now based outside London (versus the original target of 300 by 2023), with this number forecast to grow significantly in 2022, mainly through 4Studio.

The Committee considered how this commitment to the Nations and Regions had also been reflected in Channel 4's work with the production sector. The flagship Production Training Scheme had been relaunched, with a new cohort focused on Nations and Regions Indies for the first time and exceptionally strong in terms of diversity and inclusion. The 4Skills programme had also made considerable progress over the last 12 months with over 30 apprentices working in the business and 50% of these in the Nations and Regions. Plans are in place for a further increase in this activity for 2022, creating over 15,000 training, development and learning opportunities for young people.

The Committee discussed the opportunity presented by the Tokyo 2020 Paralympics to advance diversity in front of and behind the camera, with disabled presenters making up 70% of the on-screen team. Coverage of the Games was delivered in the face of profound uncertainty and unprecedented restrictions on movement both in Japan and the UK, and in total Channel 4's coverage reached 19.7 million people, 32% of the TV population.

The Black to Front Project was also a world first: an entire day of programming in which every show featured only Black talent and contributors – from *The Big Breakfast* to *Unapologetic*, via a number of Channel 4 favourites. The Committee noted the legacy of both the Paralympics and the Black to Front Project as a springboard for new commitments both in 2022 and beyond, to make lasting change in the representation of ethnically diverse and disabled talent in the industry.

The Committee considered the significant impact of the broadcast issues the channel experienced during the autumn, both within the organisation and on its viewers. This underlined the need for reform in technical capability, investment and culture to ensure greater resilience in the future. It was noted that certain key teams in the business had worked under enormous pressure for a very prolonged period of time and under very difficult conditions, simply to keep the channel broadcasting. However, the Committee also acknowledged the frustration and disappointment the outage caused for those who rely on Channel 4's access services, noting that while the channel took the issue of access services very seriously, it had fallen short in this instance.

Despite remote working making inclusion and diversity even more challenging than normal, the good progress made in 2021 was acknowledged by the Committee, with the position at the end of 2021 currently tracking ahead on the path to 2023 targets, with the now right to add a pillar on socio-economic diversity to the existing framework, and to shift employee focus to inclusion and the 4Skills programme.

A return to offices post-Covid had been proactively managed with a clearly communicated 50/50 approach, supporting employees through the innate complexities of the current working situation, and keeping their safety at the heart of all decisions.

After careful and detailed consideration, the Committee recommended that it was appropriate to set the award for 2021 at the maximum opportunity under the Corporate Variable Pay Scheme, as a reflection of Channel 4 staff's commitment and dedication in achieving another impressive year of creative, commercial and financial performance, in the face of the significant challenges 2021 presented.

Members' Remuneration Report (continued)

Advertising Sales Scheme

Staff working within advertising sales have a separate Advertising Sales Scheme, linked to advertising revenue and paid biannually based on performance. They are not eligible for 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 2021 performance:

- Alex Mahon was awarded an amount of 80% of year-end salary under the Corporate Variable Pay Scheme
- Jonathan Allan was awarded an amount of 40% of year-end salary under the Corporate Variable Pay Scheme
- Ian Katz was awarded an amount of 40% of year-end salary under the Corporate Variable Pay Scheme

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). 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 19 to the financial statements.

All of the Executive Members received cash payments in lieu of pension benefits in 2021.

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 Members and the Corporation's employees as a whole between the years 2020 and 2021:

	Salary and fees	Variable pay	Total
Chief Executive Officer	7%	62%	21%
Chief Operating Officer	7%	2%	6%
Chief Content Officer	17%	14%	16%
Non-Executive Directors ¹	-	N/A	-
All staff²	-3%	2%	-4%

1 Based on fees set by Ofcom on page 210.

2 All staff is based on average remuneration per FTE. This 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.

The Executive Members' percentage change in remuneration between 2020 and 2021 includes the impact of temporary voluntary pay cuts taken in 2020 as part of the Group's financial response to the outbreak of Covid-19.

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.

The ratio of remuneration for the highest paid Executive Member (the CEO) in comparison with employees in the 25th, 50th and 75th percentiles is shown in note 4 to the financial statements on page 212.

Payment for loss of office*

No payments were made for loss of office in 2021 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*

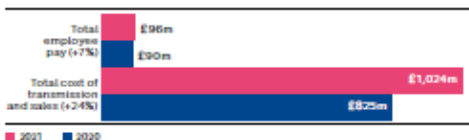
No payments to past Members were made in 2021.

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 cost of transmission and sales as disclosed on the face of the income statement 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 in light of its new Future4 strategy announced in late 2020. Employee pay was approximately 9% (2020: 11%) of total cost of transmission and sales, with the decrease in this metric driven by non-staff cost levels returning to pre-pandemic levels following our response to Covid-19 in 2020.

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

This report was approved by the Board on 4 May 2022 and signed on its behalf by

Lord Chris Holmes

Chair of the Remuneration Committee
4 May 2022

Members' Remuneration Report (continued)

Remuneration policy for 2022

The remuneration of Executive Members is determined by the Remuneration Committee, the membership and terms of reference of which are detailed on pages 185 to 186. 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 2022 except as noted below.

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 2022 are approved as follows, with increases in line with those awarded to all staff as outlined on page 186: - Alex Mahon - increase from £384,827 to £618,724 with effect from 1 March 2022 - Ian Katz - increase from £415,500 to £432,172 with effect from 1 March 2022 - Jonathan Allan - increase from £483,290 to £513,022 with effect from 1 March 2022 Salaries are usually reviewed annually in the first quarter of the year.	None.
Taxable benefits	Offering competitive remuneration packages helps the Corporation attract, motivate and retain a high-calibre Executive team.	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 2022 is expected to range from £1,000 to £3,000 for Executive Members.	None.
Pensions		The Corporation currently offers a defined contribution pension scheme for new staff. Certain Executive Members also receive cash payments in lieu of pension benefits.	All of the Executive Members receive cash payments in lieu of pension benefits and are not members of the defined contribution or previous defined benefit schemes.	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.	The Corporate Variable Pay Scheme will pay between 40% and 80% of total gross salary for the Executive Members.	Performance measures of the schemes are set out on pages 187 to 190.

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 Executive Members 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 2022 are expected to be: Chair - £95,000 Deputy Chair - £29,940 ¹ Committee Chairs - £25,177 Other Non-Executive Members - £22,177

¹ Reflects the standard Deputy Chair fees set by Ofcom - Deputy Chair also receives an additional fee to reflect his capacity as Committee Chair.

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.

Members' Remuneration Report (continued)

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 80% of base salary for the Chief Executive and 40% of base salary for the 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.

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.

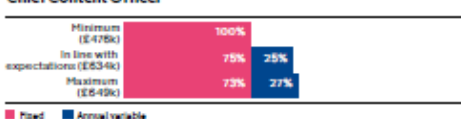
Illustration of application of remuneration policy

The graphs below represent the variations in the remuneration at different levels of performance for the 2022 remuneration policy for the Executive Members.

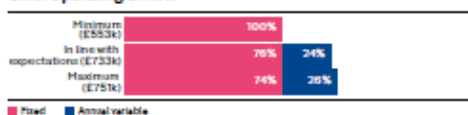
Chief Executive Officer



Chief Content Officer



Chief Operating 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 five years.

Audited information

The Members' Remuneration Report (pages 185 to 192), 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.