Directors' remuneration policy

This section of the Directors' remuneration report contains details of the Directors' remuneration policy that will govern the Company's future remuneration payments.

The policy below sets out the remuneration policy we intend to apply, subject to shareholder approval, from 24 July 2020, the date of the next AGM. Until such approval the current remuneration policy, which was approved by shareholders at the 2017 AGM, will apply. It is the intention that the new policy will apply for a period of three years from approval. Any key changes in policy have been highlighted in the proposed new policy. The policy part of the remuneration report, if approved, will be displayed on the Company's website, at **www.gpe.co.uk/investors**, immediately after the 2020 AGM.

The Company's policy is to provide remuneration packages that fairly reward the Executive Directors for the contribution they have made to the business and to ensure that the packages are appropriately competitive to promote the long-term success of the Company. The policy is to align the directors' interests with those of shareholders and to incentivise the directors to meet the Company's financial and strategic priorities by making a significant proportion of remuneration performance related. The Company's strategic objectives are set out in the Strategic Report on pages 1 to 94.

The Committee is satisfied that the remuneration policy outlined in the table below is in the best interests of shareholders, does not raise any environmental, social or governance issues and does not promote excessive risk-taking.

Executive Director remuneration

Purpose and link to strategy		Operation and process	Maximum opportunity	Performance metrics	Key changes to last approved policy
Fixed remuneration	**Base salary** To provide a market competitive salary which takes into account individual responsibilities and attracts and retains talent in the labour market in which the Executive Director is employed.	Reviewed by the Committee at least annually and assessed having regard to Company performance, individual responsibilities, inflation, as well as salary levels in comparable organisations (particularly within the listed property sector) and taking account of salary policy and annual increases within the rest of the Group.	Base salary increases will be in applied in line with the outcome of the review. In the normal course of events, increases in the base salaries will not exceed the average increase for employees. Increases may be made above this level to take account of market alignment to around mid-market levels of comparable organisations (particularly within the listed property sector) and individual circumstances such as: – increase in scope and responsibility; and/or – to reflect the individual's development and performance in the role (e.g. for a new appointment where base salary may be increased over time rather than set directly at the level of the previous incumbent or market level). The Committee is, however, mindful of the need to treat comparisons with caution to avoid an upward ratchet of remuneration levels. The salary maximum will be £650,000 (as increased by RPI from July 2017, currently c.£700,000).	Individual and Company performances are considerations in setting base salary.	No change.
	Benefits To provide cost-effective benefits that are valued by the recipient and are appropriately competitive.	Benefits principally comprise life insurance, health insurance, private healthcare subscriptions, travel expenses and membership subscriptions. A company car or company car allowance may be provided although it is not the Company's current practice to provide either to current Executive Directors. Other benefits may be introduced from time to time to ensure the benefits package is appropriately competitive and reflects individual circumstances. Benefits are reviewed annually and their value is not pensionable.	Set at a level which the Committee considers: – appropriately positioned against comparable roles in companies of a similar size and complexity (particularly within the listed property sector); and – provides a sufficient level of benefits based on the role or an individual's circumstances such as relocation. Benefit values vary year on year depending on premiums and, therefore, the maximum value is the cost of the provision of these benefits. However, the aggregate value of contractual and non-contractual benefits received by each Executive Director (based on the value included in the individual's annual P11D tax calculation) shall not exceed £100,000 p.a. (with this maximum increasing annually at the rate of RPI from 1 April 2014).	Not applicable.	No change.
	Pension To provide a framework to save for retirement that is appropriately competitive.	All Executive Directors receive a contribution to their personal pension plan and/or receive a cash equivalent. This cash equivalent is not treated as salary for the purposes of determining bonus or incentive awards.	The contribution is a maximum of 20%. The current Executive Directors as at 1 April 2020 receive a contribution or cash equivalent equal to 20% of base salary. The contribution level for the current Executive Directors will be aligned with the average rate for all employees, by the end of 2022. Any new Executive Directors that are recruited will receive a contribution at no more than the same level as the average all-employee rate (as at the date of recruitment).	Not applicable.	Contribution level for all Executive Directors will be aligned with the average all-employee contribution rate by the end of 2022.

Purpose and link to strategy		Operation and process	Maximum opportunity	Performance metrics	Key changes to last approved policy
Variable remuneration	Annual Bonus Plan Links reward to the annual performance targets, which are set on or about the beginning of the financial year in line with the Company's strategy. Ensures an alignment between the operation of the Directors' remuneration policy and financial measures whilst also ensuring additional operational measures are targeted to encourage a holistic approach to performance.	The Annual Bonus Plan is reviewed annually at the start of the financial year to ensure bonus opportunity, performance measures and weightings are appropriate and continue to support the Company's strategy. Bonuses are paid in cash and shares. Up to 60% of any bonus will be paid in cash following the end of the financial year. At least 40% of any bonus outcome will be deferred into shares, typically through the new Deferred Share Bonus Plan (the DSBP) and normally for three years. The DSBP will be submitted to the 2020 AGM for shareholders to approve for a ten-year period. Subject to clawback and malus provisions in situations of personal misconduct and/or where accounts or information relevant to performance are shown to be materially wrong and the bonus paid was higher than should have been the case. The target bonus is 50% of maximum (i.e. 75% of base salary). Threshold bonus is not more than 30% of base salary with 0% payable if the threshold is not met.	The maximum bonus is 150% of base salary.	At least 70% of the bonus will be linked to key financial measures, with the balance linked to personal or strategic objectives (including ESG factors). At least half of the combined opportunity relating to personal or strategic objectives will be objectively measurable. The performance metrics are set by the Committee each year. The performance period for the Annual Bonus Plan targets is linked to the Company's financial year. The Committee may reduce formulaic bonus outcomes, if it considers them to be inconsistent with the performance of the Company, business or individual during the year. The Committee retains the ability to adjust the targets and/or set different measures if events occur which cause it to determine that the conditions are no longer appropriate and the amendment is required so that the conditions achieve their original purpose and are not, in the view of the Committee, materially less difficult to satisfy. Further details on the measures for the financial year 2020/21 are set out on page 133.	Introduce: – deferral of 40% of any bonus outcome into shares for three years; and – Committee discretion to override formulaic outcomes to ensure the vesting is appropriate, taking into account performance of the Company, any individual, team or department.
Performance shares under the Long-Term Incentive Plan (LTIP)	Rewards and retains Executives aligning them with shareholder interests over a longer timeframe. Ensures an alignment between the operation of the Company's remuneration policy and the Company's KPIs of achieving sustained TAR growth, above benchmark total property returns and superior shareholder returns.	The LTIP was approved and adopted by shareholders in July 2010 with an initial ten-year term. It will be submitted to the 2020 AGM for renewal to permit the LTIP to operate for a further ten-year period. LTIP Participants are eligible to receive a conditional annual allocation of shares or nil price options (performance shares). General terms Awards may be adjusted to reflect the impact of any variation of share capital. An award may, at the discretion of the Committee, include the right to receive cash or shares on vesting equal in value to the dividends payable on such number of shares subject to the award which vest, for the period between grant and vesting. A two-year holding period will apply to awards following the end of the performance period. Awards will typically be structured as nil cost options exercisable from the end of the holding period. Subject to clawback and malus provisions, for all employees in situations of personal misconduct and/or where accounts or information relevant to performance are shown to be materially wrong and vesting was higher than should have been the case; and malus only where there are sufficiently exceptional circumstances which impact the reputation of the Company. The threshold vesting is 20% of awards with straight-line vesting to 100% for maximum performance. Awards under the LTIP may be adjusted to reflect the impact of any variation of share capital. Quantum The Committee reviews the quantum of awards annually.	Up to 300% of salary.	Performance is assessed over not less than a three-year performance period against relevant shareholder value, financial and property related metrics (e.g. TSR or TAR growth). The performance metrics are set by the Committee each year based on the strategic priorities of the business at that time, but no less than 50% will be assessed against a relative measure. The Committee will also have a standard discretion to reduce the formulaic outcome of performance conditions if no longer appropriate in the circumstances (including the performance of the Company, any individual or business). The Committee retains the ability to adjust the targets and/or set different measures if events occur which cause it to determine that the conditions are no longer appropriate and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy. Further details on the measures for 2020/21 awards are set out in the Directors' remuneration report on page 133.	Introduce Committee discretion to adjust formulaic outcomes to ensure the vesting is appropriate, taking into account performance of the Company, any individual, team or department.

Directors' remuneration report continued

Purpose and link to strategy		Operation and process	Maximum opportunity	Performance metrics	Key changes to last approved policy
All-employee share plans	Encourages Executive Directors and employees to acquire shares in order to increase the alignment of interests with shareholders over the longer term.	The Company operates a Share Incentive Plan (SIP) under which all employees, including Executive Directors, may be awarded free shares and may purchase shares which can be matched on up to a two for one basis. The Company's current practice is to operate partnership and matching shares only. If the shares are held in a trust for at least three years and the employee does not leave the Company during that period, then the matched shares may be retained by the individual subject to some relief against income tax and National Insurance contributions. Dividends are also paid directly to participants on all SIP shares. In 2010, shareholders approved a Save As You Earn Scheme (SAYE) for all employees which is not currently operated but which might be utilised in the future. Under the SAYE, participants (which may include Executive Directors) may make monthly contributions over a savings period linked to the grant of an option with an exercise price which may be at a discount of up to 20% of the market value of the underlying shares at grant. Awards under the SIP and SAYE may be adjusted to reflect the impact of any variation of share capital. The SIP and SAYE will each be submitted at the 2020 AGM for shareholders to approve a further ten-year term.	Under the SIP, maximum participation will be in line with the prevailing maximum limits set by HMRC under the relevant legislation. Under the SAYE, maximum participation will be in line with the prevailing maximum limits set by HMRC under the relevant legislation.	As is typical under HMRC tax-advantaged all-employee plans, there are no performance conditions attached to awards.	No changes.
Shareholding policy	To ensure that Executive Directors' interests are aligned with those of shareholders over a longer time horizon.	Executive Directors are expected to accumulate and maintain a holding in shares in the Company equivalent in value to no less than 300% of base salary. A post-cessation shareholding guideline will operate from the approval of this policy at the 2020 AGM. Executive Directors will be expected to retain the lower of actual shares held at cessation and shares equal to 300% of salary for two years post-cessation. This guideline will apply in respect of any vested shares which vest from DSBP and LTIP awards granted after the 2020 AGM (unless the Committee no longer considers it necessary). Shares retained following vesting of LTIP and/or DSBP awards granted after the 2020 AGM will be held in escrow to enable enforcement of post-cessation share ownership guidelines.	Not applicable.	Not applicable.	Introduction of a two-year post-cessation shareholding guideline.

Notes to the Future Policy Table

1. Performance measures and targets

Short- and long-term performance measures will be selected by the Committee in order to provide a direct connection to the Company's strategy by being linked to the key fundamental performance indicators at the time. In normal circumstances, they would be expected to include metrics such as TPR/capital growth, TAR targets and relative TSR performance. Relative measures will be assessed against appropriate comparators such as a relevant MSCI index and/or an appropriate group of other UK listed real estate companies with similar operations.

Absolute measures are set following a robust budget setting process which takes into account internal financial indicators as well as a broader view of the market environment.

The targets for the Annual Bonus are commercially sensitive and will be reported in the subsequent Directors' remuneration report. The targets for the 2020 LTIP award will be determined and disclosed by the Committee following the 2020 AGM, as explained on page 128. As referred to in the Committee Chairman's statement, it is intended that appropriate targets will be set for each award cycle. The awards are also subject to an underpin under which the level of vesting may be reduced in certain circumstances.

The Committee is of the opinion that, given the commercial sensitivity around GPE's business, disclosing individuals' targets for the Annual Bonus Plan in advance would not be in the best interests of shareholders or the Company. Actual targets, performance achieved and awards made will be published at the end of performance periods so shareholders can fully assess the basis for any payouts.

2. Differences in remuneration policy for all employees

All employees of GPE are entitled to base salary and benefits on the same basis, with quantum of awards being set at levels commensurate with their role. All employees participate in an employee Annual Bonus Plan, with quantum of awards being set at levels commensurate with their role and with performance measures, similar to the executive scheme, based on Group performance and against personal objectives. Senior managers receive LTIP awards with quantum of awards being set at levels commensurate with their role. All employees are eligible to participate in the SIP and the SAYE on the same terms as the Executive Directors.

Employees who joined the Company before April 2002 are members of the Company's defined benefit pension plan, and all other employees are eligible to join the Company's defined contribution pension plan and receive a contribution of up to (currently) 10% of salary.

3. Changes to remuneration policy from previous policy

The changes to previous policy have been noted in the table above. The inclusion of caps does not represent any aspiration.

4. Discretion

The Committee will operate the Annual Bonus Plan, LTIP and DSBP awards according to their respective rules and ancillary documents and in accordance with the Listing Rules where relevant. The Committee retains discretion consistent with market practice, in a number of regards to the operation and administration of these plans as noted in the policy table and in the recruitment remuneration and payments for loss of office sections as relevant. Any use of these discretions would, where relevant, be explained in the Directors' remuneration report and may, as appropriate, be the subject of consultations with the Company's major shareholders.

The all-employee tax-advantaged share plans will be operated in accordance with HMRC guidance and their respective rules.

In addition, the Committee has the discretion to amend policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or wait for shareholder approval.

Details of share awards granted to existing Executive Directors are set out on page 139 of the Directors' remuneration report. These remain eligible to vest based on their original award terms, in line with the policy set out in the policy table or under the authority of the previously approved remuneration policy (as will other legacy arrangements, including those awarded prior to promotion to the Board).

Governance

Non-Executive Director remuneration

Element	Purpose and link to strategy	Operation and process	Maximum opportunity	Performance metrics
Fees	Provide an appropriate reward to attract individuals with appropriate knowledge and experience to review and support the implementation of the Company's strategy.	The Chairman and the Executive Directors are responsible for setting the remuneration of the Non-Executive Directors, other than the Chairman whose remuneration is determined by the Committee. Non-Executive Directors are paid a base fee and additional fees for membership or chairmanship of Committees and for the role of Senior Independent Director. Fees are usually reviewed annually with changes effective from 1 April. Non-Executive Directors do not participate in any of the Company's incentive arrangements. Other benefits include travel, accommodation and membership subscriptions related to the Company's business. Reasonable business related expenses will be reimbursed (including any tax due thereon).	Fees will be in line with market rates for Non-Executive Directors at FTSE 250 companies. The aggregate maximum will be the limit stated in the Articles of Association, which is currently £600,000, but shareholders are being asked to increase this to £750,000 at the 2020 AGM. In the normal course, the Committee would generally consider awarding the Chairman (and the other directors would generally consider awarding the Non-Executive Directors) an annual increase in line with the rate of inflation for staff generally. However, this is not automatic and any decisions will be taken in the round. The 2020/21 fee levels are set out on page 133.	Not applicable.

Approach to recruitment remuneration

The Committee's approach to recruitment remuneration is to pay no more than is necessary to attract appropriate candidates to the role, and our principle is that the pay of any new recruit would be assessed following the same principles as for the directors and the policy previously summarised.

Executive Director recruitment

Component	Policy
Base salary and benefits	The salary level will be set taking into account relevant market data, the experience and skills of the individual, responsibilities of the individual and the salaries paid to similar roles in comparable companies in line with the current process undertaken by the Committee when setting the salary levels for its existing directors. Whilst it is not envisaged that it will be required, as provided for in the relevant regulations, the Committee reserves the right to exceed the fixed pay limits set out in the policy table, in exceptional circumstances, to secure the appointment of a high calibre individual. Executive Directors shall be eligible to receive benefits in line with the Company's benefits policy as set out in the remuneration policy table.
Pension	Executive Directors will be able to receive a pension contribution or receive a supplement in lieu of pension contributions in line with the Company's pension policy as set out in the remuneration policy table.
Annual bonus	Executive Directors will be eligible to participate in the Annual Bonus Plan with at least 40% of the bonus outcome normally subject to deferral under the proposed new DSBP as set out in the remuneration policy table. For Executive Directors joining part way through a year, awards would be pro-rated. Different performance measures may be set initially for the Annual Bonus Plan, taking into account the responsibilities of the individual, and the point in the financial year that they joined. The annual maximum potential opportunity under this plan is 150% of salary.
Long-term incentives	Executive Directors will be eligible to participate in the LTIP set out in the remuneration policy table. Awards may be granted up to the maximum opportunity allowable under plan rules at the Committee's discretion of 300% of salary under the LTIP. An award may be made on or shortly following an appointment assuming the Company is not in a prohibited period.

Component	Policy
Share buyouts/ replacement awards	Awards may be granted to replace those forfeited by the Executive Director from a previous employer on taking up the appointment where considered necessary by the Committee. The Committee will seek to structure any replacement awards such that overall they are no more generous in terms of quantum or vesting period than the awards due to be forfeited. Where the Company compensates new directors in this way, it will seek to do so under the terms of the Company's existing variable remuneration arrangements, but may compensate on terms that are more bespoke than the existing arrangements, including awards granted under Listing Rule 9.4.2, where the Committee considers this to be appropriate. In such instances, the Company will disclose a full explanation of the detail and rationale for such recruitment related compensation. In making such awards, the Committee will seek to take into account the nature (including whether awards are cash or share-based), vesting period and performance measures and/or conditions for any remuneration forfeited by the individual in leaving a previous employer. Where such awards had outstanding performance or service conditions (which are not significantly completed), the Company will generally impose equivalent conditions. In exceptional cases the Committee may relax those requirements where it considers this to be in the interest of the shareholders, for example through applying a significant discount to the face value of the replacement awards.
Relocation policies	In instances where the new Executive Director is non-UK domiciled or needs to be relocated, the Company may provide one-off or ongoing compensation as part of the Executive Director's relocation benefits to reflect the cost of relocation for the Executive in cases where they are expected to spend significant time away from their country of domicile. The level of the relocation package will be assessed on a case-by-case basis and may take into consideration any cost of living differences, housing allowance and/or schooling.
Legacy arrangements	Where an Executive Director is appointed from within the organisation, the normal policy of the Company is that any legacy arrangements would be honoured in line with the original terms and conditions on a pro rata basis. Similarly, if an Executive Director is appointed following the Company's acquisition or merger with another company, legacy terms and conditions on a pro rata basis would be honoured.

Non-Executive Director recruitment

Component	Policy
Fees	Newly appointed Non-Executive Directors will be paid fees consistent with existing Non-Executive Directors.

Service agreements and payments for loss of office

The policy of the Company is to have service contracts for Executive Directors with notice periods of one year. It is sometimes necessary when recruiting a new Executive Director to give a service contract with an initial term of up to 18 months in which case a 12-month notice period may be given no earlier than six months from the start date or the contract.

Non-Executive Directors, who have letters of appointment, are subject to the provisions of the Articles of Association dealing with appointment and rotation every three years, however, in accordance with the UK Corporate Governance Code they are subject to annual re-election and have a notice period of three months by either party. They are not eligible for payment in lieu of notice or any other payment on termination.

The following table sets out the dates of each of the Executive Directors' service agreements and their unexpired term, the dates of the Non-Executive Directors' letters of appointment and the date on which the Non-Executive Director is next subject to reappointment or re-election.

Executive	Date of service agreement	Unexpired term (months)
Toby Courtauld	18 March 2002 (amended 2017)	12
Nick Sanderson	7 June 2011 (amended 2017)	12

Non-Executive	Date of appointment letter	Date when next subject to appointment or re-election
Richard Mully	12 October 2016	24 July 2020
Charles Philipps	10 January 2014	24 July 2020
Wendy Becker	12 January 2017	24 July 2020
Nick Hampton	28 September 2016	24 July 2020
Alison Rose	4 April 2018	24 July 2020
Vicky Jarman[1]	22 January 2020	24 July 2020[1]

1. Vicky Jarman was appointed to the Board on 1 February 2020 and will be subject to election at the next AGM on 24 July 2020.

Governance

Executive Directors may, with the consent of the Committee, retain fees paid to them for acting as a Non-Executive Director of a company outside the Group, except where the directorship is as a representative of the Group.

The Company's policy on termination payments for Executive Directors is to consider the circumstances on a case-by-case basis, taking into account the relevant contractual terms, the circumstances of the termination and any applicable duty to mitigate. It is the Committee's policy not to reward poor performance. The Committee will always seek to minimise the cost to the Company whilst seeking to reflect the circumstances in place at the time. The Committee will honour Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There are no contractual arrangements that would guarantee a pension with limited or no abatement on severance or early retirement. There is no agreement between the Company and its directors or employees, providing for compensation for loss of office or employment that occurs because of a takeover bid. The Company reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising on connection with the termination of an Executive Director's office or employment. The Company may also deem it appropriate to pay on behalf of a departing Executive modest legal, outplacement or other fees.

Contracts include a right for the Company to achieve mitigation through payment on a monthly phased basis with payments reducing/ceasing if an alternative role is found during the balance of any notice period.

Base salary, benefits and pension

Toby Courtauld's compensation in lieu of notice payable at the Company's discretion is 12 months' basic salary. Compensation in lieu of notice to Nick Sanderson, payable at the Company's discretion, is 12 months' basic salary, pension allowance and the value of benefits in kind provided in the previous year, or the actual provision of those benefits.

Approach to other remuneration payments on termination of employment and change of control

In addition to the payment of base salary, benefits and pension as set out above, the Group's Annual Bonus Plan, LTIP, DSBP, SIP and SAYE contain provisions for the termination of employment.

Component	Good Leaver*	Bad Leaver**	Change of control
Annual Bonus Plan	Where an Executive Director's employment is terminated after the end of a performance year but before the payment is made, the Executive will be eligible for an annual bonus award for that performance year subject to an assessment based on performance achieved over the period. Where an Executive Director's employment is terminated during a performance year, a pro rata annual bonus for the period worked in that performance year may be payable in relation to that year's bonus (in the case of injury, ill health, disability, death or retirement) or in relation to personal objectives set only (in other Good Leaver cases).	Outstanding award is forfeited.	An Executive Director may receive a bonus, the amount of which will be determined by the Committee, taking into account such factors as it considers relevant, including the proportion of the elapsed performance period at the date of change of control and performance to that point.
Deferred Share Bonus Plan (DSBP)	Awards may be retained until the normal vesting date. In exceptional circumstances the Committee may accelerate vesting at the date of cessation.	Outstanding awards lapse.	In accordance with the rules of the DSBP, outstanding awards will normally vest in full on a change of control.
Long Term Incentive Plan (LTIP)	Awards may vest at the date of cessation of employment or the normal vesting date (including any applicable holding period) at the discretion of the Committee. Awards will vest based on the performance achieved up to the date of cessation/normal vesting date at the discretion of the Committee and be pro-rated to reflect the amount of time elapsed since the award date. The Committee retains the discretion to disregard time when determining the level of vesting. This would only be considered in exceptional circumstances and where considered, the Committee would take into account the circumstances of the cessation of employment. Upon death, all long-term incentive awards vest immediately in full.	Outstanding awards lapse.	In accordance with the rules of the LTIP, on a change of control, vesting will occur immediately. Performance against targets will be assessed by the Committee on a change of control. The number of shares vesting will normally be reduced pro rata to reflect the amount of time elapsed from the award date until the change of control as a proportion of the original vesting period. The Committee retains the discretion to disregard time when determining the level of vesting. This would only be considered in exceptional circumstances and where considered, the Committee would take into account the overall context of the deal and the actual value delivered to shareholders.
Share Incentive Plan (SIP)	All shares can be sold or transferred out of the SIP. Free, matching and partnership shares may be removed tax free. If dividend shares are taken out of the SIP within three years of being awarded, the dividend used to buy them is subject to income tax at the dividend rate. On resignation, matched shares held for less than three years will be forfeited.	Free shares and matched shares held for less than three years will be forfeited. Partnership and matched shares held for more than three years but less than five years will be liable to tax depending on time held in the SIP. If dividend shares are taken out of the SIP within three years of being awarded, the dividend used to buy them is subject to income tax at the dividend rate.	All shares can be sold or transferred out of the SIP. Free, matching and partnership shares may be removed tax free. If dividend shares are taken out of the SIP within three years of being awarded, the dividend used to buy them is subject to income tax at the dividend rate.
Save As You Earn Scheme (SAYE)	Options may be exercised during a period of six months following cessation of employment (or 12 months following cessation in the event of death).	Options held for less than three years will lapse on cessation. Options held for more than three years may be exercised during a period of six months following cessation, except where the reason for cessation is misconduct.	Options may be exercised in the event of a change of control of the Company.

* Good leavers under each of the Annual Bonus Plan, LTIP, DSBP, SIP and SAYE are those leaving under specified conditions as set out below.

Annual Bonus Plan and LTIP:

- death;
- ill-health, injury or disability (evidenced to the satisfaction of the Committee);
- redundancy;
- retirement;
- the award holder's employing company or business being transferred out of the Group; or
- any other circumstances at the discretion of the Committee, including where appropriate (and exceptionally), resignation. The Committee will only use its general discretion where it considers this to be appropriate, taking into account the circumstances of the termination and the performance in the context of each plan and will provide a full explanation to shareholders of the basis of its determination. The exercise of the Committee's discretion under one plan will not predetermine the exercise of its discretion under another.

Under the DSBP all leavers will be considered 'good', expect where the employee is dismissed for misconduct.

Good leavers under the SIP and SAYE are those participants leaving in certain circumstances as under applicable legislation including death, injury, disability, retirement and redundancy.

** Bad leavers are those leavers who are not good leavers.

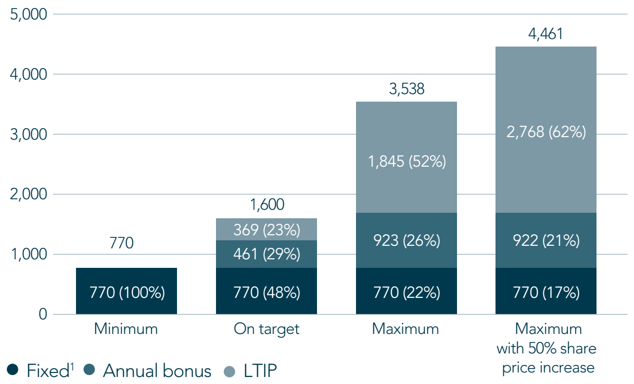
Governance

Directors' remuneration report continued

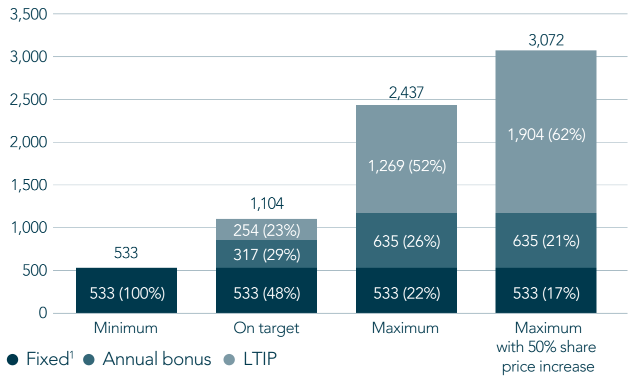
Executive Director remuneration scenarios based on performance

The charts below set out the potential remuneration receivable by Executive Directors for minimum, where performance is below threshold for variable awards, on-target and maximum performance. Potential reward opportunities are based on the remuneration policy and applied to salaries for the year ending 31 March 2021. It should be noted the projected values exclude the impact of any dividend accrual.

Chief Executive £000



Finance and Operations Director £000



1. The Fixed amounts in the charts reflect the increased full annual salaries that will take effect from 1 July 2020 subject to the Committee being satisfied that lockdown restrictions have been sufficiently lifted at that time. Salaries have not been pro-rated for these purposes.

Consideration of remuneration of other employees

Our approach to salary reviews is consistent across the Company, with consideration given to the level of responsibility, experience, individual performance, salary levels in comparable companies and the Company's ability to pay. Remuneration surveys and meetings with sector specialists are used, where appropriate, to establish market rates.

When determining remuneration of the Executive Directors, the Committee takes into account pay and conditions across the Group, especially when determining the annual salary increase. Prior to the annual pay review, the Committee receives a report setting out changes to all employee remuneration levels and proposed discretionary bonus awards.

While the Company engages with employees on remuneration generally, including executive remuneration, it did not formally consult with employees on the policy or use any remuneration comparison metrics during the year reported. The Chairman of the Committee is intending to invite all staff to attend a session to discuss remuneration and the 2020 policy revisions later this year, following the AGM.

Further details of how the Committee has considered the broad operation of the remuneration policy and practices for all employees can be found on page 126.

Consideration of shareholder views

When determining remuneration, the Committee takes into account the guidelines of investor bodies and shareholder views. The Committee is always open to feedback from shareholders on remuneration policy and arrangements, and commits to undertaking shareholder consultation in advance of any significant changes to the remuneration policy.

The proposed 2020 remuneration policy has been subject to thorough consultation with our major shareholders and the main proxy voting advisors.

Deliberation and process

The Committee ensures it seeks independent advice as appropriate and the Committee also has access to HR and company secretariat without the executives present. Consistent with good practice, any decisions are taken without the affected individual present.

This report will be submitted to shareholders for approval at the AGM to be held on 24 July 2020.

Approved by the Board on 9 June 2020 and signed on its behalf by:

Wendy Becker
Chairman of the Remuneration Committee
9 June 2020