



Remuneration Committee - Terms of Reference

1. Constitution

- 1.1 Great Portland Estates plc's Remuneration Committee ('the Committee') is established by the Board of Directors.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Remuneration Committee. The Committee shall be made up of a minimum of three members all of whom shall be independent Non-Executive Directors. The Chairman of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chairman.
- 2.2 The Committee Chairman shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
- 2.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 2.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years provided the director still meets the criteria for membership of the Committee.
- 2.5 The Board shall appoint the Committee Chairman who shall be an independent Non-Executive Director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board shall not be Chairman of the Committee.

3. Secretary

- 3.1 The Company Secretary or his/her nominee shall act as the Secretary of the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be two members.

5. Frequency of Meetings

- 5.1 The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee shall require.

6. **Notice of Meetings**

- 6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other Non-Executive Directors. Supporting papers shall be sent to the Company Chairman, Committee members and to other attendees as appropriate, at the same time and in a timely manner.

7. **Minutes of Meeting**

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings shall be circulated promptly and agreed with the Committee Chairman. Minutes of Committee meetings shall be circulated to all members of the Committee as part of the following Remuneration Committee pack for approval at that meeting.

8. **Annual General Meeting**

- 8.1 The Chairman of the Committee shall attend the Annual General Meeting to respond to any shareholder questions on the Committee's activities.

9. **Responsibilities**

- 9.1 The Committee shall:
 - 9.1.1 Determine and agree with the Board the framework or broad policy for the remuneration of the Chairman and Executive Directors ('Remuneration Policy') and have responsibility for setting the remuneration of the Chairman, the Executive Directors, all the Executive Committee members below the Board and the Company Secretary, including pension arrangements and compensation payments. The remuneration of the Non-Executive Directors, other than the Chairman, shall be a matter for the Chairman and the Executive Directors within the limits of the Articles of Association. No director or manager shall be involved in any decisions as to his or her own remuneration.
 - 9.1.2 In determining the Remuneration Policy, the Committee shall take into account all factors which it deems necessary. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The Remuneration Policy should have regard to the risk appetite of the Company and alignment of the Company's long term strategic term goals. A significant proportion of the remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company. The Committee shall also liaise with

the Nomination Committee to ensure that the remuneration of newly appointed executives is within the Company's overall policy.

- 9.1.3 When setting the Remuneration Policy, review and have regard to pay and employment conditions across the Company, especially when determining annual salary increases.
- 9.1.4 Review the remuneration and broad policy for the remuneration of all other employees and note annually the remuneration trends across the Company.
- 9.1.5 In considering the Remuneration Policy and the policy for the remuneration of all other employees, the Committee shall consider alignment of incentives and rewards with the Company's purpose, culture and values.
- 9.1.6 Review the continuing relevance of the Remuneration Policy.
- 9.1.7 Review the design of all share incentive plans and long-term incentive arrangements for approval by the Board and shareholders as appropriate. For any such plans, determine whether awards will be made, the performance targets to be used and the individual awards to the Executive Directors, the Executive Committee members below the Board, the Company Secretary and other designated senior employees;
- 9.1.8 Determine corporate targets for any performance related pay schemes operated by the Company and personal objectives for the Executive Directors with oversight of personal objectives for the Executive Committee members below the Board and the Company Secretary under the Company's Bonus Schemes.
- 9.1.9 Determine the policy for and scope of pension arrangements, service agreements for the Executive Directors, termination payments and compensation commitments.
- 9.1.10 In determining such arrangements, give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of companies and formation and operation of share schemes but not limited to the provisions of the UK Corporate Governance Code, the requirements of Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority and any other applicable rules, as appropriate.
- 9.1.11 Approve salary levels proposed by the Executive Committee for employees earning over £150,000 per annum.
- 9.1.12 Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognized.
- 9.1.13 Be aware of and oversee any major changes in employee benefit structures throughout the Company.

- 9.1.14 Agree the policy for authorising claims for expenses for the Chief Executive and Chairman.
 - 9.1.15 Ensure that provisions regarding disclosure of remuneration including pensions are fulfilled.
 - 9.1.16 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
 - 9.1.17 Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfill its obligations.
 - 9.1.18 Work and liaise as necessary with all other Board Committees.
- 10. Reporting responsibilities**
- 10.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
 - 10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
 - 10.3 The Chairman shall ensure that Minutes are taken of all meetings and copies of all Minutes are circulated to the full Board.
 - 10.4 The Committee shall ensure that provisions regarding disclosure of information, including pension, as set out in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, related legislation and the UK Corporate Governance Code are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's Annual Report for approval by shareholders at the Annual General Meeting. If the Committee has appointed remuneration consultants, the Annual Report on Remuneration should identify such consultants and state whether they have any other connection with the Company.
 - 10.5 Through the Chairman of the Board, ensure that the Company maintains contact as appropriate with the principal shareholders about remuneration.
- 11. Other**
- 11.1 The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
 - 11.2 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

12. **Authority**

12.1 The Committee is authorised by the Board to seek:

12.1.1 any information it requires from any employee of the Company in order to perform its duties; and

12.1.2 to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference.

April 2019