
Corporate governance

Achieving Abcam's
strategic goals
through good
governance and
integrity across our
entire business.

Corporate governance

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I am pleased to present the Corporate Governance Report for the 18 months ended 31 December 2021, which includes details about the Board and our individual roles and responsibilities and a summary of the activities of the Board. The Chair of each Board Committee also discusses the activities of that Committee during the past 18 months to illustrate how we have discharged our responsibilities to all stakeholders during that time.

The UK Corporate Governance Code

The Board is cognisant of the requirements of the Corporate Governance Code (the Code) and the FRC's Guidance on Board Effectiveness and has kept under review implementation of best practice processes. Although as an AIM-traded company we are not required to comply with the Code, the Board believes that robust corporate governance is vital to maintaining the long-term sustainable performance and growth of our business and we feel that applying the Code continues to be appropriate given Abcam's market capitalisation. The principles of the Code, and its supporting provisions, cover five broad areas and the Board is responsible for overseeing Abcam's measures for compliance with the Code. You can find further detail on the areas covered by the Code in the following sections of this Governance report, with additional information contained in the Strategic report:

Board leadership and company purpose – pages 72 to 77;
Division of responsibilities – pages 72 and 73;
Composition, succession and evaluation – pages 74 to 75 and 81 to 82;
Audit, risk and internal control – pages 83 to 87;
Remuneration – pages 88 to 117.

I am happy to report that in the past 18 months we have complied with all the principles of the Code and all of the provisions save for provision 36, as the Remuneration Committee does not have a formal policy for post-employment shareholding requirements. More details can be found in our Statement on Corporate Governance in the Directors' Report on page 119. In accordance with AIM Rule 26, you can also find details of our compliance with the Code and our explanations for any non-compliance at <https://corporate.abcam.com/investors/governance/>.

Section 172

The Board, advised by the Company Secretary, is mindful of its duties under section 172(1)(a) to (f) of the Companies Act 2006 when considering any decisions and the impact those decisions may have upon all stakeholders. Abcam's principal stakeholders and the impact we have upon them, including details of how we have engaged with our employees, is discussed at pages 17 to 23.

Board changes during FY20/21

As announced last year, Jonathan Milner, co-founder of Abcam, left the Board after choosing not to seek re-election at the 2020 AGM.

On 28 January 2021, Bessie Lee and Mark Capone joined the Board as Non-Executive Directors. Both Bessie and Mark bring extensive and complementary executive and non-executive experience to the Board of Abcam. Bessie brings deep insight into customer and digital marketing dynamics in China, one of our key strategic markets, whilst Mark brings a wealth of experience within the life science sector and a first-hand understanding of our diagnostic and biopharma customers.



Related content: Chief Financial Officer's Report and Financial Review – pages 46 to 48

Sally Crawford joined the Board as a Non-Executive Director and as Chair designate of the Remuneration Committee on 13 August 2021. Sally has had a distinguished career in the healthcare industry and her experience and expertise will be a valuable asset to the Group as we continue to partner with biopharma and diagnostic customers and work towards our long-term growth plans.

On 19 May 2021, after seven years with the Company, Lady Louise Patten retired from her roles as Non-executive Director, Senior Independent Director and Chair of the Remuneration Committee. Giles Kerr, who joined the Board in 2018, has become Senior Independent Director and Mara Aspinall acted as Chair of the Remuneration Committee for an interim period before Sally Crawford took over as Chair of the Remuneration Committee at the end of 2021.

What the Board has focused in the last 18 months

In June 2021, following a review by the Board of the appropriate year end for Abcam, we moved our accounting reference date from 30 June to 31 December. Throughout those 18 months, the Board has been active in implementing Abcam's strategy and the measures necessary to meet our goals.

In October 2020 Abcam completed a secondary listing on Nasdaq, further supporting our long-term growth strategy and liquidity by providing direct access to a significant incremental pool of capital and increasing our flexibility for future investments. In connection with our listing on Nasdaq we undertook a review of our governance structures and policies, including the terms of reference for each of the Board Committees to ensure that they were in line with the requirements of Nasdaq, to the extent they apply to Abcam.

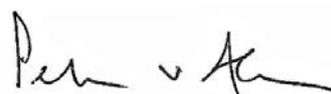
The Board recognises the many environmental, social and governance issues that may affect the sustainability of Abcam's business, and which are of importance to Abcam's stakeholders, and in November 2020 Abcam published its first ESG Impact Report, setting out Abcam's sustainability framework, you can find further details on pages 33 to 45. We have created a strong foundation from which to generate sustainable value for our stakeholders, and we will continue to engage with all stakeholders to understand and act on the ESG related matters which are of most importance to them.

As indicated in the 2020 Remuneration Committee Report, the Remuneration Committee engaged with shareholders in October 2020 and carried out further consultation with 22 of Abcam's largest shareholders in Spring 2021 with a view to more closely aligning Abcam's remuneration practices with its strategy. Following that consultation, we have launched a new 2021 Profitable Growth Incentive Plan (the "2021 PGIP") to align the long-term incentives offered to Abcam's entire leadership team with the delivery of its Five-Year Growth Plan. Alongside this, our new employee share scheme, the Abcam Growth Plan, will provide rewards for our wider employee base linked to achievement of Abcam's strategic goals. Further detail on how the Remuneration Committee has engaged with our stakeholders and details of our new Remuneration Policy and the 2021 PGIP can be found on pages 88 to 117.

The final quarter of 2021 saw the completion of the acquisition of BioVision for \$340 m, which brings enhancements to our in-house product development capabilities and product offering that are a valuable step towards our strategic goals.

The year ahead

Over the coming year, in addition to our normal duties, our continued focus will be on implementing our strategy as we move from the installation phase to refinement and growth, in particular integrating the BioVision business into the Group. Following our successful listing on Nasdaq, we intend to review Abcam's options to increase share liquidity and we will consult with shareholders on these options in due course.



Peter Allen
Chairman

14 March 2022

Governance structure

Board

The Board has established a corporate governance structure with clearly defined responsibilities and accountabilities. The structure is designed to safeguard and enhance the long-term sustainable success of Abcam, creating value and benefit for our shareholders and other stakeholders.

Responsible for the long-term success of the Group, it sets strategy and oversees implementation, ensuring only acceptable risks are taken. It provides leadership and direction and is also responsible for corporate governance and the overall financial performance of the Group. The Chairman encourages rigorous debate at Board meetings on how Abcam is meeting its agreed goals and objectives, and he ensures that the Directors receive accurate, timely and clear information.

Meet our Board of Directors on pages 74 and 75.

Matters reserved for the Board

To retain control of key decisions, the Board has identified certain reserved matters for its approval. Other matters, responsibilities and authorities are delegated to Board Committees. The schedule of matters reserved for the Board reflects the requirements of the Code and can be found, along with the terms of reference for each of its Committees, on the Company's investor relations website at corporate.abcam.com.

Board meetings, information and support

The Board aims to meet in person six times during the year with further scheduled telephone conferences to approve the annual and interim accounts. In addition, ad hoc meetings may be called to discuss urgent matters arising during the course of the year. Four such ad hoc Board meetings and seven ad hoc Remuneration Committee meetings were called the 18 months ended 31 December 2021 to discuss Abcam's listing on Nasdaq, the Profitable Growth Incentive Plan and Executive Directors' Remuneration Policy and the acquisition of BioVision. Following the developments in working practices last year in response to the COVID-19 pandemic, the Board has continued to meet through a combination of in-person attendance and video conferences. This has allowed Board meetings to continue to be conducted in largely the same manner as prior to imposition of social distancing restrictions, save that Board members are no longer all present in the same location. The Chair expects Non-Executive Directors to provide sufficient commitment to the Company for advance preparation and attendance at Board and Committee meetings, together with ad hoc availability at other times.

	Scheduled Board meetings	Ad hoc Board meetings	Audit and Risk Committee	Scheduled Remuneration Committee	Ad hoc Remuneration Committee	Nomination Committee
Current Directors						
Peter Allen	12/12	4/4	n/a	6/6	7/7	3/3
Giles Kerr	12/12	4/4	7/7	6/6	7/7	3/3
Mara Aspinall	12/12	4/4	6/7	6/6	7/7	3/3
Mark Capone ¹	8/8	2/2	n/a	4/4	5/5	n/a
Bessie Lee ²	8/8	1/2	n/a	n/a	n/a	n/a
Sally Crawford ³	3/3	0/0	2/2	2/2	1/1	n/a
Alan Hirzel	12/12	4/4	n/a	n/a	n/a	n/a
Michael Baldock	12/12	4/4	n/a	n/a	n/a	n/a
Former Directors						
Jonathan Milner ⁴	2/2	1/1	n/a	n/a	n/a	n/a
Louise Patten ⁵	6/6	1/2	3/3	2/2	5/5	1/1

(1) Mark Capone was appointed to the Board and Remuneration Committee on 27 January 2021

(2) Bessie Lee was appointed to the Board on 27 January 2021

(3) Sally Crawford was appointed to the Board, Remuneration Committee (and as Chairman designate), and Audit & Risk Committee on 12 August 2021

(4) Jonathan Milner stood down from the Board on 5 October 2020

(5) Louise Patten stood down from the Board on 18 May 2021

The Chair meets the Non-Executive Directors without the Executive Directors present at least once a year. The Non-Executive Directors, led by the Senior Independent Director, meet without the Chair present at least once a year to appraise the Chair's performance.

The Directors have access to advice from the Company Secretary who is a qualified solicitor and acts as secretary to the Board and its Committees.

The Chair, Executive Directors and Company Secretary are responsible for ensuring Board members are provided with information concerning the state of the business and its performance, and with information necessary for them to effectively discharge their duties and responsibilities in a timely manner. Matters to be included on the agenda for future meetings are discussed at Board meetings so that Non-Executive Directors have the opportunity to influence the content, ensuring time spent is appropriately balanced between reviewing strategic, operational and financial matters, together with governance.

Chairman	Peter Allen	<p>A large part of the Chairman's role is to ensure the Board of Abcam operates effectively in directing the Company to deliver long-term sustainable performance and growth. The Chair seeks to ensure that Board proceedings are conducted in such a way as to allow all Directors to have the opportunity to express their views openly and that judgements are made objectively. In particular, he seeks to facilitate the Non-Executive Directors providing constructive support and challenge to the executive leadership of Abcam.</p> <p>The Chair also ensures that Board members are aware of and understand the views of major shareholders and other key stakeholders and helps the CEO and Executive Leadership Team set the 'tone from the top' regarding purpose, goals, vision and values for the whole organisation.</p>
Senior Independent Director (SID)	Giles Kerr	Acts as a sounding board for the Chair and as a trusted intermediary for other Directors. Available to discuss any concerns with shareholders that cannot be resolved through the normal channels of communication with the Chair or Executive Directors.
Independent Directors	Mara Aspinall Mark Capone Bessie Lee Sally Crawford	Assist in the development of strategy and monitor its delivery within the Company's established risk appetite. Responsible for bringing sound judgement and objectivity to the Board's deliberations and decision-making process. Constructively challenge, support and review the performance of Executive Directors.
Executive Directors		Responsible for the implementation of the Board's strategy, day-to-day management of the business and all matters which have not been reserved for the Board.
	Alan Hirzel CEO	Responsible for the day-to-day management of the business, developing Abcam's strategic direction for consideration and approval by the Board, and implementing the agreed strategy.
	Michael Baldock CFO	Supports the CEO in developing and implementing strategy. Responsible for the financial and operational performance of the Group.
Committees		The terms of reference for each of the Committees can be found at corporate.abcam.com/investors/governance/
	Nomination Committee	Reviews and recommends to the Board the structure, size and composition of the Board and its Committees. It also has oversight responsibility for succession planning of the Board and senior management. More details on pages 81 and 82.
	Audit and Risk Committee	Reviews and is responsible for the oversight of the Group's financial and reporting processes, the integrity of the financial statements, the external and internal audit processes, and the systems of internal control and risk management. More details on pages 83 to 87.
	Remuneration Committee	Reviews and recommends to the Board the Executive Remuneration Policy and determines the remuneration packages of the Executive Directors and the Chair. Has oversight of the remuneration packages of the Executive Leadership Team. More details on pages 88 to 117.
Executive Leadership Team (ELT)		A team that operates under the direction and authority of the CEO and CFO and comprises the direct reports of the CEO. It assists the Executive Directors in implementing strategy and policies and managing the operational and financial performance of the Group.
Global Leadership Team (GLT)		The GLT comprises the ELT and other senior global leaders who meet as required in person and by video conference to support the delivery of Abcam's strategic activities and the annual planning process. This enables the CEO and the ELT to hear from different areas of the business whilst providing the opportunity to communicate with and engage the GLT members on global initiatives.

Peter Allen, BA (Hons) ACA Chairman



Appointed
June 2018

Background

Peter has nearly 30 years' experience as an executive director, non-executive director and chairman in a wide range of life science companies playing a significant role in their growth. He spent nine years as Chairman of Clinigen plc (2012-2021), three years as Chairman of Proximagen Neurosciences plc (2009-2012), six years at ProStrakan Group plc as Chairman (2007-2013) and interim CEO (2010-2011) and 12 years at Celltech Group plc (1992-2004) as CFO and Deputy CEO.

Current external appointments

Peter is currently Non-Executive Chairman of AIM-traded Advanced Medical Solutions plc and Oxford Nanopore Technologies plc, that recently listed on the London Stock Exchange. He is a Non-Executive Director of Istesso Ltd.

Skills, experience and contribution

A chartered accountant by background, Peter brings to Abcam his experience as a chairman and board member and has substantial experience in M&A, international growth, fundraising and investor relations, as well as the commercialisation of intellectual property.

Giles Kerr, ACA Non-Executive Director and Senior Independent Director



Appointed
December 2018

Background

Giles has substantial commercial and financial experience from service on numerous public and private company boards and as an audit partner. From 1990 he served in a variety of increasingly senior roles at Amersham plc, including as Chief Financial Officer and a Board member from 1997 to 2004, when the company was acquired by GE Healthcare. Prior to his role at Amersham, he was a National Partner with Arthur Andersen. He was Director of Finance of the University of Oxford from 2005 until 2018 and was previously a Director of Victrex plc, BTG plc, Quanta Dialysis Technologies, Elan Corporation Inc and Adaptimmune plc.

Current external appointments

Giles is currently Chairman of PayPoint plc, as well as a Non-Executive Director of Senior plc and a number of smaller private companies.

Skills, experience and contribution

A Fellow of the Institute of Chartered Accountants of England and Wales with over 20 years' experience in key senior positions in a number of companies, Giles has played a pivotal role in their development and growth. Giles brings his first-hand understanding of Abcam's academic research customers from his time at Oxford University.

Mara Aspinall, MBA Non-Executive Director



Appointed
September 2015

Background

Mara is Managing Director of BlueStone Venture Partners and Managing Member of Health Catalysts Group, a life sciences consulting firm. Previously, Mara was President and CEO of Ventana Medical Systems/Roche Tissue Diagnostics, leading the company to market leadership worldwide and primacy in companion diagnostics. Mara spent 12 years at Genzyme Corporation (now part of Sanofi) as President of Genzyme Genetics and Genzyme Pharmaceuticals. She is co-founder of the International School of Biomedical Diagnostics at Arizona State University, the only institution dedicated to the study of diagnostics as an independent discipline. Mara is certified in Cybersecurity Oversight from Carnegie Mellon University.

Current external appointments

Mara is a Director of Allscripts Healthcare Solutions Inc, Castle Biosciences, Blue Cross Blue Shield Arizona, OraSure Technologies, and small private emerging life sciences companies.

Skills, experience and contribution

Mara contributes her considerable international experience in the biotechnology and diagnostics industries with public and private companies. Mara's specific focus areas are acquisition integration, global manufacturing, quality systems and strategic marketing.

Mark Capone, MSc, MBA Non-Executive Director



Appointed
January 2021

Background

Based in the US, Mark Capone is an accomplished life sciences executive. He spent over 17 years with Myriad Genetics, latterly as CEO and President, over which time he grew the company into a leading global precision medicine company. Prior to this Mark spent 17 years with Eli Lilly and Company in positions across the entire value chain. Mark is currently CEO of Precision Medicine Advisors, a consultancy for molecular diagnostics, pharmaceuticals, and biotechnology organizations, which he founded in 2020, a non-executive of Nephrosant, a private US company focused on developing diagnostic tools for chronic kidney disease, Microba, a precision microbiome science company, and a non-executive director and member of the remuneration committee of Owlstone Medical Ltd, a breath biopsy diagnostic company focused on early detection of cancer and precision medicine.

Current external appointments

Mark is currently CEO of Precision Medicine Advisors, a non-executive director of Nephrosant and Owlstone Medical Ltd and an executive advisor of Microba.

Skills, experience and contribution

Mark has significant Life Science industry experience and of working in companies of different scale. He is an accomplished healthcare CEO with experience in molecular diagnostics, genetics, biotechnology, medical devices, and pharmaceuticals. He has extensive US public and private board experience across a large range of companies specialising in growth.

Key to Committees

- Nomination
- Audit and Risk
- Remuneration
- Committee Chair

Bessie Lee, MS, BA Non-Executive Director

Appointed
January 2021

Background

Based in China, Bessie Lee is the CEO Greater China of JonesLangLaSalle and Founder of Withinlink, a China-based venture capital firm and start-up incubator focused on marketing technology. Prior to this Bessie spent almost three decades at WPP plc, holding CEO roles in China for Mindshare, GroupM and finally WPP.

Current external appointments

Bessie is currently CEO Greater China of JonesLangLaSalle, Founder of Withinlink (Shanghai) Investment Management Co Ltd, and a Non-Executive Director of Electrocomponents plc, Homeplus Digital Co Ltd (formerly China Networks Systems Co Ltd) and Shanghai Fuge Information Technology Co Ltd.

Skills, experience and contribution

Bessie has significant experience of building and growing data and technology led businesses, both as a CEO and investor. She is an entrepreneur who set up her own tech incubator and has a deep understanding of consumer behaviours in China and Asia.

Sally W. Crawford Non-Executive Director



Appointed
August 2021

Background

Sally has held a number of senior leadership and board positions in the healthcare industry spanning more than three decades. She served as chief operating officer of Healthsource Inc., a publicly held managed care organisation, from its founding in April 1985 until January 1997. During her tenure at Healthsource, she led development of the company's operating systems and marketing strategies and supported strategic alliances across the industry.

Current external appointments

Sally has extensive board experience, and she is the current Lead Independent Director at Hologic, Inc. and Compensation Chair at Prolacta Bioscience and former Compensation Chair at Hologic and Insulet Corporation.

Skills, experience and contribution

Sally has had a distinguished career in the healthcare industry and has experience and expertise of working with biopharma and diagnostic customers. This expertise and experience will be a valuable asset to Abcam as it continues to partner with customers in the biopharma and diagnostic areas to deliver its long-term growth plans.

Alan Hirzel MS, MBA Chief Executive Officer

Appointed
January 2014

Background

Alan joined the business in 2013 following a strategic review which he led with the Founder and Board to define a long-term growth plan for Abcam. He has subsequently led the Company to achieve over 100% growth, and through substantial organisation change. Prior to joining Abcam, Alan was a Partner at Bain & Company where he advised global executives and private equity investors on growth strategy, performance improvement and acquisitions. Early in his career he worked in a variety of roles from life science researcher at Cornell University to new product development research at Kraft Foods. He holds BS, MS and MBA degrees from Cornell University. He also has a passion for social enterprise and was involved in establishing two social venture philanthropy organisations in the UK and later acted as a Trustee for the National Citizen's Service Trust.

Current external appointments

Alan has no external appointments.

Skills, experience and contribution

Alan brings to the Abcam Board a rare combination of a strong scientific background, and global business and leadership experience. He has a keen focus to ensure Abcam engages with the needs and mission of its consumers in the lab.

Michael S. Baldock, BA Chief Financial Officer

Appointed
February 2020

Background

After graduating from Harvard University in 1986 Michael began a successful career in investment banking spanning more than three decades, advising and working closely with companies, their executive and finance teams. Over that time, Michael worked in a variety of increasingly senior roles at Drexel Burnham Lambert Group, SG Warburg, Lazard and HSBC, where he latterly ran the global healthcare sector team and investment banking in the Americas. In addition, from 1998 to 2000 Michael and a former client partnered to form Bentley Health Care Inc, an oncology outpatient treatment centre company in New York. In 2008, Michael co-founded Ondra Partners, an independent financial advisory firm.

Current external appointments
Michael has no external appointments.

Skills, experience and contribution

Michael has over 30 years of relevant functional and sector experience acquired through senior leadership roles at HSBC, Lazard, Bentley Health Care and SG Warburg. He was a founding partner at Ondra Partners, an independent financial advisory firm which advised Abcam for several years. He is seasoned corporate finance and M&A practitioner with broad industrial experience and deep knowledge of the healthcare industry.

Board of Directors continued

Board composition and roles

The Board comprises the Chair, two Executive Directors and five Non-Executive Directors.

The Directors are satisfied that the current composition of the Board reflects an appropriate balance of skills, knowledge, experience and diversity.

The table below provides an overview of the skills and experience of our Directors.

Skills and experience	Directors
Executive and strategic leadership	8 Directors
Extensive knowledge of our business and the life sciences sector	7 Directors
Broad international exposure, including in particular the United States and/or China	8 Directors
Experience in finance and accounting	5 Directors
Experience of acquisitions and integration of acquired businesses	8 Directors
Expertise in corporate governance and compliance	6 Directors
Investor relations and engagement	8 Directors
Experience in relation to employee engagement and remuneration including incentive programmes	7 Directors
Expertise in sustainability and experience in community engagement	1 Directors

Gender diversity

The percentage of women on the Board is currently 37%, putting us ahead of the recommended targets for FTSE 350 companies.

Our percentage of women on the Board and on the executive leadership team increased to 36% as at 31 December 2021 (31% as at 30 June 2020), and we continue to seek to increase the pipeline of women into both the Board and senior management.

Director independence

The Board considers all Non-Executive Directors to be independent within the meaning of the UK Corporate Governance Code Provision 10. The Board considers that the Non-Executive Directors each demonstrate an appropriate degree of independence in character and judgement and are free from any business or other relationship which could materially interfere with the exercise of their judgement.

In determining the independence of the Non-Executive Directors, the Board specifically considers the beneficial interests of such Directors in the share capital of the Company. Those interests are set out on page 99 and do not in the opinion of the Board detract from their independent status.

In accordance with its procedures, all Directors are required to notify the Board of any conflicts of interest and a register of such interests is maintained by the Company Secretary and formally reviewed at Board meetings. Any planned changes to their interests, including directorships outside the Group, are notified to the Board. In addition, all directors are required to confirm annually all relationships that they have that may represent a conflict of interest.

The independent Non-Executive Directors declared no relationships in the period which were considered a conflict with Abcam's business and therefore nothing was deemed to impact their independence.

Board development

The Board receives training and updates on corporate governance matters throughout the year. In the 18-month period ended 31 December 2021 additional training was provided on the AIM Rules, the Gender Pay Gap Report, the Corporate Governance Code and the additional regulatory and governance requirements imposed on Abcam as a result of its listing on Nasdaq.

On their appointment to the Board, new directors receive a tailored induction programme to enhance their knowledge and understanding of the Company's business, strategy and governance structure, as well as their own duties and responsibilities. They will spend time with the Executive Directors, Non-Executive Directors, Executive Leadership Team and Company Secretary, and other key personnel across the business. New directors also receive a briefing on appointment to the Board covering their role and duties as a director of a company traded on AIM and listed on Nasdaq. This briefing is conducted by our external legal advisers.

Board evaluation

Board and Committee evaluation is a valuable tool in maintaining and improving Board effectiveness.

A Board Effectiveness Review was conducted in the 18 months ended 31 December 2021 facilitated by the Senior Vice President of Human Resources, building upon the findings of last year's externally facilitated Board Effectiveness Review. In this review the Board shared feedback on its effectiveness along with detailed feedback on each individual's strengths and potential capability gaps. Based on the results of this review, a training plan has been developed for the Board, more details of the review are set out in the Nomination Committee Report on page 81.

What we did in the period to 31 December 2021

Strategy

- Monitored implementation of Abcam's strategy including receiving presentations from members of the Executive Leadership Team on the progress of the strategy in their respective areas.
- Considered and approved strategic transactions and opportunities including the acquisition of BioVision.
- Monitored the continuing impact of the COVID-19 pandemic on the implementation of strategy.
- Oversaw the opening of new and expanded sites in China, Massachusetts, and California.
- Oversaw the US listing on Nasdaq of American Depositary Shares.

Financial performance

- Considered the financial performance of the business and key performance targets.
- Approved the budget.
- Monitored performance against budget through regular presentations from the CFO.
- Changed our accounting reference date to 31 December.
- Reviewed the 6-month interim, 12-month interim and period end results, and presentations to analysts, and approved the Transitional 20-F and Form 20-F for filing with the SEC and the Annual Report and Accounts.

Internal control and risk management

- Reviewed the approach to risk management and the assessment of the Company's principal risks.
- Approved the Company's risk appetite, this being the level of risk that the Company is willing to take in pursuit of its objectives.

Governance, stakeholders and shareholders

- Continued to monitor the composition of the Board and its Committees.
- Adopted revised Terms of Reference for the Board Committees and adopted new or revised policies covering Whistleblowing, Non-Audit Services, Related Party Transactions, Share Dealing and Anti-Bribery and Corruption, in line with their schedule of review and in connection with the listing on Nasdaq
- Expanded Asia, digital, and life science industry experience within the Board of Directors with the appointments of Bessie Lee, Mark Capone and Sally Crawford, as Non-Executive Directors.
- Received key legal and regulatory updates on topics such as the Gender Pay Gap Report, the Corporate Governance Code, the AIM Rules, Nasdaq rules, and SEC regulations.

- Received an annual 'Governance and Compliance Healthcheck' conducted by the General Counsel in order to continue to monitor performance against the requirements of the Corporate Governance Code, section 172 of the Companies Act 2006, the UK Bribery Act and US Foreign Corrupt Practises Act, General Data Protection Regulation, Modern Slavery Act, and health and safety legislation and regulations throughout the world.
- Published our first Impact Report, setting out our sustainability framework and increased our continuing focus on environmental, social and governance matters.
- Extensively engaged with our shareholders on remuneration and launched the PGP and Abcam Growth Plan.
- Oversaw the vesting of AbShare, our employee share plan that launched in 2018, making over 90% of eligible employees shareholders in Abcam.

Purpose and culture

The Board continues to promote and develop Abcam's purpose in order to deliver sustainable value creation for all stakeholders. The Board recognises that a resilient business is also a sustainable business, and that being part of a successful value chain that can adapt to meet changing external demands creates value for all stakeholders. The Board contributed to our Impact Report 2020 and the creation of our sustainability framework, building upon on our longstanding core social purpose of serving scientists. More details can be found in our Strategic Report on pages 1 to 45.

Section 172 duty

The Board believes that, individually and together, they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006 in the decisions taken during the 18 months ended 31 December 2021. The Board, advised by the Company Secretary, is mindful of its section 172 duties when it determines the impact of decisions upon all stakeholders. You can find our section 172 statement on page 17, information on our stakeholders on pages 18 to 23, and information on the Board's principal decisions below.

Key Board activities continued

Principal Decisions

Principal decision How the Board considered our stakeholders in the decision

Listing on Nasdaq The Board determined that it was appropriate for a business of Abcam's size and maturity, taking into account its exposure to the US market and strategy, to seek a listing on the Nasdaq.

In assessing this opportunity, the Board considered that a listing on Nasdaq would provide access to a broader US investor base and deeper US capital pools to support Abcam's strategy and growth, presenting potential further benefits to customers and partners. The Board determined that this would provide Abcam with additional flexibility for future acquisitions and would also provide additional liquidity for shareholders.

The Board also considered the additional costs, regulation and governance that would result from listing on Nasdaq and how these would impact shareholders. The Board assessed the impact of the additional regulation and governance, in particular the additional reporting obligations, on Abcam's employees who would be required to deliver these additional requirements on a continuing basis. It was concluded that additional resource with relevant expertise would be recruited and software solutions would be procured in order to help Abcam comply with these requirements without putting undue strain on existing employees.

Stakeholders impacted: customers, employees, partners, shareholders

Acquisition of BioVision

Central to the Board's decision to acquire BioVision was the fact that it was one of Abcam's largest third party product suppliers and its acquisition would improve Abcam's product offering for customers, and partners. The acquisition would allow Abcam to provide its customers with access to additional products not previously available to them, and combining Abcam's and BioVision's capabilities would create opportunities for innovation of new products and services.

The Board considered the impact of the acquisition on Abcam employees, and identified through diligence that BioVision would be a good cultural fit for Abcam. An integration plan was approved by the Board to ensure a smooth incorporation of the BioVision team into the Abcam business with minimal disruption to employees.

Having identified that integrating BioVision into Abcam would place additional demands on Abcam's employees, it was decided to engage a third party firm of integration specialists to help manage the workload.

Careful consideration was given to the price paid for BioVision, and it was concluded that the agreed price allows for the strategic benefits of the acquisition to be delivered at a cost that creates potential for long-term value generation for shareholders.

Stakeholders impacted: customers, employees, partners, shareholders

Principal decision **How the Board considered our stakeholders in the decision**

Remuneration policy, 2021 PGIP and Abcam Growth Plan

The Board identified that with the AbShare employee share scheme vesting and Executive Directors' Remuneration Policy also expiring, and in line with the requirements of the Corporate Governance Code, any new employee incentive scheme and Remuneration Policy should support Abcam's strategy and promote long-term value creation.

Having extensively engaged with shareholders to seek their views and considered the needs of Abcam's business, the Board determined that a key goal of Abcam's approach to remuneration should be to retain and motivate not just the executive team, but Abcam's entire leadership team through the next phase of its growth.

To achieve this goal, the Board developed the Profitable Growth Incentive Plan ("PGIP") for approximately 150 senior leaders and a new Executive Directors' Remuneration Policy, which applied the PGIP to the Executive Directors. The Board also recognised the importance in having the new Remuneration Policy and PGIP approved by shareholders and adopted in advance of it being implemented and so called a General Meeting for that purpose.

The Board also considered that having all employees aligned to Abcam's strategy would result in better service for our customers and partners, and create value for our shareholders, and so concluded that the new all employee share incentive plan, the Abcam Growth Plan, should reflect the PGIP.

Both the PGIP and the Abcam Growth Plan seek to motivate all of Abcam to deliver its 2024 strategy, with the target of approximately doubling revenue through sustainable growth and investment in our future, creating sustainable value for our shareholders and serving life scientists globally to help them achieve their mission faster. The new employee incentive schemes allow our employees to share in this value creation in a meaningful way.

Stakeholders impacted: customers, employees, partners, shareholders

Impact 2020 and sustainability framework

Abcam has always sought to operate in the manner of a socially responsible corporate citizen. Introducing our Impact Report and establishing a sustainability framework has helped formalise how we tell our sustainability story. The Board considered that this approach would improve Abcam's ability to assess its progress against relevant areas within the sustainability framework, and would allow stakeholders to more accurately assess the extent to which we meet our stated aspirations.

The Board wished to build on the introduction of the Impact Report and formally appointed the CEO as the individual responsible for ESG matters at Abcam.

The Board has also received updates on progress in ESG matters throughout the 18-month period ended 31 December 2021 and in response to these updates was able to prioritise Abcam's focus by identifying areas where improvements can be made now, such as revising and renewing certain policies, and those areas where change will take more time and resource, such as engagement with our entire supply chain to meaningfully reduce our Scope 3 emissions.

Stakeholders impacted: customers, employees, partners, communities, shareholders

Key Board activities continued

Principal decision **How the Board considered our stakeholders in the decision**

Responding to the COVID-19 pandemic

As the COVID-19 pandemic progressed the Board has regularly reviewed and endorsed management's proposals to manage the impact of the pandemic on Abcam's customers, employees, partners, communities and shareholders. In considering how best to respond to these impacts, the Board has received regular updates on the return of Abcam's customers and partners to labs and the effect this has had on Abcam's business. The Board determined that it was important that Abcam remained a safe place across our global business, where our people had the confidence and support to return to our facilities and serve our customers. These steps have included creating space and facilities for social distancing at our sites, increased cleaning, providing ready access to face masks and hand sanitiser on our sites, and regular communication with employees. The Board has been cognisant of the direct and indirect impacts of the pandemic on the wellbeing of our employees and as a result has sought to provide employees with flexibility and support to exercise personal choice in how they work during the pandemic, whilst encouraging and maintaining the safety of our workforce as a whole.

The Board has also considered Abcam's impact on the wider community and concluded that by taking steps to keep our sites fully operational, we are helping our customers and partners who are conducting research into COVID-19 and helping scientists around the world to better understand the virus.

Stakeholders impacted: customers, employees, partners, communities, shareholders

Employee engagement

The UK Governance Code has an emphasis on stakeholder engagement and in particular engagement between the Board and the workforce.

It is also a requirement of the Code that we as a Board has in place mechanisms to ensure that we understand the views of the workforce, and three potential methods for engagement with the workforce are identified by the Code. As a Board we have not chosen one of the identified methods and instead have decided to continue with our existing methods of workforce engagement.

We provide details of how we have engaged with employees during the 18-month period ended 31 December 2021 on page 19. The Board considers the measures taken on employee engagement to be effective because they create and foster open and honest dialogue between employees and the Board and maintain the Board's awareness of employee sentiment, which in turn informs the Board's decision making.

Shareholder engagement

The Board is committed to maintaining an open and constructive dialogue with shareholders to ensure there is a common understanding of the strategic objectives, governance and performance of the Company. Further detail of how we have engaged with shareholders throughout the 18 month period ended 31 December 2021 can be found on pages 22 to 23.

This year, the Committee has added Board experience with three new Non-Executive Directors. Ensuring a smooth transition has been critical through this period.

Peter Allen
Nomination Committee Chairman

Committee meetings

3

Committee members and attendance

	Meetings
Peter Allen (Chairman)	3/3
Mara Aspinall	3/3
Giles Kerr	3/3
Past members	
Louise Patten	3/3

Key responsibilities of the Committee

The Committee is responsible for reviewing Board composition and balance, considering the skills and capabilities required for each new Board appointment, leading the process for the Board in relation to new appointments and reviewing succession planning for the Board and senior leadership. The Committee continues to perform this with utmost professionalism and diligence.

Board changes in the year

As outlined in the report last year, the Nominations Committee has conducted a search for additional Non-Executive Directors to join the Board. This was a rigorous process overseen by the Nominations Committee and was aimed at building out experience in the digital and China markets and increasing our depth of experience in life sciences.

I led the search supported with the leading executive search and board advisory consultancies, Lygon Group and Slone Partners. We developed the profiles we were looking for, and the experience we wished to add to the Board. This was an extensive global search to find suitable candidates to join the Board. On this basis a shortlist of candidates was developed before interviews were conducted with all members of the Board, together with meetings with some members of the Executive Leadership Team.

Board members were unanimous in appointing Bessie Lee and Mark Capone on 28 January 2021.

Based in China, Bessie Lee is the Chief Executive Officer, Greater China at JLL. Bessie is also the founder of a China based venture capital firm, Withinlink focused on marketing technology, which she founded in 2015. Prior to founding Withinlink, Bessie spent almost three decades at WPP plc, holding Chief Executive Officer roles in China for Mindshare, GroupM and finally WPP.

Based in the US, Mark Capone is an accomplished life sciences executive with more than 35 years' experience. He spent over 17 years with Myriad Genetics, latterly as Chief Executive Officer and President, over which time he grew the company into a leading global precision medicine company. Prior to joining Myriad Genetics, Mark spent 17 years with Eli Lilly and Company in positions across the entire value chain.

Mark is currently the Chief Executive Officer of Precision Medicine Advisors, a consultancy for molecular diagnostics, pharmaceuticals and biotechnology organisations, which he founded in 2020.

Nomination Committee continued

On 19 May 2021 Louise Patten notified the Board of her intention to retire from the Board and from her roles as Senior Independent Director and Chair of the Remuneration Committee. Giles Kerr became Senior Independent Director and Mara Aspinall became interim chair of the Remuneration Committee.

The Board thanks Louise for her contribution to Abcam in over seven years and wishes her every future success.

The Nominations Committee oversaw a search for a suitable replacement and again worked with Slone Partners to identify candidates who would bring Remuneration experience to the organisation. The Board and members of the Executive Leadership Team met with shortlisted candidates.

The Board were again delighted to unanimously appoint Sally W. Crawford to the Board, Chair (Designate) of the Remuneration Committee and as a member of the Audit and Risk Committee. I want to pay tribute to Mara Aspinall who led the Remuneration Committee on an interim basis and supported with Sally's induction and a smooth transition. Sally took over the responsibility for Chairing the Remuneration Committee on 1 December 2021.

Sally has held a number of senior leadership and board positions in the healthcare industry spanning more than three decades. She served as chief operating officer of Healthsource Inc., a publicly held managed care organisation, from its founding in April 1985 until January 1997. Since January 1997, Sally has been a healthcare consultant in New Hampshire, US, for clients such as Bayer Healthcare Diabetes Division, as well as healthcare investors, providers, regulators and managed care payers.

As we have welcomed new Non-Executive Directors to the Board we have supported their induction with training, meeting experts and also site visits. I am delighted with how well the transition has gone and the additional insight we are getting from our new Board Directors.

Board diversity and appointments procedure

Abcam recognises and embraces the benefits of having a diverse Board, and sees diversity at Board level as an essential element in maintaining a competitive advantage and the Company's long-term sustainable success.

Board composition is central to the effective leadership of the Group and therefore prior to commencing any search for prospective Board members, the Committee draws up a specification, reflecting on the Board's current balance of skills and experience and those that would be conducive to the delivery of the Company's strategy. Selection for Board appointments is made on merit against this specification.

Gender diversity

Following the Board changes in the year, female representation on the Board stands at 37.5%. This puts Abcam above the recommended targets for FTSE 350 companies in terms of female board representation. Abcam continues to see the development of female executive talent as an important area.

Activity in the year

In addition to the Board changes outlined above, I have also had the opportunity to get to know many of our investors through extensive discussions as we consulted on some of our changes, and I appreciate the amount of time our investors have made available to me.

We have undertaken a Board Effectiveness Review this year facilitated by the Senior Vice President of Human Resources. This allowed me to review the effectiveness of the Board. I was pleased with the results and each Board Director has received individual feedback. It has helped me in developing a training plan for the Board and has given me insight into the strengths and potential capacity gaps we will need to fill in the future as the Company grows.

We have been pleased to see the depth of succession building for the Executive Leadership Team and that Abcam has continued to be able to develop and grow talent internally, as well as attract great candidates from the external market. We were pleased to see an internal promotion into the role of SVP, Research and Development and a new addition to the team in the role of SVP Sales, Service and Business Development. Both are women.

Priorities for 2022

The Committee will continue to focus on succession planning, particularly for Executive Leadership Team positions, as well as supporting the mentoring of the senior team. I will also be supporting the development of the Board in delivering the training identified from the Board Evaluation process. During the course of 2022, we will undertake another Board evaluation to build on the review undertaken this year and to ensure we continue as a high-performing Board.



Peter Allen
Nomination Committee Chairman
14 March 2022

The Committee plays a key role in governance of the Group's financial reporting and risk management and ensures that shareholders' interests are protected and the Company's long term strategy is supported.

Giles Kerr
Audit and Risk Committee Chairman

Committee meetings

7

Committee members and attendance

	Meetings
Giles Kerr (Chairman)	7/7
Mara Aspinall	6/7
Sally Crawford	2/2
Past members	
Louise Patten	3/3

Introduction

As Chairman of the Committee, I am pleased to present the report of the Audit and Risk Committee for the 18 months ended 31 December 2021.

This report sets out the work of the Committee over the 18 months and offers insight into how the Committee has discharged the responsibilities delegated to it by the Board and the key areas of focus has considered in doing so.

In meeting its responsibilities, the Committee continues to consider the provisions of the UK Corporate Governance Code and the FRC Guidance on Audit Committees and the applicable requirements of the SEC and NASDAQ in relation to the listing of Abcam's securities on NASDAQ. The Committee's Terms of Reference are available on corporate.abcam.com.

The Committee works to a structured programme of activities which is focused on the Group's reporting cycle, principal risks and risk appetite and keeps in mind a forward looking strategic agenda. The Sarbannes-Oxley (SOX) requirements as a result of the US listing during the year are a new addition to the programme. These activities are supplemented throughout the year as key matters arise.

The Committee's primary focus has been:

- monitoring the integrity of the Company's external reporting and accounts. Of particular importance this year has been new US requirements following the NASDAQ listing and the change in year end;
- appraising a formal update to the Group's principal risks and risk appetite statements;
- review of the growing Internal Audit function and its outputs,
- assessing the progress made the first year of the Company's SOX programme; and
- overseeing the judgements and estimates made in the accounting valuations of Biovision made in the year, in particular in respect of intangible assets acquired.

In exercising its duties, the Committee undertakes a crucial role in providing effective governance over the Group's financial reporting and internal control procedures thereby ensuring that shareholders' interests are protected and the Company's long term strategy is supported.

Committee governance

Membership

The Committee continues to be comprised exclusively of independent Non-Executive Directors. Louise Patten stood down from the Committee and the Board on 19 May 2021. Sally Crawford joined the Committee on her appointment to the Board on 13 August 2021.

Independence and experience

The Board has confirmed that it is satisfied that the Committee members provide an appropriate depth of financial, risk management and commercial experience across different industries including life sciences and in listed companies. The Committee acts independently of management. The Board has also confirmed that it is satisfied that Giles Kerr being a chartered accountant and having held other finance appointments meets the requirement for recent and relevant financial experience.

Meetings

The Chief Financial Officer, Vice President Global Finance, Company Secretary (acting as secretary to the Committee), Head of internal audit, other members of senior management and representatives of the Company's external auditor (PricewaterhouseCoopers LLP (PwC)) attended by invitation.

Representatives of the Group's external auditor meet with the Committee at least once a year without Executive Directors or management being present.

External advice

The Board makes funds available to the Committee to enable it to take independent legal, accounting or other advice when the Committee believes it necessary to do so.

Key Committee activities during 2020/21

Financial reporting

- Considering matters of accounting significance, estimation and judgement including those in respect of the Biovision acquisition made during the year;
- Monitoring the integrity of the Annual Report and Accounts, the Interim Statement and any formal announcements relating to financial performance, to ensure clarity and completeness of disclosures, including those relating to alternative performance measures (including adjusted performance measures);
- Receiving presentations from management on all financial reporting matters;
- Reviewing the results and conclusions of work performed by the external auditor;
- Reviewing the basis for the going concern statement in light of financial plans and reasonably possible scenarios especially considering the continued impacts on the business of COVID-19;
- Reviewing the longer-term viability statement (LTVS) including appraising the Board's approach and use of its five-year plan on which the LTVS is based, linkage to strategy, principal risks, together with related scenario stress analysis; and
- Considering if the Annual Report and Accounts, when taken as a whole, is fair, balanced and understandable.

Risk management, internal control and SOX

The Committee receives updates on risk, internal control and SOX matters at each meeting. This regular monitoring allows timely identification of issues and formal tracking of remediation plans. The main areas of assessment were:

- Considering the formal review undertaken in the year of the Groups' principal risks, emerging risks and risk appetite statements and recommending to the Board the adoption thereon;
- Monitoring continual improvements in risk management including reviewing actions to mitigate risk and challenging the assessment of risk mitigations in line with risk appetite;
- Reviewed the internal audit plan for the current and forthcoming year ensuring alignment with key risks;
- Reviewing the effectiveness and integrity of the internal controls framework with particular reference to the requirements of SOX this year. The Committee has reviewed the material weaknesses identified under the requirements of SOX as reported by management and engaged with the associated remediation plan;
- Monitoring progress on the implementation and project governance of transformational projects; and
- Receiving updates on continual strengthening of cyber security measures.

Fair, balanced and understandable

The Annual Report and Accounts continues to focus strongly on key strategic messages and the Committee has had due attention to this emphasis and balance where it may affect disclosures elsewhere in the Annual Report and Accounts. In ensuring that the Group's reporting is fair, balanced and understandable, the Committee reviewed the classification of items between adjusted and reported performance measures and the clarity and comprehensiveness of disclosures around adjusting items.

In addition, the Committee gave due consideration to the integrity and sufficiency of information disclosed in the Annual Report and Accounts to ensure that they clearly explain the Group's financial position, performance, business model and strategy. An assessment of the narrative reporting was also undertaken to ensure consistency with the financial statements, including appropriate disclosure of material or significant items necessary to aid a reader's understanding and appropriate balance of reported and adjusted performance measures.

Compliance

The Committee reviews and considers the operation of the Group's compliance initiatives. These include the employee Code of Conduct 'How we do things at Abcam', a global whistleblowing hotline and portal, an anonymous messaging inbox for messaging the CEO, and compulsory online training for anti-bribery and corruption and GDPR.

During the year the Committee received updates from management on GDPR, the compliance requirements of the Sarbanes-Oxley Act and an annual governance 'health check'.

Matters of significance and judgement

The Committee received reports from management and the external auditor setting out the significant accounting and financial reporting matters and judgements in respect of the financial statements as well as how these matters were addressed. The following sets out the main areas of judgement considered by the Committee. For each area, the Committee was satisfied with the accounting and disclosures in the Annual Report and Accounts.

Matters of accounting significance and judgement	Committee's review and conclusions
<p>Costing of internally developed technology capitalised within intangible assets</p> <p>Internal costs are capitalised as internally developed technology within intangible assets which is used to generate antibodies and kits.</p> <p>The point at which such internal costs are included and capitalised as well as their magnitude (where the amount capitalised comprises mainly of attributable salary costs and consumables used in the manufacture process) is a key area of judgement.</p>	<p>The Committee discussed and challenged management's review and also considered the report from the auditor on the results of its testing.</p> <p>The Committee considered management's assessment of technical feasibility, intention and adequate resources to complete projects together with the level of expected sales to support the assets. This was also considered in light of historical track records of value generation and internal governance procedures to approve capitalisation.</p>
<p>Classification of costs associated with system process improvements</p> <p>The strategic ERP programme is a complex, multi-year global business transformation with numerous phases across multiple functions necessary to secure the Group's longer-term growth ambitions. The work involves both internal and external costs and judgement is required both in respect of whether the amounts qualify for capitalisation and whether amounts which are expensed are incremental given that these are separately disclosed as such.</p> <p>A number of ERP modules have successfully gone live during the year. The nature and scope of the programme remains fundamentally the same as set out at the beginning of the year. However, in reviewing the assets at go live, management has concluded that there is an indication of impairment on one element of the R&D programme which will not be progressing to rollout and is therefore impaired. Management has therefore written off the asset.</p> <p>Primary oversight of this important programme at Board level has been maintained.</p>	<p>In line with last year, the Committee received reports from management and the external auditor regarding the classification of amounts expensed versus those capitalised and remained satisfied with the treatment. This included the implications of the adoption of the IFRIC, published in March 2021, relating to SaaS arrangements – the committee reviewed the output and approved the treatment of the restatement.</p> <p>Detailed aspects of the project continually evolve and regular updates are provided usually at Board level. The Committee was satisfied with management's conclusion regarding the write down.</p> <p>During the period management revised its estimate of the useful economic life of the ERP software from five years to 10 years, changing the Group's policy from three to five years to three to 10 years.</p> <p>The Committee reviewed the details of the policy change and approved the change and treatment</p>
<p>Accounting adjustments and related to the Biovision acquisition</p> <p>As set out in note 29 to the consolidated financial statements, the Group purchased Biovision during the year.</p> <p>The valuations included external as well as internal valuations which included management judgement and estimation.</p>	<p>The Committee received and reviewed reports from management and the external auditor and, where appropriate, challenged these judgements and estimates.</p>
<p>Carrying Value of acquired intangibles</p> <p>Throughout the year, management assesses for indicators of impairment and reports to the Committee. Specifically management reviewed assets relating to the Firefly Bioworks multiplex and assay technology, concluding that the fair value significantly exceed the carrying value of the assets.</p>	<p>The Committee received and reviewed reports from both management and the external auditor and, where appropriate, challenged the assumptions taken and the conclusion reached.</p>

Matters of significance and judgement continued

Reporting matters

Going concern and Longer-term viability statement

Assumptions underlying going concern and the longer-term viability statement made on pages 119 and 68, respectively are based upon the Group's budget and five-year financial and operating plans. These include appropriate scenario analysis and take into account the Group's principal risks as well as the ongoing effects of the COVID-19 virus.

Profitable Growth Incentive Plan

The plan was approved at a General Meeting on 1 July 2021. Management recommended that this should be treated as an adjusting item to ensure readers of the accounts could continue to properly assess the underlying performance of the business.

Committee's review and conclusions

The Committee, in conjunction with the Board, reviewed the plans and scenarios and was satisfied that in respect of the longer-term viability statement, a period of five years was suitable and concurred with management's conclusions that the viability statement is appropriate.

The Committee paid particular attention to the scenarios in respect of how the continuing effects of the COVID-19 virus may affect customers and therefore the business. Both the speed and extent of recovery were considered. The Committee was satisfied that severe but plausible downside scenarios were appropriate whilst still supporting the Group's longer term viability and its going concern statement.

The Committee considered the material impact the PGIP programme would have on the accounts and noted how other businesses treated similar programmes. The Committee agreed with management's recommendation.

Internal audit

The internal audit function provides independent and objective assurance over the design and operating effectiveness of the system of internal control through a risk-focused approach. The function reports into the Committee and administratively to the CFO.

This is the first full year of the in-house Internal audit function. KPMG is retained to conduct specific IT audits. During the year and in response to the US listing, an additional team member was recruited with a specific focus on in-house SOX testing.

Prior to the start of each financial year, the Committee reviews and approves the annual internal audit plan, a further review occurs during the year to take account of any need to refocus. The programme was refocused during the year to allow appropriate attention on the first year of the SOX programme. Internal audits completed during the 18 month period were:

- Acquisition and integration
- Post implementation review of a transformation project
- Business continuity
- Corporate risk register review - Project Enterprise

Progress updates on actions arising from current and prior reports were provided at each Committee meeting.

The Committee is satisfied that the internal audit programme remains risk focused, is functioning satisfactorily across the Group, that management is open to reviews and takes action on recommendations on a timely basis.

The Committee continues to review how the internal audit function will need to evolve in future years.

External auditor

Independence and objectivity

Both the Board and the external auditor (PwC) have safeguards in place to protect the independence and objectivity of the external auditor. The Committee receives details of any relationships between the Company and PwC that may have a bearing on their independence. These were reviewed by the Committee during the year and remain satisfactory. In accordance with International Standards on Auditing (UK), PwC formally confirmed to the Board its independence as auditor of the Company.

Following the US listing a number of incremental procedures were required to be carried out during the first year of listing. Consequently, additional fees in respect of both the control environment and the US listing document have been incurred in the year and are set out in note 6 to the consolidated financial statements.

Non-audit fees

Any non-audit services require approval by the Committee and the amounts are set out in note 6 to the consolidated financial statements. Non-audit fees comprised fees in relation to interim reviews, the Group's US filings and the Group's US listing.

Non-audit fees amounts to £1,379,000 (2019/20: £99,000) compared to £1,084,000 of audit fees (2019/20: £487,000). Audit fees for period to 31 December 2021 have increased due to additional audit work relating to the change in year end and the acquisition of BioVision. The non-audit fees include assurance work in relation to Sarbanes-Oxley and the US 20F filing and fees in relation to the Group's US listing.

Auditor appointment and tendering

PwC has served as Abcam's external auditor since September 2013, when a full tender process was undertaken. The current audit partner, Sam Taylor, has served for three years.

PwC's objectivity, independence and performance are considered to remain strong and the Committee has recommended to the Board that PwC be re-appointed as external auditor for the 2022 financial year, subject to approval at the AGM.

Auditor effectiveness

The Committee undertakes an annual assessment of the effectiveness of the external auditor. This assessment incorporates the views of management in addition to the Non-Executive Directors to facilitate continued improvement in the external audit process.

The assessment considered:

- Audit risk identification whereby this is a key factor in the delivery of a thorough, robust and efficient global audit in accordance with pre-set timescales. These risks remained broadly consistent with the prior financial year, but with additional focus on acquisitions given the activity in this area during the year;
- Provision of accurate, robust and perceptive advice on key accounting and audit judgements, technical issues and best practice;
- The level of professionalism and technical expertise consistently demonstrated and maintenance of continuity within the core audit team; and
- Strict adherence to independence policies and other regulatory requirements.

The Committee concluded that the above factors had been met, and that it continued to be satisfied with PwC's performance and effectiveness.

Conclusions

The Committee's oversight of financial reporting, external and internal audit, risk and the development of the SOX control environments have been areas of significant focus.

These are likely to remain so for the 2022 financial year as the Group grows and develops in line with its strategy.

The Committee remains focused on ensuring that finance and risk capability is enhanced appropriately to manage in an increasingly complex business and an increasingly regulated environment.

I am confident that the Committee has the necessary skills and experience to continue to meet the challenges ahead.



Giles Kerr
Audit and Risk Committee Chairman
 14 March 2022

Remuneration Committee Chairman's statement

Our remuneration structure aims to support Abcam's long-term sustainable growth and value creation by aligning interests across our global team to the delivery of our strategy and fostering a philosophy of share ownership.

Sally Crawford
Remuneration Committee Chair

Committee meetings

13

Committee members and attendance

	Meetings
Sally Crawford (Chair)	3/3
Mara Aspinall	13/13
Giles Kerr	13/13
Peter Allen	13/13
Mark Capone	9/9
Past members	
Louise Patten	7/7

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for 2020/21. This is my first report as Chair of the Remuneration Committee since stepping into the role in December 2021. On behalf of the Committee, I would like to thank Louise Patten for her valuable contributions over the seven years she was Chair before stepping down on 18 May 2021 and express my gratitude to Mara Aspinall for the great support she provided me whilst she was acting as interim Chair prior to my appointment.

I have long been an admirer of Abcam's commitment to its people and track record of aligning interests across the Company with those of our shareholders. This commitment was demonstrated by our global multi-award winning share plan, AbShare, which vested in November 2021, making over 90% of our eligible global workforce shareholders. Through this and a wide range of other people-centric initiatives, Abcam has continued to position itself as a great place to work, being recognised by our people as one of Glassdoor's top five companies to work for in the UK in both 2020 and 2021.

In this report, I am pleased to share an overview of the Committee's key decisions over the 18 months to 31 December 2021 and how we are aligning our remuneration structure even more closely to the delivery of our strategy through our new Remuneration Policy approved by shareholders at the General Meeting in July 2021 ('Policy').

2020/21 company performance

It has continued to be a challenging time with the impact of the global pandemic continuing to be felt by everyone around the globe. In this demanding environment, our global team have delivered another strong performance.

We achieved the major strategic, operational, and financial goals we set for the business in the 18 month period. Whilst continuing to make significant operational changes as we implement our growth strategy, feedback from our customers was excellent, with a Customer tNPS of +56, and continued to scale and grow our in-house products. We also started to see some of the operational leverage arising from growth resulting in expanding margins as the business begins to transition from the installation phase of our strategy to refining and realising benefits from what we are building.

Abcam's outlook remains attractive and we are on track to achieve the five-year plan that we described in 2019.

2020/21 remuneration outcomes

The Committee always seeks to ensure that the remuneration of our Executive Directors reflects the underlying performance of the business. When approving outcomes, we therefore considered performance against our financial and strategic targets along with wider business and individual performance and believe that the decisions outlined below fairly reflect performance over the full 18-month financial period.

Executive Director base salaries

Neither Alan Hirzel or Michael Baldock received a salary increase during the 18 months to 31 December 2021 and their base salaries are unchanged for 2022, at £629,760 and £408,000 respectively. Salaries among the wider UK workforce increased 4% during this period (2.7% on an annualised basis), and globally by 5%.

Details of the fees for members of the Non-Executive Board are set out on page 97. While no members of the Non-Executive Board are involved in determining their own fees, they are provided in this report as part of our reporting on Directors' remuneration.

Executive Directors' pension contribution reduction

Both Alan Hirzel and Michael Baldock's pension entitlement remain aligned with the wider UK workforce following the reduction in pension entitlement for Alan Hirzel to 8% of base salary effective 1 July 2020. Michael Baldock's pension entitlement was aligned to the wider UK workforce when he was appointed.

Annual Bonus Plan (ABP)

Annual bonus outcomes were considered in the context of financial, strategic, diversity and inclusion (D&I) and personal performance. Due to the 18-month accounting period, two performance periods were operated and, after detailed review, the performance out-turns for each were as follows:

1. **12 months ended 30 June 2021** – out-turns were 37.5% (out of 50%) and 28.9% (out of 33%) of the maximum award for the financial and strategic measures respectively, reflecting strong performance against targets for the period. In combination with performance which exceeded targets under the personal and D&I objectives, this means the ABP will pay 81.7% and 83.4% of the maximum for the CEO and CFO, respectively.
2. **6 months to 31 December 2021** – out-turns were 37.5% (out of 50%) and 24.8% (out of 33%) of the maximum award for financial and strategic measures, respectively, reflecting strong performance against targets for the period. In combination with performance which significantly exceeded personal objectives and exceeded D&I targets, the ABP will pay 77.6% of the maximum for both the CEO and CFO.

30% of the earned bonus for the Executive Directors will be deferred into shares for two years. Further details regarding the achievement against each performance target are set out on pages 94 to 95.

Long Term Incentive Plan (LTIP)

The 2018 awards were intended to reward and incentivise senior leaders over the three-year period from 1 July 2018 to 30 June 2021. Under the 2018 LTIP, Alan Hirzel received two awards: (1) LTIP A, measured against Earnings Per Share (EPS) and Strategic KPIs; and (2) LTIP B, measured against Revenue Growth. Michael Baldock was not appointed when the 2018 awards were granted. However Tranche 2 of his Recruitment Award was measured against the same performance conditions as LTIP A.

1. **LTIP A** – overall vesting of 24% of maximum award. Recombinant antibody and immunoassay revenue growth performance was above the maximum targets set and customer engagement (tNPS) performance above the threshold target. EPS performance was below the threshold target set due to the significant strategic investments made by the Company over the performance period.
2. **LTIP B** – overall vesting of 76% of maximum based on performance that was above the threshold target with revenues growing at a compound rate of 8.4% over the performance period.

No adjustments have been made to out-turns to reflect the impact of COVID-19 or any other factors over the performance period. The EPS out-turn under LTIP A reflects the evolution of Abcam's strategy and significant strategic investments focused on growth since the awards were granted.

The Committee considered that the formulaic out-turns for both the annual bonus and LTIP were appropriate in the context of wider business performance and reflective of the broader stakeholder experience. Further details regarding the achievement against the performance targets are on page 96.

2021 Remuneration Policy

I would like to thank our shareholders for their engagement over the course of 2020/21 in the development of Abcam's new Remuneration Policy ('Policy') and Profitable Growth Incentive Plan ('PGIP'), both of which were approved at the July 2021 General Meeting.

We recognised the importance of stakeholder engagement when considering our Remuneration Policy and its future implementation and consulted extensively with shareholders prior to the General Meeting. The Committee was grateful for the time and contribution of all those shareholders who participated in the consultation process, and for the broad indications of support for Abcam's management team and the principles underlying our proposals.

In the development of the PGIP and Policy, careful consideration was given to remuneration structures and specifically the scale of long-term incentive plans among peer companies. As an increasingly global business, to sustain its future success Abcam must be able to effectively compete for and retain talent in a global marketplace, in particular when competing against US-listed life science and healthcare companies.

As announced in December 2021, we reviewed the key areas on which we received feedback during the consultation process and responded to this by reducing the overall quantum available to the Executive Directors, implementing a cap on the plan, and extending participation to approximately 150 senior leaders in the Company. Alongside the PGIP for senior leaders, Abcam have also implemented a new global share plan for the wider workforce as the successor to AbShare (see Remuneration in wider context section below).

Whilst we were pleased to gain support for the 2021 Remuneration Policy, we recognise that there were a significant number of votes opposing these resolutions. We held follow up meetings with shareholders since the general meeting and are grateful to shareholders for taking the time to express their views.

The Remuneration Committee continues to believe that the remuneration package offered to Executive Directors is fair whilst remaining competitive amongst our peers, including in the US which is our key market for talent. The Committee is committed to ensuring the Company's leadership is motivated to deliver long-term sustainable growth through the successful implementation of the Five-Year Growth Plan to 2024. As such, the Policy and PGIP align all senior leaders to the delivery of Abcam's strategic goals, with a continued focus on profitable growth and long-term sustainable value creation.

Due to the technical requirements of the Companies Act 2006, we will be putting the Remuneration Policy to shareholders for approval again at the AGM in May 2022. Further details are available in the Notice of AGM and the full Policy is set out from pages 104.

Remuneration in wider context

Alongside decisions made on executive remuneration, the Committee provides oversight of the remuneration of the Executive Leadership Team, broader workforce trends and inputs into the formulation of reward programmes across our global workforce. This includes the strategic review and approval of our incentive plans and their performance criteria to ensure each plan is aligned to the interests of our stakeholders and the long-term success of the Company.

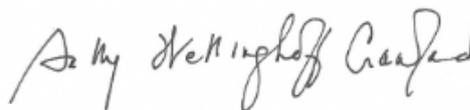
A recent example of the Committee's role in this regard was in the design and approval of our new all employee share plan, the Abcam Growth Plan, which ensures that all employees globally are incentivised and meaningfully rewarded for delivering Abcam's strategic goals to 2024. This programme builds on the success of AbShare with another generous offer of equity participation for our people. Participants in the PGIP are not eligible to participate in the Abcam Growth Plan. Over the course of 2021, the Committee has also provided oversight to a strategic review of our reward structure in China which provided greater alignment across their incentive plans to Abcam's strategic goals.

As a result of these initiatives, employee engagement scores on the topic of reward have significantly increased over the 18 months to 31 December 2021 and remain in the top 25% of comparator companies.

When making decisions on executive remuneration and setting our Directors' Remuneration Policy, the Committee does so in consideration of our global workforce to ensure our total reward offer supports business priorities and is aligned to stakeholder interests, whilst supporting our culture and values. Further details on how the decisions made for Executive Directors compares to the wider workforce are provided on page 101.

Next steps

We trust that we have provided the information you need to be able to support the Committee's decisions during 2020/21 and to ratify the already approved Policy at the AGM. Our ongoing dialogue with shareholders and other stakeholders is valued greatly and, as always, we welcome your feedback on this Directors' Remuneration Report.



Sally Crawford
Remuneration Committee Chair

14 March 2022

Remuneration Principles

Strategically aligned

Our remuneration structure reflects and is aligned with our business strategy and culture. Equity ownership is central to our approach to remuneration which we believe can drive the right long-term behaviour and alignment with stakeholders' interest in the Company's sustainable long-term profitable growth. To further align the interests of Executive Directors with those of stakeholders, they are required to build and maintain significant shareholdings in Abcam over time, equal to two-times their base salaries in value.

We have consistently demonstrated our commitment to employee share ownership through AbShare, our previous multi-award winning share purchase plan, and more recently through the implementation of its successor programme, the Abcam Growth Plan. In line with our culture & behaviours, both plans are centred around dedication through company ownership. They are equally audacious and bold in ambition, enabling all of our people globally to share meaningfully in Abcam's success. The Executive Directors and other senior leaders on the PGIP are not eligible to participate in the Abcam Growth Plan.

Pay for performance

The remuneration of our leaders is structured to promote the long-term success of the Company and to reward value creation for our stakeholders.

Short-term incentives

Assessment of short-term incentives under the Annual Bonus Plan (ABP) is made against a scorecard of performance measures built around Abcam's key financial, strategic and ESG priorities for the relevant year. There is a deferral of shares under the ABP for Executive Directors and senior managers for a further two-year period following the initial year of performance.

Long-term incentives

Awards are linked to Abcam's long-term profitable growth strategy. To further promote equity ownership and long-term performance, vesting occurs at the end of three-and-a-half years with holding periods applying after the awards vest.

Wellbeing

Flexibility and choice are key to our employee benefits package through which we aim to support colleagues financial, physical and mental wellbeing. We want to be there for our people when it really counts which is why all of our employees globally receive company-paid life insurance and offer an above market global family leave policy with 18 weeks fully paid maternity leave and six weeks fully paid paternity leave.

Market competitive

All elements of our remuneration are reviewed regularly to ensure they remain market competitive in order to attract and retain talent as well as to avoid excessive overpayment.

Fair pay

We are committed to paying our people fairly, ensuring that all our employees are appropriately and fairly rewarded.

Clear, transparent and simple

A key priority is to ensure that all of our employees understand how they are rewarded and we believe our remuneration structures should be as clear and simple as possible, so that everyone can understand how they are remunerated for performance.

Compliance and risk

The Committee's role is to ensure our remuneration structures are compliant with the laws and corporate governance requirements that apply and risk assessment is a key consideration of all remuneration decisions.

Implementation of Directors' Remuneration Policy in 2022

Executive Directors' base salaries

No salary increase has been awarded to the CEO or CFO since 1 July 2020. The average increase for the wider UK workforce during this time has been 4%.

		Salary 1 July 2020 £000	Change	Salary as at 1 Jan 2022 £000
Alan Hirzel	CEO	630	0.0%	630
Michael Baldock	CFO	408	0.0%	408

Annual Bonus Plan

The overall framework under the Annual Bonus Plan (ABP) will be as follows.

	Maximum % of salary
Annual Bonus Plan	150%, of which 30% of any bonus is deferred into shares

2022 measures

	Weighting
Financial targets	50%
Strategic targets	33%
Personal objectives	10%
Environmental, social & governance (ESG)	7%

At the Committee's discretion, the bonus may be restricted if any of the four performance elements (financial, strategic, personal or ESG) shows serious underperformance, or if the Committee determines that there has been underperformance on the part of an Executive Director in their role.

Profitable Growth Incentive Plan ("PGIP")

The PGIP-approved by shareholders at the General Meeting in July 2021 – aims to align Abcam's reward to shareholders and incentivise Executive Directors to deliver Abcam's revenue growth ambition by the end of 2024, underpinned by Return on Capital Employed ('ROCE').

The one-off conditional share awards under the PGIP were granted on 14 July 2021 and are subject to a three-and-a-half year performance period from 1 July 2021 to 31 December 2024. Awards are subject to the delivery of Abcam's revenue growth targets and a Return on Capital Employed (ROCE) underpin.

No further awards will be made to the existing Executive Directors over the life of the plan. The Committee does though reserve the right to make PGIP awards to any future new Executive Director hires during the plan period, albeit that there are no plans to recruit or increase the number of Executive Directors at this time.

Further details are set out on from page 89 of the Remuneration Report and from page 108 of the Remuneration Policy.

Pensions and flexible benefits

The Executive Directors are entitled to contributions from the Company into a flexible benefits fund which can be used for defined contribution pension plan contributions, a range of flexible benefits, or an equivalent cash supplement where their pension arrangements are fully funded. They also receive a range of core benefits such as life insurance, private medical cover and annual health screens. The Executive Directors' pension contributions are aligned with those of the wider UK workforce at 8% of base salary.

Non-Executive Directors

During 2016 the Company put in place fee arrangements for all Non-Executive Directors where a portion of their fees would be delivered as a fixed number of fully paid ordinary shares and this structure will be continued in 2022 with a re-calibrated notional share price and will remain in place until 2024.

Annual Report on Remuneration

AUDITED INFORMATION

Executive Directors' single figure for total remuneration in 2020/21

The aggregate remuneration provided to Directors is set out below.

		Fixed			Variable (performance-related)				Total remuneration £000
		Base salary £000	Benefits ¹ £000	Pensions and pension-related ² £000	Total fixed £000	Annual bonus ³ £000	LTIP ^{4,5,6,7} £000	Total variable £000	
Alan Hirzel	Total 18 months ended 31 Dec 2021	945	20	76	1,041	1,139	1,964	3,103	4,144
	Annualised equivalent for the period ended 31 Dec 2021	630	11	50	691	753	1,964	2,717	3,408
	Total 2019/20	615	13	78	706	348	618	966	1,672
Michael Baldock	Total 18 months ended 31 Dec 2021	612	128	49	789	749	54	803	1,592
	Annualised equivalent for the period ended 31 Dec 2021	408	83	33	524	493	54	547	1,071
	Total 2019/20	167	29	7	203	92	154	246	449

- The Company operates a flexible benefits scheme through which the Executive Directors are entitled to participate in a range of benefits which include life insurance, private healthcare and company car benefits. The figures also include tax compliance support provided by the Company. Michael Baldock is covered under the Company's international medical insurance cover and has received £60,542 under his relocation support over the 18 months ended 31 December 2021.
- Alan Hirzel and Michael Baldock were entitled to contributions from the Company of up to 8% of base salary into a defined contribution pension plan. Where the Executive Directors have elected not to receive full contributions from the Company, they are entitled to draw an equivalent cash supplement, adjusted for employer's National Insurance (NI) contributions, such that the Company is in a neutral position.
- Bonus is paid 70% in cash and 30% as deferred shares which vest on the second anniversary immediately following a period of 10 dealing days after the Company announces its preliminary results for the financial year, subject to continuous employment. For the 12 months to 30 June 2021, the value of the deferred share award was £231,815 for Alan Hirzel (2019/20: £104,473) and £153,367 for Michael Baldock (2019/20: £27,552). For the six months to 31 December 2021, the value of the deferred share award will be £109,862 for Alan Hirzel and £71,176 for Michael Baldock.
- LTIP figures for the period ended 31 December 2021 for Alan Hirzel represents the value of the 2018 LTIP, based on the actual share price of £16.89 when the 116,301 shares were released. For Michael Baldock, it represents the value of Tranche 2 of his Recruitment Award from which 3,301 shares were released subject to the same performance conditions as the 2018 LTIP A award for Alan Hirzel, based on the average share price over the final quarter of the 2021 calendar year, being £16.46.
- LTIP figures for the period ended 31 December 2021 for Alan Hirzel and Michael Baldock represent a share price increase from £12.33 and £12.11 at grant to £16.89 and £16.46, meaning the amount attributed to share price gains is £530,333 and £14,359, respectively.
- 2019/20 LTIP figure for Alan Hirzel has been restated to reflect the value of the 41,241 shares released based on the actual price when they were released on 3 November 2020 of £14.99. 2019/20 LTIP figure for Michael Baldock has been restated to reflect the value of the 9,410 shares released based on the actual price of £16.40 when they were released on 3 February 2021. In last year's report, both figures were calculated using the average 2019/20 Q4 share price of £13.14.
- The 2019/20 LTIP figure for Alan Hirzel and Michael Baldock represents the value of his 2017 LTIP award under which the share price has increased from £10.20 and £12.11 at grant to £14.99 and £16.40, meaning the value attributed to share price growth was £197,544 and £40,369, respectively.

Annual Report on Remuneration continued

Annual Bonus Plan (ABP) – targets and performance outcomes

Annual bonus outcomes were considered in the context of financial, strategic, diversity and inclusion (D&I) and personal performance over the 18 months to 31 December 2021. The outcomes for the two individual periods have been assessed in the round to ensure that the Committee is satisfied that the overall result is appropriate in the context of business performance and reflective of the wider stakeholder experience during the period. The Executive Directors' maximum annual opportunity for the 12 months to 30 June 2021 was 150% of base salary and for the six months to 31 December 2021 it was 75% of salary. 30% of the earned bonus for the CEO and CFO will be deferred into shares for two years.

ABP performance outcome for the 12 months to 30 June 2021

Performance element	Measure	Weighting	Threshold (25%)	Target (50%)	Exceeds (75%)	Maximum (100%)	Overall achievement	Out-turn (% of overall maximum)
Financial	Adjusted Profit Before Tax (PBT) ¹	50.0%	£23.6m	£34.2m	£44.7m	£60.1m	£56.1m	37.5%
Strategic	Proprietary Product Revenue Growth	16.5%	Proprietary product revenue growth exceeded the maximum target or 31%				Maximum	16.5%
	Customer Engagement (tNPS)	16.5%	Customer engagement tNPS exceeded the target of +56				Exceeds	12.4%
Personal	Personal objectives for Executive Directors comprising a range of targets	10.0%	The current Executive Directors significantly exceeded expectations under their personal objectives for the year, which included the effective communication of the new strategy externally with shareholders and fostering capability in the senior management team in order to lead the business for the next five years. Alan Hirzel conducted extensive shareholder and analyst engagement; successfully onboarded new Executive Leadership Team members; and continues to build a highly energised and collaborative global team. Michael Baldock led the work towards the BioVision acquisition; provided oversight to the first year of SOX compliance work; delivered significant improvement across financial reporting; and continues to build a highly engaged function.				Maximum	10.0%
Diversity & Inclusion	Progress against D&I objectives	7.0%	The Executive Directors continue to increase efforts to grow a diverse team and inclusive culture. Promotions for women to, and within, our leadership teams increased, as did the proportion of female recruits at this level. We appointed two new female Board members and welcomed two women to our executive leadership team, enhancing the gender balance within our senior teams. We have also recruited a Head of Diversity & Inclusion to drive further progress in this area and report on Diversity & Inclusion regularly to Executive teams. Michael Baldock was heavily involved in steering a social mobility initiative in partnership with a leading external body.				Alan Hirzel (Exceeds):	5.3%
							Michael Baldock (Maximum):	7.0%
Alan Hirzel overall:		100.0%						81.7%
Michael Baldock overall:		100.0%						83.4%

1. Financial performance is based on the Group's adjusted profit before tax (adjusted PBT), on a budgeted exchange rate basis. The PBT targets set under the ABP have been disclosed in full. For the strategic measures, targets have been disclosed where not considered commercially sensitive.

ABP performance outcome for the six months ended 31 December 2021

Performance element	Measure	Weighting	Threshold (25%)	Target (50%)	Exceeds (75%)	Maximum (100%)	Overall achievement	Out-turn (% of overall maximum)	
Financial	Adjusted Profit Before Tax (PBT)	50.0%	£13m	£18.9m	£24.7m	£33.2m	£26.5m	37.5%	
Strategic	Proprietary Product Revenue Growth	16.5%	Proprietary product revenue growth exceeded target level performance of 24%					Exceeds	12.4%
	Customer Engagement (tNPS)	16.5%	Customer engagement tNPS achieved was greater than the target of +56					Exceeds	12.4%
Personal	Personal objectives for Executive Directors comprising a range of targets	10.0%	The current Executive Directors significantly exceeded expectations under their personal objectives for the year, which included the effective communication of the new strategy externally with shareholders and fostering capability in the senior management team in order to lead the business for the next five years. Alan Hirzel continued his extensive shareholder engagement; successfully onboarded new Executive Leadership Team members; and sponsored the implementation of a new global all employee share plan, aligning interests across the global team. Michael Baldock signed and closed the BioVision acquisition; delivered significant improvement across financial reporting; and continues to build a highly engaged function.					Maximum	10%
Diversity & Inclusion	Progress against D&I objectives	7.0%	The Executive Directors continued their efforts to build a diverse team and inclusive culture. During this period, they successfully onboarded a Head of D&I to drive forward this agenda globally. Both Executive Directors personally sponsor thriving Employee Resource Groups (ERGs); supported D&I data collection effort to establish baseline measures for D&I; and Abcam was recognised by peers in UK as Britain's Most Admired Company for its commitment to Diversity, Equity and Inclusion (by Britain's Most Admired Companies)					Exceeds	5.3%
Overall		100.0%							77.6%

1. Financial performance is based on the Group's adjusted profit before tax (adjusted PBT), on a budgeted exchange rate basis. The PBT targets set under the ABP have been disclosed in full. For the strategic measures, targets have been disclosed where not considered commercially sensitive.
2. Performance against Strategic KPIs has been assessed on a rolling 12-month basis.

Annual Report on Remuneration continued

Long Term Incentive Plan (LTIP) – targets and performance outcomes

The 2018 awards were intended to reward and incentivise senior leaders over the three-year period from 1 July 2018 to 30 June 2021. Under the 2018 LTIP, Executive Directors received two awards: (i) LTIP A, measured against Earnings Per Share (EPS) and Strategic KPIs; and (ii) LTIP B, measured against Revenue Growth. Michael Baldock was not appointed when the 2018 awards were granted however Tranche 2 of his Recruitment Award was measured against the same performance conditions as LTIP A.

2018 LTIP A – performance outcome

Performance measures	Weighting	Threshold (25%)	Maximum (100%)	Overall achievement	Out-turn (% of overall maximum)
Financial Compound annual EPS growth ¹	70.0%	8.0%	12.0%	(15.8%)	0.0%
Strategic Recombinant antibody revenue growth	10.0%	Exceeded the maximum target of 20% growth		Above threshold	24.0%
Immunoassay revenue growth	10.0%	Exceeded the maximum target of 30% growth			
Customer Engagement (tNPS) relative to market leader	10.0%	Exceeded the threshold target of +55			
Overall	100%				24.0%

¹ At threshold all measures out-turn at 25%. At maximum the measure out-turns at 100%. Out-turn is calculated as linear between threshold and maximum.

2018 LTIP B – performance outcome

Scenario	Weighting	Threshold	Maximum	Achievement	Out-turn % of maximum
Revenue Growth (CAGR)	100.0%	6.0%	10.0%	8.4%	76.0%

¹ At threshold all measures out-turn at 40%. At maximum the measure out-turns at 100%. Out-turn is calculated as linear between threshold and maximum.

2020/21 single figure for total remuneration for the Chairman and the other Non-Executive Directors (NEDs)

The Company has a philosophy of share ownership which is extended to the Chairman and NEDs by delivering one third of their fees as Abcam shares. Shares for NEDs are awarded at the beginning of the first open period following the announcement of the annual results. PAYE and NI are deducted and the net amount is used to purchase the actual shares delivered to each NED. Each NED has committed not to transfer or sell these shares during the term of their non-executive directorship.

Single figure for total remuneration

The aggregate fees paid to Non-Executive Directors who served the Company during the 18 months ended 31 December 2021:

	Fees								
	Total 18 months ended 31 Dec 2021			12 months ended 31 Dec 2021			2019/20		
	Total fee £000	Delivered as cash £000	To be delivered as shares ¹ £000	Total fee £000	Delivered as cash £000	To be delivered as shares ¹ £000	Total fee £000	Delivered as cash £000	To be delivered as shares £000
Current Non-Executive Directors									
Peter Allen	393	262	131	280	187	93	225	150	75
Sally Crawford ⁴	30	20	10	30	20	10	—	—	—
Mara Aspinall ^{2,3}	132	91	41	96	66	29	73	50	23
Mark Capone ²	76	53	23	76	53	23	—	—	—
Bessie Lee ²	72	49	23	72	49	23	—	—	—
Giles Kerr	131	87	44	89	60	30	77	51	26
Past Non-Executive Directors									
Louise Patten ⁵	101	101	—	60	60	—	83	55	28
Jonathan Milner ⁶	48	48	—	—	—	—	70	47	23
Total remuneration	983	711	272	704	495	208	528	353	175

1 Shares will be awarded at the beginning of the first open period following the announcement of the annual results in March 2022.

2 Mara Aspinall, Mark Capone and Bessie Lee received tax compliance support in the preparation of their tax returns relating to their fee from Abcam for which £9,607, £6,701 and £2,938 was paid by Abcam over the 18 months to 31 December 2021 and is included in the total fee figure.

3 Mara Aspinall began receiving a £15,000 supplemental fee following her appointment as Interim Chair of the Remuneration Committee on 18 May 2021. This supplemental fee will cease effective 1 January 2022 following the end of her interim period as Chair of the Remuneration Committee.

4 Sally Crawford began receiving a £15,000 supplemental fee following her appointment as Chair of the Remuneration Committee on 1 December 2021.

5 Louise Patten stepped down as Non-Executive Director on 18 May 2021. The 'Delivered as cash' figure for 18 months to 31 December 2021 represents the pro-rated cash element of her fees to her departure date and the cash equivalent of her share entitlement to this date converted at the closing price on 18 May 2021, being £14.08.

6 Jonathan Milner stepped down as Non-Executive Director on 5 October 2020. The 'Delivered as cash' figure for 18 months to 31 December 2021 represents the pro-rated cash element of his fees to his departure date and the cash equivalent of his share entitlement to this date converted at the closing price on 5 October, being £12.38.

Annual Report on Remuneration continued

Scheme interests awarded in period

	Date of conditional award granted in period	Award type	No. shares under award	Face value £000	Threshold performance (% shares delivered)	Maximum Performance (% shares delivered)	End of performance period	Vesting date	End of holding period ¹
Alan Hirzel	14 Jul 21	PGIP	1,360,486	19,020	35%	100%	31 Dec 24	14 Apr 25	14 Oct 26
	26 Oct 21	ABP	15,401	232	n/a	n/a	n/a	23 Sep 23	n/a
	7 Dec 20	LTIP A	55,885	787	25%	100%	30 Jun 23	7 Dec 23	7 Dec 26
	7 Dec 20	LTIP B	122,947	1,732	40%	100%	30 Jun 23	7 Dec 23	7 Dec 26
	26 Oct 20	ABP	8,502	104	n/a	n/a	n/a	24 Sep 22	n/a
Michael Baldock	14 Jul 21	PGIP	680,243	9,510	35%	100%	31 Dec 24	14 Apr 25	14 Oct 26
	26 Oct 21	ABP	10,189	153	n/a	n/a	n/a	23 Sep 23	n/a
	7 Dec 20	LTIP A	28,964	408	25%	100%	30 Jun 23	7 Dec 23	7 Dec 25
	7 Dec 20	LTIP B	28,964	408	40%	100%	30 Jun 23	7 Dec 23	7 Dec 25
	26 Oct 20	ABP	2,242	28	n/a	n/a	n/a	24 Sep 22	n/a

- Awards under the PGIP granted on 14 July 2021 are subject to Abcam's 2024 revenue growth targets underpinned by a Return on Capital Employed (ROCE) target of 12.5%. Achievement of £442.8m, £482.8m and £517.8m in annual revenues in 2024 and the 12.5% ROCE underpin will result in 35%, 75% and 100% of shares vesting, respectively, with linear progression between points. Revenue targets have been adjusted upwards by £17.8m since the general meeting in July 2021 to reflect the recurring revenues from the acquisition of BioVision.
- LTIP A awards granted on 7 December 2020 are subject to EPS with a target range of 8-12% CAGR and Strategic priorities; and LTIP B awards granted on 7 December 2020 are subject to profitable revenue growth targets within a range of 6-10% CAGR.
- Face values are based on the grant price for each Conditional Share Award, being £12.29, £14.09 and £15.05 for the 2020 ABP, LTIP and 2021 ABP grants, respectively. For the ABP awards the grant price is set based on the average share price over the 10 dealing days beginning on the day on which the Company announces its preliminary results for a particular Financial Year the award related to. For the 2020 LTIP, the grant price was the average closing price over the 10 dealing days prior to the grant date.
- Awards under the PGIP granted on 14 July 2021 are one-off Conditional Share Awards subject to a three-and-a-half year performance period from 1 July 2021 to 31 December 2024. No awards under the LTIP will be granted to Alan Hirzel or Michael Baldock during the life of the plan, but any outstanding LTIP awards will continue to vest in line with the original terms. The price used to value the PGIP awards is £13.98 calculated using the 10 dealing average share price leading up to the grant date.
- Shares released from the PGIP are subject to a post-vesting retention period, released in four equal tranches over an 18 month holding period following vesting taking the overall time horizon of awards to five years. Awards under the LTIP are subject to post-vesting retention periods with partial restriction on sale for an additional term of three years for the CEO and two years for the CFO.

Executive Directors' share scheme interests

	Date of conditional award granted in period	Price at award date	Award basis	Maximum receivable at 1 July 2020	Awarded during the period	Vested/ released during the period	Lapsed	Maximum receivable at 31 December 2021
Alan Hirzel								
ABP – Deferred shares ¹	26 Oct 20 & 26 Oct 21	£12.29 & £15.05	30% of prior year's bonus	23,334	23,903	(23,334)	—	23,903
PGIP ²	14 Jul 21	n/a	0.6% of Share Capital	—	1,360,486	—	—	1,360,486
LTIP ³	7 Dec 20	£14.09	400% base salary	448,488	178,832	(157,542)	(97,399)	372,379
SIP Free shares	—	—	—	345	—	(345)	—	—
SIP Matching shares	—	—	—	185	—	(185)	—	—
SIP Dividend shares	—	—	—	179	—	(103)	—	76
	—	—	—	472,531	1,563,221	(181,509)	(97,399)	1,756,844
Michael Baldock								
ABP – Deferred shares ¹	26 Oct 20 & 26 Oct 21	£15.05	30% of prior year's bonus	—	12,431	—	—	12,431
PGIP ²	14 Jul 21	n/a	0.3% of Share Capital	—	680,243	—	—	680,243
LTIP ³	7 Dec 20	£14.09	200% base salary	62,942	57,928	—	—	120,870
Recruitment Award	—	—	—	41,274	—	(9,410)	(4,348)	27,516
	—	—	—	104,216	750,602	(9,410)	(4,348)	841,060

- The 2020 and 2021 Bonus Plan Deferred Share Award will vest on 24 September 2022 and 23 September 2023, respectively, subject to continuous employment.
- PGIP Awards granted on 14 July 2021 are one-off awards subject to a three-and-a-half year performance period from 1 July 2021 to 31 December 2024. Maximum awards are equal to 0.6% and 0.3% of Issued Share Capital at grant, respectively, for the CEO and CFO. No awards under the LTIP will be granted to Alan Hirzel or Michael Baldock during the life of the plan, but any outstanding LTIP awards will continue to vest in line with the original terms.
- 2020 LTIP awards granted on 7 December 2020 to Alan Hirzel and Michael Baldock will vest on 7 December 2023, subject to performance.

Share Incentive Plan (SIP)

Since 2018, no awards have been granted under the SIP, except for dividend reinvestments.

Directors' beneficial shareholdings and share interests

A shareholding guideline of two-times salary for all Executive Directors has been in effect from the date of the 2015 AGM. This level is to be built up over a period ending on the later of the fifth anniversary of appointment or the fifth anniversary of introduction of the policy. Until the shareholding guideline is achieved, an Executive Director is prohibited from selling any shares they have acquired through a Company scheme. They can, however, sell sufficient shares to satisfy any tax liability that may arise on the release or exercise of an award.

Interests in share awards following departure from the Company enable Executive Directors to remain aligned with the interests of shareholders for an extended period post-employment. For good leavers, deferred annual share awards, and LTIP awards subject to holding periods, will typically vest within normal timeframes.

Shareholdings for all Directors is set out as follows:

	Beneficially owned 31 December 2021			Value as a percentage of salary ³	Beneficially owned 30 June 2020			Value as a percentage of salary/fee ³
	Not subject to retention conditions ¹	Subject to retention conditions ²	Total		Not subject to retention conditions ¹	Subject to retention conditions ²	Total	
Executive Directors								
Alan Hirzel	232,573	51,322	283,895	781.2%	145,009	35,246	180,255	390.7%
Michael Baldock	6,990	2,986	9,976	42.4%	—	—	—	0.0%
Non-Executive Directors								
Peter Allen	12,000	6,563	18,563		12,000	2,961	14,961	
Sally Crawford	—	—	—		—	—	—	
Mara Aspinall	5,070	9,475	14,545		5,070	7,852	12,922	
Mark Capone	—	—	—		—	—	—	
Bessie Lee	—	—	—		—	—	—	
Giles Kerr	—	1,485	1,485		—	460	460	
Past Non-Executive Directors								
Louise Patten ⁴	45,299	9,543	54,842		45,299	8,417	53,716	
Jonathan Milner ⁴	18,190,256	7,983	18,198,239		18,190,256	7,030	18,197,286	

1 Includes SIP shares held in trust which are not subject to forfeiture conditions upon termination of employment and shares held by connected persons.

2 Shares subject to retention conditions are entitled to dividends and accordingly are beneficially owned.

3 The share price as at 31 December 2021 being £17.33 (30 June 2020: £13.33) per share was used to value the beneficially owned shares for Alan Hirzel and Michael Baldock.

4 For Louise Patten and Jonathan Milner, the figure for beneficially owned shares is as at their respective termination dates.

Non-executive appointments at other companies

Michael Baldock served as a Non-Executive Director (NED) at Jaws Acquisition Inc. until 3 June 2021 and no longer serves as a NED elsewhere. Alan Hirzel did not serve as a NED elsewhere during the 18 months to 31 December 2021.

Payments to past Directors

In November 2021, Gavin Wood (Executive Director until 3 February 2020) exercised his remaining share options under the 2018 LTIP. He exercised 11,194 shares, selling 5,207 shares to cover taxes and held the remaining 5,987 shares. The total value of shares exercised was £192,760.68 based on the share price of £17.22 when the shares were exercised.

There have been no other payments to past Directors during the year.

Payments for loss of office

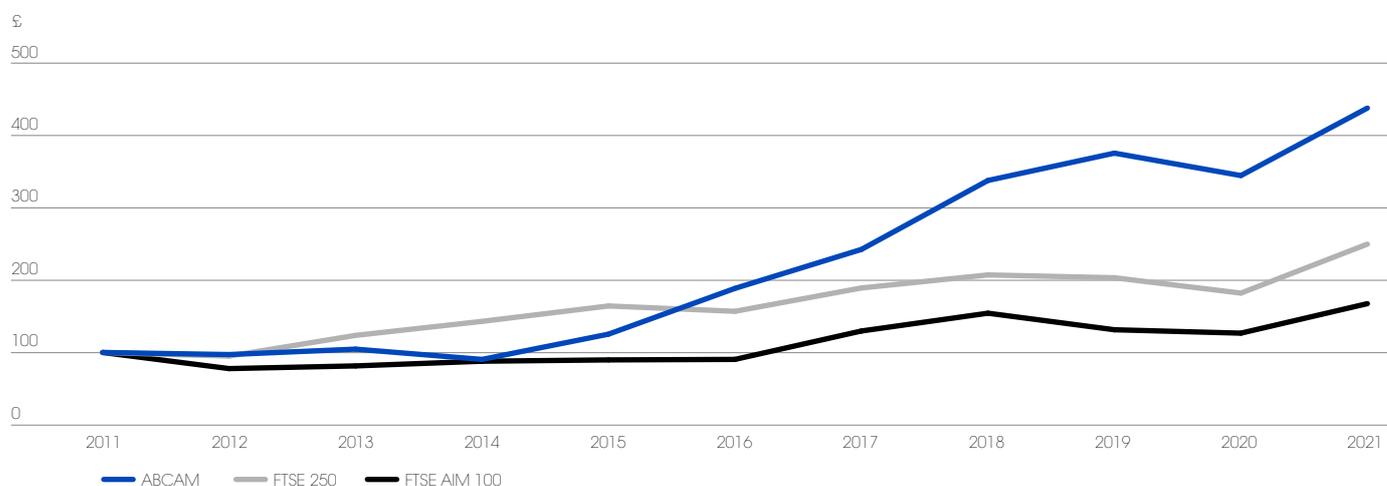
There have been no payments made to Directors for loss of office during the 18 months to 31 December 2021.

UNAUDITED INFORMATION

Performance graph

The Company's Total Shareholder Return (TSR) since 2011 compared to a broad equity market is shown in the graph below and represents the value by 31 December 2021 of £100 invested in the Company's shares on 1 July 2011 compared with the FTSE 250 Index and the FTSE AIM 100 Index. The FTSE 250 Index has been chosen as the comparator because Abcam would sit within this if it were listed on the Main Market of the London Stock Exchange. The Committee considers the relatively complex international nature of this index to be comparable to the Company's business operations where a large proportion of revenues are generated outside the UK.

TSR performance graph (30 June 2011 to 31 December 2021)



CEO remuneration

The table below shows the historical total remuneration for the person undertaking the role of CEO:

Financial year		CEO single figure for total remuneration £000	Annual bonus awarded against maximum opportunity	Long-term incentive vesting rates against maximum opportunity
Total 18 months ended 31 Dec 2021	Alan Hirzel	4,144	79.7%	59.8%
Annualised equivalent 18 months ended 31 Dec 2021	Alan Hirzel	3,408	79.7%	59.8%
2019/20 ²	Alan Hirzel	1,685	37.7%	68.4%
2018/19	Alan Hirzel	1,820	55.8%	76.4%
2017/18	Alan Hirzel	1,788	62.5%	90.44%
2016/17	Alan Hirzel	1,369	78.0%	71.6%
2015/16	Alan Hirzel	614	52.0%	n/a ¹
2014/15	Alan Hirzel	685	73.3%	n/a ¹
2013/14	Jonathan Milner	642	56.8%	—
2012/13	Jonathan Milner	821	71.2%	16.9%
2011/12	Jonathan Milner	739	60.0%	96.3%
2010/11	Jonathan Milner	805	62.7%	100.0%

1 Vesting of long-term incentives is measured over a three-year performance period. For the 2014/15 and 2015/16 years, Alan Hirzel had not been employed by Abcam for more than three years, and therefore no long-term incentives had vested.

2 LTIP figures in the 2019/20 total figure have been restated to reflect the actual prices at the date they were released.

Percentage change in remuneration

Abcam has an international workforce of approximately 1,750 employees in 14 locations. Due to the differing local pay levels across each of our overseas offices, the Committee considers the most meaningful comparator group to be the average remuneration of UK employees.

The following table shows the percentage change in remuneration between the years ended 30 June 2020 and the annualised equivalent for the 18 months ended 31 December 2021 for the CEO, CFO, Non-Executive Directors and this comparator group.

	Salary/Fee	Benefits ¹	Bonus ²
Alan Hirzel	0.0%	0.0%	111.4%
Michael Baldock	0.0%	0.0%	111.4%
Peter Allen	24.6%	N/A	N/A
Mara Aspinall	30.9%	N/A	N/A
Giles Kerr	16.1%	N/A	N/A
Bessie Lee	N/A	N/A	N/A
Mark Capone	N/A	N/A	N/A
Sally Crawford	N/A	N/A	N/A
Comparator group percentage change ³	2.7%	0.0%	62.1%

¹ Benefits entitlement as a percentage of salary.

² Annualised annual bonus award for the 18 months to 31 December 2021 compared to the annualised annual bonus for 12 months to 30 June 2020

³ Comparator group is inclusive of promotions in the annual salary review cycle.

CEO and employee pay ratios

The table below sets out the ratios of the CEO single total figure of remuneration to the equivalent pay for the lower quartile, median and upper quartile UK employees (calculated on a full-time equivalent basis). The ratios have been calculated in accordance with the Companies (Miscellaneous Reporting) Requirements 2018 (the Regulations).

	2019/20	2020/21
25th percentile pay ratio	54:1	81:1
50th percentile pay ratio	37:1	54:1
75th percentile pay ratio	26:1	36:1

Pay Data

		2019/20 (£000)	2020/21 (£000)
CEO	Base salary	615	630
	Total pay	1,685	3,408
25th percentile	Base salary	27	30
	Total pay	29	42
50th percentile	Base salary	39	43
	Total pay	43	62
75th percentile	Base salary	55	61
	Total pay	60	94

The comparison with UK employees is specified by the regulations. This group comprises approximately 45% of our total employee population. The regulations provide flexibility to adopt one of three methods of calculation. We have chosen Option A for all elements of pay which is the more comprehensive calculation based on all UK employees on a full-time equivalent basis and in line with the single figure methodology. The ratios are based on total pay which includes base salary, pension and benefits, bonus and equity awards under our share plans. The CEO annualised pay figure for the 18 months ended 31 December 2021 is as shown in the single total figure of remuneration table on page 93. For UK employees, quartile data has been determined as at 31 December 2021, with calculations based on actual pay data. Forecast outcomes have been used for bonus plan outcomes.

The increase in ratio between 2019/20 and 2020/21 reflects the higher LTIP opportunity under the 2018 Policy compared to prior years and the impact of the global pandemic on incentive out-turns in 2019/20. Total pay data for the wider UK workforce has increased due to continued investment in base pay and our previous global share plan, AbShare, vesting in November 2021.

We believe that our CEO pay ratio is consistent with our pay, reward and progression policies. We have recently implemented the Abcam Growth Plan as the successor programme to AbShare, which ensures that all employees globally are incentivised and meaningfully rewarded for delivering Abcam's strategic goals to 2024. This programme builds on the success of AbShare with another generous offer of equity participation for our people. Through this and a wide range of other people-centric initiatives, Abcam has continued to position itself as a great place to work, being recognised by our people as one of Glassdoor's top five companies to work for in the UK in both 2020 and 2021.

Relative importance of spend on pay

	Total for 18 months ended 31 December 2021 (\$m)	Total 12 months ended 31 December 2021 (\$m)	Year ended 30 June 2020 (\$m)	% increase ³
Dividends in respect of the financial year ¹	0.0	0.0	25.0	-100%
Total Group staff costs ²	185.2	126.2	90.4	39.6%

1 Dividends are the interim dividend paid in respect of the financial year ended 30 June 2020. No dividends have been paid since April 2020.

2 Total Group staff costs includes bonuses, employer social security, pension contributions, redundancies and share-based charges.

3 Increase in total Group staff costs due to an overall increase in headcount in addition to salary increases for existing employees during the year.

Remuneration Committee

The Committee advises the Board on overall Remuneration Policy on behalf of the Board, and with the benefit of advice from external consultants, the SVP, Human Resources and the Global Reward Director, it also determines the remuneration of the Executive Directors and proposes a fee for the Chairman of the Board of Directors (with the Chairman not being present for any discussions on his fee). The remuneration of the NEDs is determined by the Chairman and the Executive Directors.

The Committee formulates and applies the policy with consideration to the prevailing economic climate in the major economies in which the Group operates. It also observes the spirit of the Group's core values, including responsible leadership in the external and internal social environment. Consequently, the Committee closely considers the Company's performance in building both long-term value and a secure future for all stakeholders.

The Committee currently comprises five NEDs, each of whom the Company deems to be independent: Peter Allen, Sally Crawford, Mara Aspinall, Mark Capone and Giles Kerr. Sally Crawford is Chair of the Committee.

The Chief Executive Officer, Company Secretary, the SVP, Human Resources and Global Reward Director attend the Committee meetings by invitation and assist the Committee in the execution of its objectives, except when issues relating to their own compensation are discussed.

No Director is involved in deciding his or her own remuneration.

While it is the Committee's responsibility to exercise independent judgement, the Committee does request advice from management and professional advisors, so as to be informed on the internal and external environment.

No member of the Committee has any personal financial interest, other than as a shareholder, in the matters to be decided by the Committee. The four independent members of the Committee have no conflicts of interest arising from cross-directorships. Members of the Committee have no day-to-day involvement in the running of the Company. The Committee met thirteen times during the year. Details of attendance can be found in the Corporate Governance Report (see page 72).

External advisors to the Committee

The following table sets out the details of external advisors who provided material assistance to the Committee during the year in its consideration of matters related to Directors' remuneration:

Advisors	Appointment and selection	Other services provided to the Company	Fees for Committee assistance
Deloitte LLP (Deloitte)	Appointed by the Committee to provide ongoing advice on various matters including Directors' remuneration reporting regulations, shareholder communication and other governance matters. In relation to the 2021 Policy, Deloitte provided advice on Remuneration Policy documentation, the 2021 PGIP rules, shareholder communication and other governance matters.	Advice on employee reward and global employment tax services on a time and materials basis.	£68,550

Deloitte is a founding member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. The Committee is satisfied that advice received from Deloitte during the year was objective and independent.

Statement of voting at general meeting

The table below shows the advisory vote on the 2020 Annual Report on Remuneration at the 2020 AGM and on the current Directors' Remuneration Policy at the 2021 General Meeting.

Whilst we were pleased to gain support for the 2021 Remuneration Policy, we recognise that there were a significant number of votes opposing these resolutions. We recognise the importance of stakeholder engagement when considering our Remuneration Policy and its future implementation and consulted extensively with shareholders prior to the General Meeting. The Committee was grateful for the time and contribution of all those shareholders who participated in the consultation process, and for the broad indications of support for Abcam's management team and the principles underlying our proposals.

During the process we reviewed the key areas on which we received feedback (the maximum opportunity under the PGIP, the lack of a cap and the number of employee participants) and responded to this by reducing the overall quantum available to the Executive Directors, implementing a cap on the plan, and extending the participation of the plan to approximately 150 senior leaders in the Company. In addition, the Company has recently launched a new all employee share incentive plan globally.

We recognise that the revisions to our original proposals, while generally well received, were not considered sufficient to secure support from all shareholders. The Company has continued to hold follow up meetings with shareholders since the AGM and the Remuneration Committee continues to believe that the remuneration opportunity offered to Executive Directors is fair and competitive; aligns with the Company's strategy and culture; and will ultimately support the long-term success of the business and the continued creation of sustainable long-term shareholder value.

	Votes for		Votes against		Votes total	Votes withheld
	Number	%	Number	%		
2020 Remuneration Report	139,205,994	84.98%	24,612,730	15.02%	163,818,724	24,383,286
2021 Remuneration Policy	103,528,194	53.62%	89,561,982	46.38%	193,090,176	76,984

Approval

Approved by the Board and signed on its behalf by:



Sally Crawford
Remuneration Committee Chair
14 March 2022

2022 Directors' Remuneration Policy (the 'Policy')

The 2022 Directors' Remuneration Policy is proposed for shareholder approval at the Annual General Meeting on 18 May 2022 at 1.00 pm. Subject to approval, the Policy will take formal effect from the conclusion of the Annual General Meeting.

There are no differences between the current and proposed Policy, except to make it clear that no further PGIP awards will be made to the current Executive Directors as their one-off awards were granted on 14 July 2021. The Committee does retain the right to grant PGIP awards to any new Executive Director hires during the plan period within the limits of the rules and policy.

The current Directors' Remuneration Policy is available to view on the Company's website at www.abcam.com.

Process for developing Policy

The Policy was developed over the course of 2020 and early 2021. The Remuneration Committee undertook a comprehensive review of arrangements with a particular focus on alignment to Abcam's forward strategy and ambitions. Input was received from the Chair and management while ensuring that conflicts of interest were suitably mitigated. As outlined on page 89, during the policy review the Committee engaged in detailed consultation with our largest shareholders, and changes were made to the proposals as a result of shareholder feedback.

Directors' Remuneration Policy table

Fixed elements – Base salary

Purpose and link to strategy	<p>To provide an appropriately competitive level of base salary in order to enable Abcam to recruit, retain and motivate Executive Directors of the calibre required to achieve its business strategy and objectives.</p> <p>To reflect the individual's skills, experience and role.</p>
Operation	<p>Base salaries are paid in cash and are reviewed annually, although an out-of-cycle review may be conducted if the Remuneration Committee determines it to be appropriate. A review will not necessarily lead to an increase in salary.</p> <p>When determining salaries, the factors the Remuneration Committee takes into account include (but are not limited to):</p> <ul style="list-style-type: none">– business performance;– individual performance, skills, experience and potential;– salary levels at companies of a similar size, industry, global scope and complexity to Abcam, as well as market conditions; and– the pay and conditions of other Abcam employees.
Maximum opportunity	<p>While there is no maximum, salary increases will typically be in line with the general level of increase awarded to other Abcam employees.</p> <p>Higher increases may be made at the Remuneration Committee's discretion for reasons including (but not limited to):</p> <ul style="list-style-type: none">– increase in the scope and/or responsibility of the individual's role;– realignment to market level;– where a larger increase is considered necessary for the retention of an Executive Director; and– where an Executive Director is appointed on a lower salary initially, with scope for larger increases as they develop in the role.
Performance measures	<p>No specific performance measures are used, although the overall performance of each Executive Director is considered by the Remuneration Committee when reviewing base salaries.</p>

Fixed elements – Benefits

Purpose and link to strategy	<p>To provide competitive benefits in line with market practice to enable Abcam to recruit and retain high-calibre Executive Directors.</p> <p>To support personal health and well-being.</p>
Operation	<p>The Executive Directors are provided with core benefits of life insurance cover up to five times base salary, family private medical cover and annual health screening.</p> <p>The Company contributes a percentage of base salary into a flexible benefits/salary sacrifice scheme which allows the Director to choose a variety of benefits to suit individual needs, such as:</p> <ul style="list-style-type: none"> – additional life assurance; – critical illness cover; – dental insurance; – travel insurance; – cycle to work scheme; – childcare vouchers; – additional holidays; and – pension contributions. <p>Other benefits may be provided if the Remuneration Committee considers it appropriate, such as company car benefits. Expenses incurred in the performance of duties may be reimbursed or paid for directly, including any tax due on expenses.</p> <p>Situation-specific taxable benefits may be provided as may be required in the interests of Abcam’s business, such as, but not limited to, housing or relocation allowances, travel allowance, tax equalisation or other expatriate benefits.</p>
Maximum opportunity	<p>Reasonable market cost of providing benefits plus the employer’s National Insurance (NI) saving on any salary sacrificed.</p> <p>There is no overall maximum level of benefit.</p>
Performance measures	<p>No performance measures.</p>

2022 Directors' Remuneration Policy (the 'Policy') continued

Fixed elements – Pension benefits

Purpose and link to strategy	To provide pension contributions in line with market practice, which will enable Directors to plan for retirement.
Operation	<p>The Company contributes a percentage of base salary into a flexible benefits/salary sacrifice scheme, as described above, which allows the Director to choose a variety of benefits including pension contributions.</p> <p>The Director also has the option to sacrifice an element of base pay to purchase additional benefits as detailed above. If as a result of any salary sacrificed the Company's NI liability is reduced, the benefit of this reduction is added as a contribution to each Director's pension fund.</p> <p>For those in excess of the pension annual and/or lifetime allowance applicable in the UK, the Company's contribution may be taken as a cash allowance (subject to payroll deductions and the Director meeting any employer-related NI costs arising).</p>
Maximum opportunity	<p>The current level of Company contribution is 8%, which is aligned to the UK workforce rate. This may be amended from time to time.</p> <p>The maximum percentage may not exceed the workforce rate. The Remuneration Committee has discretion to consider the relevant workforce rate including consideration of the relevant global jurisdiction.</p>
Performance measures	No performance measures.

Short-term incentives – Annual Bonus Plan (ABP)

Purpose and link to strategy	<p>To incentivise Executive Directors to achieve performance objectives that are directly linked to both Abcam's short-term and long-term financial and strategic goals.</p> <p>The performance measures align to the strategy of the business and stakeholder value creation.</p> <p>The deferred portion of the award aligns the long-term interests of the Executive Directors and stakeholders and supports retention.</p>
Operation	<p>An annual bonus of both cash and deferred shares may be awarded under the ABP.</p> <p>The cash component of the annual bonus, if earned, is paid in cash after the audited preliminary announcement of results for the relevant period is signed off.</p> <p>Deferred shares normally have a compulsory deferral of a further two years, subject to continued employment.</p> <p>Bonus payments are not pensionable.</p>
Maximum opportunity	150% of base salary, of which at least 30% of the bonus will normally be deferred in shares.

Performance measures

Targets for the bonus may be based on individual performance, Abcam's strategic priorities and financial performance measures.

Individual performance is normally measured through an assessment of comprehensive business deliverables, demonstration of company behaviours and the achievement of specific individual objectives.

Financial performance targets are chosen carefully to ensure a strong link between reward and underlying Group financial performance. As an example, these measures may typically include Profit Before Tax (PBT) or other measures as appropriate.

Strategic performance targets are selected from measurable key performance indicators aligned with Abcam's stated strategy.

The exact measures, weightings, thresholds for vesting and targets are determined by the Remuneration Committee each year taking into account Abcam's key strategic priorities and the approved budget for the year.

In addition to the above performance measures, an award may be reduced (including to nil) where the Remuneration Committee determines that a participant has underperformed.

Malus and claw back

The Remuneration Committee may reduce or cancel any cash award that has not been paid in the case of a material adverse adjustment to the audited consolidated accounts of the Company for any accounting period ending before the payment of the cash award, or following fraud or other gross misconduct of the participant.

In addition, the Remuneration Committee may reduce or reclaim any deferred share award in the case of a material adverse adjustment to the audited consolidated accounts of the Company or following fraud or other gross misconduct, material dishonesty, material failure of risk management and/or material wrongdoing on the part of or by the participant for a period of two years following the end of the initial year of performance measurement. There is no claw back in relation to the cash component of awards under the ABP.

2022 Directors' Remuneration Policy (the 'Policy') continued

Profitable Growth Incentive Plan (2021 PGIP) – one-off plan

Purpose and link to strategy	<p>To align reward to shareholders and incentivise Executive Directors to deliver Abcam's revenue growth ambition by the end of 2024, underpinned by ROCE.</p>										
Operation	<p>Awards have been made to existing Executive Directors under the 2021 PGIP following its approval in July 2021. No further awards will be made to existing Executive Directors under the PGIP during the life of the Policy. The Committee does though reserve the right to grant future awards to any new Executive Director hires over the plan period, albeit that there are no plans to recruit at this time.</p> <p>Awards under the PGIP take the form of one-off conditional share award vesting subject to a three-and-a-half year performance period from 1 July 2021 to 31 December 2024, or, for a newly appointed Executive Director, such other period set by the Remuneration Committee in its discretion.</p> <p>Vested awards will be subject to a holding period, and will normally be released in four equal tranches over an 18 month holding period following vesting taking the overall time horizon of awards to 5 years as follows:</p> <table border="1" data-bbox="287 963 1452 1120"> <thead> <tr> <th colspan="2">% of vested award</th> </tr> </thead> <tbody> <tr> <td>Released immediately</td> <td>25%</td> </tr> <tr> <td>Released after six months</td> <td>25%</td> </tr> <tr> <td>Released after 12 months</td> <td>25%</td> </tr> <tr> <td>Released after 18 months</td> <td>25%</td> </tr> </tbody> </table> <p>The holding period may operate as a gross holding period meaning an additional period before shares are released, or alternatively as a net holding period meaning a restriction on sale (other than to pay any tax liability arising on vesting).</p>	% of vested award		Released immediately	25%	Released after six months	25%	Released after 12 months	25%	Released after 18 months	25%
% of vested award											
Released immediately	25%										
Released after six months	25%										
Released after 12 months	25%										
Released after 18 months	25%										
Maximum opportunity	<p>Awards have been made to existing Executive Directors under the 2021 PGIP following its approval in July 2021. No further awards will be made to existing Executive Directors under the LTIP during the life of the Policy. The Committee does though reserve the right to grant future awards to any new Executive Director hires over the plan period, albeit that there are no plans to recruit at this time.</p> <p>The maximum award limit under the rules of the PGIP is up to 0.6% and 0.3% of issued share capital at grant, respectively, for the Chief Executive Officer and the Chief Financial Officer.</p> <p>Awards will be subject to a cap at vesting. No Award will vest at a value that exceeds the initial value of the award, calculated by multiplying the number of shares under award by three times the average closing share price over the 30 dealing days leading up to the date of the General Meeting (the 'Cap'). If the value of any vested shares exceeds the Cap then awards will be scaled back.</p> <p>The value at vesting is calculated by multiplying the number of shares that are due to vest by the average closing price of shares over the 30 dealing days prior to the vesting date (or such other averaging period as the Remuneration Committee determines).</p>										
Performance measures	<p>Vesting of awards is based on the achievement of stretching Revenue targets and subject to a ROCE underpin over the performance period.</p> <p>Under the Revenue targets, achievement of the stretching threshold revenue target will result in no more than 35% of the shares awarded vesting.</p> <p>The Remuneration Committee may reduce the extent to which an Award will vest, taking account of underlying financial or non-financial performance of the participant or the Group over the vesting period, unexpected or unforeseen circumstances or any other reason considered appropriate ('downward discretion').</p>										

Malus and claw back

During the period ending on the fifth anniversary of the grant date, the Remuneration Committee may reduce awards (to zero if appropriate), cancel or impose additional conditions on the awards; and/or require that the participant returns some or all of the shares acquired under the award or make a cash payment to the Company in respect of the shares delivered in the event of:

- a material misstatement of financial results;
- an error in assessing a performance condition or in the information or assumptions on which the award was granted, vests or is released;
- a material failure of risk management;
- serious reputational damage;
- serious misconduct or material error on the part of participant;
- a material downturn in financial performance;
- a material corporate failure; or
- any other circumstance that the Remuneration Committee considers to be similar in nature to those listed above.

Long-term incentives - Long Term Incentive Plan (LTIP)**Purpose and link to strategy**

To incentivise long-term value creation through the setting of stretching targets which ensure a strong link between reward, underlying Group financial performance and shareholder returns.

To support recruitment and retention.

Operation

No further LTIP awards will be made to existing Executive Directors over the life of the Policy whilst the PGIP is in operation. The LTIP may, though, be used for future new hires or in respect of buy-out awards on recruitment, where applicable.

Annual nil-cost options or conditional share awards vest at the end of a three-year performance period. Awards are limited to 400% of salary for the CEO and 200% of salary for other Executive Directors.

Post-vesting holding periods normally apply as follows:

% of award	CEO	Other Executive Directors
Released after three-year vesting period	40%	50%
Released after four years	20%	25%
Released after five years	20%	25%
Released after six years	20%	—

Maximum opportunity

No further LTIP awards will be made to existing Executive Directors over the life of the Policy whilst the PGIP is in operation.

The maximum award limit under the rules of the LTIP is 400% of base salary. Maximum awards are 400% for the CEO and 200% for other Executive Directors.

Performance measures

Vesting of awards is based on specific financial or quantifiable strategic measures against stretching targets over the vesting period.

The vesting period is three years from the date of grant, or such other period set by the Remuneration Committee in its discretion.

The exact measures, weightings, thresholds for vesting and targets are determined by the Remuneration Committee each year taking into account the Group's key strategic priorities, the approved budget for the year and the Group's longer-term financial outlook.

Malus and claw back

The Remuneration Committee may reduce or cancel any award that has not been released in the case of a material adverse adjustment to the audited consolidated accounts of the Company for any accounting period ending before the release of the award, or following fraud or other gross misconduct of the participant.

In addition, the Remuneration Committee may reclaim any award that has already been released in the case of a material adverse adjustment to the audited consolidated accounts of the Company or following fraud or other gross misconduct, material dishonesty, material failure of risk management and/or material wrongdoing on the part of or by the participant for a period of two years following the release of the award or throughout any period that a participant is subject to a work-related criminal investigation.

Committee discretion

The Remuneration Committee will operate incentive plans according to their respective rules and other regulatory requirements where relevant. The Remuneration Committee retains discretion, consistent with market practice, in a number of ways in respect of the operation and administration of these plans. Subject to any statutory prohibition, these include but are not limited to:

In the operation of the 2021 PGIP:

- to amend the performance period over which any performance condition is assessed;
- to amend or substitute any performance condition in accordance with its terms if the Remuneration Committee considers that an amended or substituted performance condition would be reasonable, more appropriate and would not be materially less difficult to satisfy than the original performance condition was at grant;
- to reduce the extent to which an award will vest, taking account of underlying financial or non-financial performance of the participant or the Group over the vesting period, unexpected or unforeseen circumstances or any other reason considered appropriate;
- to determine and vary the vesting period, where this is different to the performance period;
- to determine whether a holding period is operated on a gross or net of tax basis;
- to determine any other reason for an individual being considered as a 'good leaver' (in addition to death, ill health, injury or disability to the satisfaction of the Remuneration Committee), other than in the event of gross misconduct;
- to determine whether to lapse an award for an individual treated as a good leaver that goes onto take another role before the vesting date;
- to apply the lapsing of up to 50% of the unvested award for good leavers;
- to apply malus and claw back provisions as outlined in the table;
- to determine the vesting level in the event of cessation of employment, change of control or other corporate event – though within the rules in relation to the performance condition, any downwards discretion, the Cap and time pro-rating;
- to determine whether to offer an exchange of award in the event of a change of control (as outlined below); and
- in the event of a variation of the Company's share capital or any demerger, delisting, special dividend or other event which, in the opinion of the Remuneration Committee, may affect the current or future value of shares, the Remuneration Committee may adjust the number of shares under an award, or any performance condition or other condition applicable to an award.

In the operation of the ABP:

- where the Remuneration Committee is of the opinion that the Group is facing severe cash flow restraints that threaten the Group's ability to fund its operations, it can reduce the proportion of a cash award under the ABP which is capable of vesting or determine that the cash award may be settled in plan shares, in whole or in part.
- to determine that any annual or deferred bonus awards should be reduced if it reasonably considers that there is a significant misalignment between the attainment of the performance targets and the underlying sustainable performance of the Company.
- to override formulaic outcomes, taking account of company and individual performance and wider circumstances, where the Remuneration Committee considers it appropriate to override formulaic outcomes, while it anticipates that any such discretion would normally result in a reduction, in relation to the annual bonus it reserves the right to make an upwards adjustment if considered appropriate.

In the operation of the LTIP, subject to any statutory prohibition:

- to override formulaic outcomes, taking account of company and individual performance and wider circumstances;
- vary the period from the date of grant to the vesting of an award from the usual three-year period;
- determine and vary the post-vesting holding period;
- meet any stamp duty or liability for any other taxes or expenses arising;
- impart additional and/or modified terms and conditions relating to the grant, release or exercise of any award as may be necessary to comply with or take account of any relevant laws or regulations;
- determine whether the participant shall be liable for the employer's NI contributions payable on the release or exercise of an award;
- In the event of a change of control, merger or demerger scenario, absent the triggering of the malus and claw back rules, the Remuneration Committee would ordinarily exercise its discretion to the effect that all outstanding awards under the LTIP would vest in full;
- In the event of the cessation of employment for reasons including, amongst others, injury, disability, ill health, retirement or redundancy, the Remuneration Committee would ordinarily exercise its discretion so that all outstanding LTIP awards will vest at the end of the usual three-year holding period, subject to the satisfaction of the performance requirements, but pro-rated to reflect the proportion of the holding period worked, and always subject to any adjustment for malus and claw back. Post vesting retention periods will remain in place for good leavers;
- determine the period over which a participant may exercise all released nil-cost option awards, following cessation of employment;
- if events subsequently occur which cause the Remuneration Committee to consider that the existing performance requirements have become unfair or impractical, amend the relevant performance requirements, ensuring that they are no more or less difficult to abide by or satisfy as those originally imposed or last amended;
- to determine that any LTIP award should be reduced if it reasonably considers that there is a significant misalignment between the attainment of the performance targets and the underlying sustainable performance improvement of the Company; and
- in the context of one-off recruitment cash or equity awards, determine appropriate performance conditions for any equity award, taking account of the circumstances of each individual case.

2022 Directors' Remuneration Policy (the 'Policy') continued

Selection of performance measures and how targets are measured and set

Annual Bonus Plan (ABP)

The annual award under the ABP normally consists of three components: financial profit measures, key strategic goals and an individual performance measure based on the achievement of specific personal targets.

Financial performance measures are normally set annually and chosen carefully to ensure a strong link between reward and underlying Group financial performance. Each year the Remuneration Committee considers the most appropriate target to apply for the following financial year, taking into account the Group's key strategic priorities and the approved budget for the year.

The strategic goals are based on successful delivery against a set of performance measures which are chosen by the Remuneration Committee to closely align to the strategy of the business and shareholder value creation.

The individual performance bonus objectives are normally specific to each Executive Director and are set based on comprehensive business deliverables, personal performance and the achievement of specific individual objectives. The Remuneration Committee may determine that measures and targets apply across some or all Executive Directors.

Other metrics may be used in the future where it is considered that they provide clear alignment with the evolving strategy of the Company.

Achievement of the targets for these measures would normally result in a 50% payout of the relevant maximum bonus, with adjustments to reflect over or under performance.

Profitable Growth Incentive Plan

The performance measures for the 2021 PGIP are aligned to the delivery of durable revenue growth. The performance targets align with the revenue growth set out in Abcam's 2024 Strategy, with a ROCE underpin.

Performance measurement

The Remuneration Committee may amend or substitute the performance condition in accordance with its terms or if the Remuneration Committee considers that an amended or substituted performance condition is reasonable, appropriate and would not be materially less difficult to satisfy than the original performance condition was at the date of grant.

The Remuneration Committee retains discretion to adjust performance targets to reflect changes in accounting standards or other reporting changes of a similar nature. In relation to the 2021 PGIP, where recurring revenue is acquired from acquisitions, the revenue targets will be adjusted upwards. It is the intention of the Remuneration Committee that it will consult with major shareholders, to the extent practical, concerning any adjustments to the ROCE underpin as a result of an acquisition occurring in the period from 1 January 2024 to 31 December 2024.

Remuneration arrangements across the Group

We firmly believe that successful delivery of our strategy can only be achieved with engaged and motivated employees and that our Group remuneration philosophy is sufficient to attract and retain high-calibre individuals. While this philosophy is consistent across the Group there may be variations due to a range of factors, including geography and the prevailing conditions in the local talent market.

- **Salaries and benefits** – a range of factors are considered including business and individual performance, the pay of other employees and external market data.
- **ABP and LTIP** – for key management below Board level, in addition to participation in the LTIP individuals may receive some of their annual bonus in shares under the ABP, which must be deferred as shares for a further two years.
- **2021 PGIP** – The Profitable Growth Incentive Plan will be extended to the Executive Leadership Team (ELT) and approximately 150 senior leaders within Abcam.
- **All employee share plans** – A strongly-held view of Abcam's board and leadership team is that broad-based share ownership creates alignment around the organisation as well as helping the Company to attract and retain the highest calibre people. Our global multi-award winning share plan, AbShare, vested in November 2021, making over 90% of our eligible global workforce shareholders and we have since implemented a new global share plan, the Abcam Growth Plan, which rewards and incentivises all colleagues towards delivery our strategy. Participants in the PGIP are not eligible to participate in the Abcam Growth Plan.

Chairman and Non-Executive Director (NED) Remuneration Policy

Overall remuneration

Purpose and link to strategy	<p>To attract and retain an appropriately experienced Chairman and independent NEDs of suitable calibre to fulfil a range of different roles including financial expertise, Audit and Risk Committee Chairman, Senior Independent Director and other Committee Chairs</p> <p>To pay fees that reflect responsibilities and workload undertaken and that are competitive with peer companies.</p>
Operation	<p>NED fees consist of a base fee plus a fee for chairmanship of other Committees including but not limited to Remuneration, Audit and Risk Committees.</p> <p>NED fees are determined by the Chairman of the Board and the Executive Directors. The Chairman's fee is proposed by the Remuneration Committee and approved by the Board as a whole with the Chairman taking no part in the decision.</p> <p>Fees are reviewed periodically and take account of fees paid for similar roles by peer companies and the skills and expected time commitment of the individual concerned.</p> <p>A portion of fees may be delivered as shares, including a fixed number of Abcam shares.</p> <p>Expenses incurred in the performance of non-executive duties may be reimbursed or paid directly, including any tax due on expenses, and tax return support.</p> <p>The NEDs and the Chairman are not eligible to receive bonuses or pension contributions, nor can they participate in the executive or all employee share plans.</p>
Maximum opportunity	<p>Fees are set at an appropriate level taking into account the factors outlined in this table.</p> <p>Any Non-Executive Director who devotes special attention to the business of the Group, or otherwise performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, may be paid additional fees.</p>
Performance measures	None

Recruitment policy

Our philosophy for remuneration is to attract and retain leaders who are focused and encouraged to deliver business priorities within a framework that is aligned with the long-term interests of the Company's stakeholders.

The following factors are taken into account when negotiating a new appointment as Executive Director to the Board:

- **Base salary** – to be set based on relevant market data, experience and skills of the individual, internal relativities and their current base salary. Where new appointments have initial base salaries set below market, the shortfall will normally be managed with phased increases, subject to their development in the role. For interim positions a cash supplement may be paid rather than salary.
- **Annual bonus** – the annual bonus would operate in accordance with the current policy in terms of the maximum opportunity and performance targets, usually pro-rated for the period of employment as appropriate.
- **Share incentives** – for new appointees, depending on the circumstances of the appointment, awards may be granted under either the 2021 PGIP or the LTIP and subject to the maximums set out in the policy table.
- To facilitate the recruitment of an Executive Director it may be necessary to grant a share award or cash bonus, including the buy-out of existing awards from their current employer. Any award may take the form of a cash payment or share award and, in the context of a buy-out arrangement, would take into account the terms of the arrangements (e.g. form of award, performance conditions and timeframe) being forfeited. So far as practical any award would make use of existing plans.

2022 Directors' Remuneration Policy (the 'Policy') continued

Legacy terms for internal appointments, or where an Executive Director is appointed following a merger or an acquisition of a company by Abcam, may be honoured, including any outstanding incentive awards.

- The maximum level of variable remuneration which may be granted in the first year (excluding buy-outs or sign-on awards) is in line with the aggregate maximums set out in the policy table.
- The Remuneration Committee may also make payments to cover reasonable expenses in recruitment and relocation, and any other miscellaneous expenses including but not limited to housing, tax and immigration support.

Service contracts and termination arrangements

Executive Directors have rolling service contracts. Notice periods will not exceed 12 months.

Any payment in lieu of notice is at the Remuneration Committee's discretion and both mitigation and the phasing of payments through the notice period would be considered by the Remuneration Committee where appropriate. If appropriate, certain expenses or payments may be provided in connection with termination, including (but not limited to) payments for accrued holiday, legal costs, out-placement, and the costs of meeting any settlement agreement.

All NEDs, including the Chairman, serve under letters of appointment. Currently either party can terminate on one month's written notice. The policy in relation to notice periods may be reviewed from time-to-time but will not exceed six months. Peter Allen's notice period is one month under normal circumstances and three months in the event of a change of control.

Neither the Chairman nor the NEDs have any right to compensation on the early termination of their appointment.

Vesting of incentives for leavers

Cash and deferred share awards under the ABP

Any cash or deferred share awards outstanding under the ABP will ordinarily lapse on termination of employment. In certain circumstances, such as injury, disability, ill health, retirement, redundancy and death or any other reason at the discretion of the Remuneration Committee, deferred shares will normally vest at the normal vesting date.

Alternatively, the Remuneration Committee may determine that deferred shares vest at cessation of employment. Where vested deferred share awards are in the form of a nil-cost option, the award holder would then be entitled to exercise these for a period of 12 months from the date of vesting, after which time any unexercised nil-cost options will lapse.

Any unvested cash or deferred award outstanding under the ABP may be paid, normally on a pro-rata basis for the period of the financial year in employment, at the Remuneration Committee's absolute discretion. Any bonus paid would be based on the Remuneration Committee's assessment of the achievement of the relevant performance targets.

2021 PGIP awards

Awards will usually lapse on the date a participant ceases to hold office or employment with the Group except where cessation is as a result of (i) the individual's death or (ii) ill health, injury or disability to the satisfaction of the Remuneration Committee, where the participant's employer ceases to be a member of the Group, or for any other reason that the Remuneration Committee determines ('Good Leavers'), except in the event of gross misconduct.

Where a participant dies, the award will vest and be released at the time of the participant's death. The extent to which an award vests will be determined by the Remuneration Committee in its discretion by applying the following: the extent to which the performance condition has been satisfied, any downwards discretion, and the Cap. The vested award will also be reduced to reflect the proportion of the vesting period that has elapsed on death.

For other Good Leavers, on the cessation date the Remuneration Committee may determine, in its discretion, that up to 50% of the unvested awards held by a participant will lapse. In respect of the Executive Directors, it is the intention of the Remuneration Committee that it will consult with major shareholders, to the extent practical, concerning any significant exercise of discretion. The award, or the balance of the award, will usually continue until the normal vesting and release dates. In determining the extent to which the award, or balance of the award, vests the Remuneration Committee will, in its discretion, apply the following: the extent to which the performance condition has been satisfied, any downwards discretion, and the Cap. The vested award will also be reduced to reflect the proportion of the vesting period that has elapsed on cessation. The holding period will continue to apply.

If a participant ceases to be an officer or employee of the Group during a holding period, the award will be released at the end of the holding period, unless the participant ceases by reason of death when it may be released at the time of death. If a participant is dismissed for gross misconduct during a holding period, the award will lapse or be forfeited on the date of cessation.

If an award that does not lapse was subject to a restriction, the restriction will continue to apply following cessation of employment unless the participant ceases by reason of death. If a participant is dismissed for gross misconduct during a restricted period, the shares may be forfeited on the date of cessation.

LTIP awards

Unvested LTIP awards ordinarily lapse on cessation of employment. Under circumstances of injury, disability, ill health, retirement, redundancy or death – amongst others – the Remuneration Committee will ordinarily exercise its discretion so that outstanding LTIP awards will vest at the end of the usual three-year holding period, subject to the satisfaction of the performance requirements, but pro-rated to reflect the proportion of the holding period during which they were employed by the Company.

Change of control and other corporate events

All of Abcam's equity-based plans contain change of control clauses. Under the LTIP and Deferred Share Awards, on a change of control, merger or demerger, the Remuneration Committee would ordinarily exercise its discretion to effect that all outstanding LTIPs would vest in full.

In the event of a change of control of the Company, unvested 2021 PGIP awards will vest to the extent determined by the Remuneration Committee, by applying the following: the extent to which the performance condition has been satisfied at the time of the change of control including consideration of any other performance factors that the Remuneration Committee considers relevant, any downwards discretion and the Cap. The vested award will also be reduced to reflect the proportion of the vesting period that has elapsed at the date of the change of control. Awards will be released immediately following vesting.

Alternatively, the Remuneration Committee may permit awards to be exchanged for shares in the acquiring company. If the change of control is an internal reorganisation of the Group or if the Remuneration Committee so decides, participants will be required to exchange their awards (rather than awards vesting and being released as part of the transaction).

If other corporate events occur such as a winding-up of the Company, a variation of share capital, demerger, delisting, special dividend or other event which, in the opinion of the Remuneration Committee, may affect the current or future value of shares, the Remuneration Committee may determine that awards will vest or lapse. The extent to which an award vests will be determined by the Remuneration Committee by applying the following: the extent to which the performance condition has been satisfied, any downwards discretion, and the Cap. The vested award will also be reduced to reflect the proportion of the vesting period that has elapsed at the date of the change of control. Awards will be released immediately following vesting.

Existing contractual arrangements

The Remuneration Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments), notwithstanding that they are not in line with the Remuneration Policy where the terms of the payment were agreed:

- (i) before the policy came into effect; or
- (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Remuneration Committee, the payment was not in consideration for the individual becoming a Director of the Company.

For these purposes 'payments' includes the Remuneration 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.

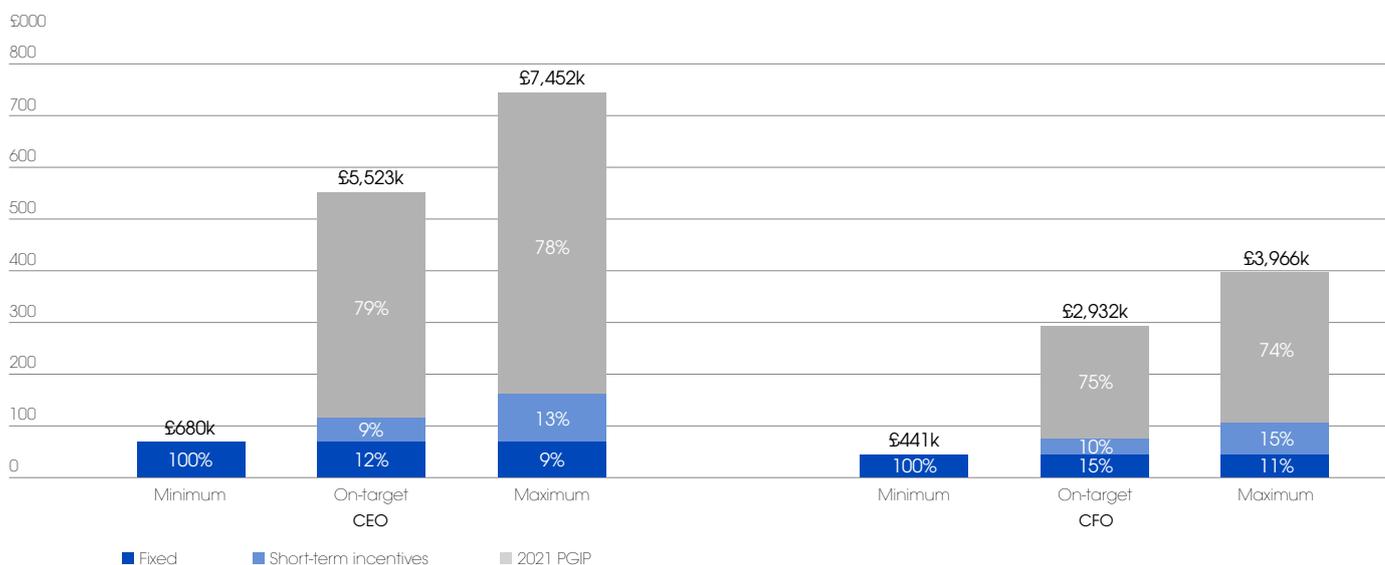
2022 Directors' Remuneration Policy (the 'Policy') continued

Minor changes

The Remuneration Committee may make minor changes to the policy that do not have a material advantage to Directors, to aid in its operation or implementation, without seeking shareholder approval but taking into account the interests of shareholders and stakeholders.

Remuneration scenarios

The charts below show hypothetical values of the remuneration package in line with the policy above and include base salary, pension, benefits and incentives. Although no future PGIP awards will be granted to the current Executive Directors and given their one-off nature as a single award with a three-and-a-half-year performance period, the charts below present the value of the 2021 PGIP on an annualised basis (calculated by reference to the face value at grant divided by 3.5) assuming no share price appreciation during the vesting period. An illustrative scenario based on a 50% share price appreciation over the vesting period is also provided, in line with the regulations. The charts provide an illustration of the proportion of total remuneration made up of each component of the policy and the value of each component. These charts are for illustrative purposes only and actual outcomes may differ from those shown.



	Base salary, Benefits and Pension	Short-term incentives	2021 PGIP
Minimum	Fixed – included	Performance is below threshold on each metric – no annual variable	Performance is below threshold on each metric – award does not vest
On-target	Fixed – included	Performance is in line with expectations – 50% of maximum bonus	Performance is in line with expectations – 75% of the maximum award value divided by three-and-a-half plan years
Maximum	Fixed – included	Maximum performance is achieved on each metric – 100% of maximum bonus	Maximum performance is achieved – 100% of the maximum award value divided over the three-and-a-half years of the plan

- Fixed remuneration is comprised of salary, standard benefit provisions and employer pension contribution/allowance.
- Short-term incentives comprises cash awards under the ABP and deferred bonuses awarded under the ABP, for which performance targets are measured over a one-year period.
- 2021 PGIP comprises an annualised value of the one-off 2021 PGIP, assuming no share price appreciation during the vesting period except where stated in the chart. Depending on share price performance, the actual outcomes could be higher. For example, if the share price increases by 50% as at the vesting date, the total value of shares released from the 2021 PGIP to the CEO and CFO on an annualised basis could be £8.74m and £4.37m, respectively.
- Legacy awards which the executive directors may hold are excluded.

Consideration of conditions elsewhere in the Group

The Remuneration Committee has oversight of the main compensation structures throughout the Group and actively considers the relationship between general changes to employees' remuneration and Executive Director reward. When considering potential changes to Executive Director remuneration, the Remuneration Committee is provided with comparative employee information, e.g. average salary reviews across the Group.

The Remuneration Committee did not consult directly with employees when formulating Executive Director reward policy. However, it does take into account the Company's pay approach for the wider workforce, including information provided by the Senior Vice President, Human Resources, and feedback from our global employee engagement survey, which includes questions about pay and conditions generally.

Consideration of shareholder views

The Remuneration Committee undertook extensive consultation with major shareholders in October 2020, and again in March to May 2021. This process was constructive and provided valuable input, and as a result, several changes were made to the 2021 PGIP design. These changes included broadening participation, amendment to award levels and the introduction of a cap.