

Investment Association Public Register

Update Statement

Indivior PLC (“the Company”) issues this further statement in relation to the 2020 AGM vote on the Directors’ Remuneration Report (Resolution 2).

On May 7, 2020, the Company issued an announcement via RNS in relation to the 2020 AGM voting result and explained:

“With respect to Resolution 2, approval of the Remuneration Report, we are pleased that 76.10% of shareholders voted in favour of this resolution, but are disappointed by the outcome of the vote.

We understand that some shareholders were concerned that executive remuneration with respect to the 2019 financial year was not completely aligned with the shareholder experience. Throughout its decision making, the Remuneration Committee remained focused on balancing the alignment of the shareholder experience with rewarding the operational performance of the business and advancement of the Group’s long-term strategic objectives. As such, Long-Term Incentive Plan (LTIP) awards granted in March 2020 were reduced by 55% (from the amount permitted under the approved Remuneration Policy) and the Remuneration Committee exercised negative discretion and reduced outturn under the 2017-2020 LTIP to zero. This was the second consecutive year in which the Remuneration Committee exercised negative discretion in relation to incentive outcomes, having reduced the 2018 bonus outturn to zero.

We would like to thank the shareholders who have engaged with us and will consider the feedback we have received. We intend to engage further with our shareholders in order to understand the reasons behind this result.”

Engagement with shareholders is ongoing and has been since the AGM, and we have also sought the views of shareholder representative bodies. The principal issues raised were that the awarding of salary increases and payment of bonuses to the Executive Directors were not considered to be aligned with the shareholder experience in 2019.

The Remuneration Committee is grateful for the engagement and feedback it has received and will consider the feedback it has received from shareholders and their representative bodies in relation to 2020 remuneration outcomes and will also consider this feedback in the development of the 2021 Remuneration Policy which will be put to a shareholder vote at the 2021 AGM.

Executive Management have already agreed to forego any bonus payment for 2020 and there will be no base salary increases in 2021. The Committee will continue to consider if the formulaic outturn in respect of LTIP awards is aligned with the shareholder experience and will, if appropriate, exercise its discretion to override the formulaic outturn.