

Vectura Group plc: 2020 LTIP awards

In this year's annual report, we stated that the 2020 LTIP awards had not been finalised at the point of publication. These have now been finalised and the principal terms are set out below. In determining the level of awards to be granted in 2020, the Committee considered carefully the share price performance of the Company over the prior 12 months, which has increased by more than 25% since the last awards were granted. The Committee has determined that awards over the normal maximum percentage of salary should be granted to the two Executive Directors.

The Committee also considered the level of the cumulative EBITDA targets for the 2020 in light of the changes made to threshold vesting levels in the recently approved Directors' Remuneration Policy, and market expectations of Vectura performance over the 2020-22 period.

The targets for the 2020 awards will be set as follows:

Proportion of total award	Measure	Threshold ⁽¹⁾ 12.5%	Maximum ⁽¹⁾ 50%
50%	Relative TSR against FTSE 250 companies (excluding real estate and financial services)	Median	Upper Quartile

Proportion of total award	Measure	Threshold ⁽¹⁾ 12.5%	Intermediate goal 40% ⁽¹⁾	Maximum ⁽¹⁾ 50%
50%	Cumulative adjusted growth in adjusted EBITDA	£115m	£126m	£160m

(1) Linear vesting between each point

The 2020 target levels are considered to be more stretching than the equivalent targets set for 2019, as these reflect the shift in the expected revenue and EBITDA profile in the periods 2019-2021 and 2020-2022 in line with consensus. The maximum target has been made considerably more demanding and as a result, the Committee has introduced a new challenging intermediate performance goal, above which payout would represent exceptional performance.