Overview

Leadership and purpose

Provides an overview of the activities undertaken by the Board in the year, how the Board has considered its s.172 responsibilities and its governance framework.

- A review of the year from the Chair
- The Board's attendance and activities during the year
- Setting the Company's standards
- Purpose, values and culture
- Stakeholder engagement and how the Board has considered its s.172 and stakeholder responsibilities
- Our conflicts of interest procedures
- Board induction and development

See more about our approach to leadership and purpose on **pages 81 to 97**

Division of responsibilities

Explains the roles of the Board and its Directors.

- The role and interaction of the Board and its Committees during the year
- The roles of the individual Directors

See more about our approach to division of responsibilities on **pages 98 and 99**

Composition, succession and evaluation

Sets out the key processes which ensure that the Board and its Committees can operate effectively.

- Composition and diversity
- Nomination Committee report
- This year's Board evaluation

See more about our approach to effectiveness on **pages 100 to 105**

Audit, risks and internal controls

Explains the role of the Board and the Audit Committee in ensuring the integrity of the financial statements and maintaining effective systems of internal controls.

- Internal controls and ongoing risk management
- Fair, balanced and understandable
- Audit Committee report

See more about our approach to accountability on **pages 106 to 113**

Remuneration

Describes the Company's remuneration arrangements in respect of its Directors, how these have been implemented in 2022/23 and details of our proposed revised remuneration policy to govern future arrangements.

- Statement by the Remuneration Committee Chair
- Annual report on remuneration
- Directors' remuneration policy

See more about our approach to remuneration on **pages 114 to 146**

Statement by the Directors on compliance with the provisions of the UK Corporate Governance Code

The UK Corporate Governance Code 2018 (the Code) applied to GPE's financial year ended 31 March 2023. The Board considers that it has complied in full with the provisions of the Code during the year with the exception of Provision 38, which requires the alignment of Executive Director pension contributions with the wider workforce, in respect of which GPE was not compliant for the entirety of the financial year. In line with our prior commitment, the pension contributions of the Chief Executive and Chief Financial & Operating Officer were aligned with the wider workforce from 1 January 2023 and the Company was fully compliant with Provision 38 from that date. The Code is publicly available at **www.frc.org.uk**. A summary of the system of governance adopted by the Company and how we have applied the principles of the Code is set out on pages 81 to 149.

Introduction from the Chair

"At GPE, the Board's support, advice and interaction extend beyond the boardroom, supporting our efforts to promote and monitor culture and ensure its alignment with our purpose, values and strategy."

Richard Mully Chair

Dear fellow shareholder

I am delighted to introduce this year's Corporate Governance report for the financial year ended 31 March 2023.

The Board recognises that how the Group does business is as important as what it does. A strong governance framework with robust supporting processes across the Group, with high standards set from the top, is a key factor in our ability to deliver sustainable business performance, generate value for our shareholders and contribute to wider society.

A key part of the Board's role is to provide entrepreneurial leadership, with appropriate oversight, challenge and support to management. At GPE, the Board's support, advice and interaction extend beyond the boardroom, supporting our efforts to promote and monitor culture and ensure its alignment with our purpose, values and strategy.

Board focus and oversight

Key areas of the Board's focus during the year have included our response to uncertain macro conditions and the volatile global and political landscape, the evolution of our strategy, driving our Flex ambitions alongside the development pipeline, embedding our Customer First approach in our culture and our operations, wider stakeholder engagement, progressing our sustainability and social impact agendas and advancing our diversity and inclusion agenda. Further details can be found in 'What we did in 2022/23' on pages 96 and 97.

2018 UK Corporate Governance Code and s.172 reporting

This report demonstrates how we have applied the principles and complied with the provisions of the UK Corporate Governance Code 2018 (the Code) during the year and our approach to governance in practice. Our Code compliance statement can be found on page 80. Details of how the Board has discharged its duty under s.172 of the Companies Act 2006 can be found on pages 62, 94, 96 and 97.

Board composition

Succession planning is an important part of our governance processes. Furthermore, as our strategy evolves, so too do the skills and expertise required for our Board. Having identified a need to strengthen the Board's technology, digital and data expertise, we were pleased to welcome Champa Magesh to the Board from 1 August 2022. In addition, a search process is progressing for an additional Non-Executive Director to enhance the Board's City, financial and transaction experience and with the aspiration of increasing the Board's overall diversity.

As planned, Wendy Becker stepped down from the Board and Nick Hampton as Chair of the Audit Committee from the conclusion of the 2022 AGM. Following detailed handover processes, Emma Woods and Vicky Jarman became our new Chairs of the Remuneration and Audit Committee respectively, each bringing valuable experience to their roles.

Charles Philipps retired from the Board on 30 March 2023 following nine years of service and was succeeded as Senior Independent Director by Nick Hampton. Separately, Alison Rose will be stepping down from the Board from the conclusion of the 2023 AGM to focus on her other commitments.

I would like to thank both Charles and Alison for their hugely valuable contributions and insights throughout their tenures and wish them every success for the future.

Further details regarding Board changes, and our Board appointment processes, can be found in the Nomination Committee report on page 102.

Diversity and inclusion

The Board continues to focus on strengthening diversity and inclusion at GPE, both in relation to the Board and more broadly throughout the organisation. A diverse Board and workforce, which is representative of London and our customers, is a strategic imperative as we enhance our customer approach and develop our operations to meet the evolving needs of a diverse customer base. We believe that a more diverse and inclusive culture will help GPE to become a more profitable, successful and innovative organisation.

We have seen good progress in a number of areas following the adoption of our new People Plan last year and the incorporation of diversity and inclusion metrics within the annual bonus objectives of our Executive Committee members. However, there is still much to do. We were therefore pleased to approve a new Board Diversity Policy which sets out our diversity targets at Board level (available at **www.gpe.co.uk/investors/governance**) reflecting the latest recommendations from the FTSE Women Leaders Review and the Parker Review. We have also set aspirational diversity targets for the wider organisation, alongside wider initiatives, to ensure we continue to drive meaningful progress. See 'Our people and culture' on pages 56 and 57 and our Nomination Committee report on page 103 for further details, including for our disclosure against new Listing Rule requirements.

Board effectiveness review

This year, we undertook an external Board evaluation which was facilitated by Milena Djurdjevic of Calibro Consult. Details of this process, the findings of the review and our progress against the actions arising from the 2022/23 Board evaluation can be found on pages 104 and 105.

Purpose, strategy and consideration of the likely consequences of decisions for the long term

In the context of changing markets and evolving customer needs, the Board has spent significant time this year considering the development of our strategy to ensure we are well positioned, particularly in view of the macro-economic backdrop, to maximise the opportunity we have to generate long-term value across our business in line with our purpose – to unlock potential, creating sustainable space for London to thrive. As part of these discussions, we challenge our purpose and strategic 'givens' and reflect on customers' changing needs, the optimum size for our business, whether our risk profile is appropriate and on our investment and disposal strategies. The Group's business model and strategy are outlined on pages 12 to 15.

We remain confident that London's commercial property market has enduring appeal. We have been pleased to see footfall returning towards pre-pandemic levels in the West End this year, supported by the opening of the new Elizabeth line, and there has been strong customer demand across our prime office and retail portfolio. This included signing our largest ever pre-letting with Clifford Chance LLP at 2 Aldermanbury Square, EC2 and substantial progress across our retail portfolio, leasing almost all the remaining retail space at our 70/88 Oxford Street, W1 and Hanover Square, W1 developments.

We continue to evolve with our customers' needs to create market-leading, sustainable workspaces in London, with sustainability, health and wellbeing, technology and customer service at the centre of our offer. Our customers are at the heart of what we do, and the Board has spent time overseeing the development and continued implementation of our Customer First approach to respond to developing workplace themes and to shape the spaces and services we provide. Ensuring that GPE has the necessary skills, diversity and operational capabilities to deliver its ambitious plans has also remained a key priority for the Board.

As the market bifurcates, with demand focusing on the best spaces which remain in limited supply, our activities remain focused on our two complementary, overlapping activities of HQ repositioning and the delivery of flexible office spaces, providing quality, choice and flexibility for our customers.

The Board has progressed our £0.8 billion development programme this year, including our landmark City development scheme at 2 Aldermanbury Square, EC2, in addition to the completion and sale of our net zero carbon refurbishment at 50 Finsbury Square, EC2. At the same time, we grew our committed Flex space to more than 400k sq ft, and we are now seeking to grow this to 1 million sq ft over the next five years through a combination of organic growth and acquisitions. To this end, the Board was pleased to approve the acquisition of 6/10 St Andrew Street, EC4 in May 2022 and more recently the acquisitions of Bramah House, SE1 and 141 Wardour Street, W1 in May 2023, and we expect further acquisition opportunities to arise.

While the retail market has seen marked improvement, we continue to monitor individual asset plans and GPE's exposure to any underperforming retail assets.

Sustainability is integral to our offer and sits at the heart of our purpose. The Board sees sustainability as a differentiator and an opportunity for GPE, including the acquisition of perceived stranded assets where GPE's skills and credentials could potentially allow us to address sustainability demands and requirements that existing owners cannot.

The Board recognises the importance of innovation and technology in enhancing our operations and our customer offer and regularly discusses the related risks and opportunities. The Board has continued to oversee the implementation of our Innovation Strategy and the delivery of key projects in the year. This has included the launch of the first phase of our new customer relationship management system and the development of a data warehouse to support our operations, the use of smart building technology to help us better understand the use and energy performance of our buildings, and the reuse of steel and other materials across our development schemes.

Stakeholder engagement and support

Building and nurturing strong working relationships with our stakeholders is critical to our success and the development of our strategy and is intrinsic in our day-to-day activities. As well as direct engagement, a key part of the Board's role is, therefore, the oversight of work undertaken by the GPE team to maintain and enhance these relationships.

Much of the year was impacted by geopolitical tensions, the volatile economic and political landscape and the cost of living crisis. The wellbeing of our employees has remained paramount and we were pleased to be able to provide support in the form of a one-time payment made to those most impacted by inflationary pressures, as further explained on page 118. We also established several Employee Impact Groups in the year to strengthen our engagement with colleagues from under-represented groups leading to a number of initiatives to build on our inclusive culture and support the wellbeing of our employees.

We have also supported our customers, including with the establishment of Energy Councils at each of our buildings to help our customers mitigate the impacts of rising energy costs. More broadly, our Customer First programme is proving to be a real differentiator, delivering personal customer experiences every day, and we are delighted that this was reflected in our excellent Net Promoter Score. This outcome is a great credit to the continual hard work and dedication of the entire GPE team.

We continue to focus on customer and supplier engagement as we look to embed our Customer First approach and progress our sustainability ambitions, as further described below.

Further details of how we engage with our stakeholders are set out on pages 43, 54 to 62 and 89 to 94.

Sustainability and the impact of the Company's operations on the community and the environment

Sustainability and responding to climate change is an economic and strategic imperative as well as a moral obligation. Sustainability and our wider ESG considerations are therefore integrated across all our business activities.

During the year, the Board has received regular reports and updates from our Sustainability and Social Impact Director and has held detailed discussions regarding our sustainability objectives, strategy, risks and opportunities. The Board was pleased to approve our updated Sustainability Statement of Intent in March 2023, further evolving our approach to climate resilience and social impact, alongside Our Brief for Creating Sustainable Spaces which sets out how we will deliver on the commitments in our Statement of Intent as we design, construct and manage the spaces our customers require.

The Board has continued to monitor the progress against our Roadmap to Net Zero, the impact of our internal carbon price and the deployment of monies from our Decarbonisation Fund to finance the reduction of emissions from our buildings. These initiatives continue to drive meaningful behavioural change across the business, including a 32.2% reduction in energy intensity against our 2016 baseline.

As a Board, we recognise that working collaboratively with our stakeholders is key to achieving our sustainability ambitions. Our pre-let discussions with Clifford Chance LLP at 2 Aldermanbury Square, EC2, and our investment in our innovative steel reuse project in the year, are both examples of how we are collaborating with our customers and supply chain to deliver more sustainable and climate-resilient buildings.

ESG metrics continue to feature as an important element of our annual bonus targets, as further explained in the Directors' remuneration report on pages 116, 117 and 121.

We have continued to oversee the delivery of our Social Impact Strategy, which is designed to create a lasting positive social impact in our communities, with a target of creating £10 million of social value by 2030. We are delighted that, for 2022/23, GPE generated £1.16 million in social value through our community programmes and direct business activities. See page 43 for further details regarding the social value we created in the year.

As we seek to build a sustainable legacy for our great capital city, we have further invested in our three-year charity partnerships with XLP, a charity focused on creating positive futures for young people growing up on inner city estates in London, and National Energy Action, a charity which focuses on alleviating fuel poverty. See page 43 for further details.

Maintaining a reputation for high standards of business conduct

We aspire to the highest standards of conduct and, together with a culture of continuous improvement in standards and performance, this helps to ensure that good governance extends beyond the boardroom.

Annually, the Board approves the Group's Anti-Fraud, Bribery & Corruption, Ethics, Gifts and Hospitality and Whistleblowing Policies, each of which are also reviewed in advance by the Audit Committee. Each of these policies is available on our website at **www.gpe.co.uk/about-us/governance**

In September each year, the Board considers and approves our Modern Slavery Statement, which explains the activities we have undertaken during the year to demonstrate our commitment to seeking to ensure that there is no slavery, forced labour or human trafficking within any part of our business or in our supply chains. A copy of our Modern Slavery Statement is available at **www.gpe.co.uk/our-modern-slavery-statement**. More on how we behave can be found on pages 42 and 95.

We seek sustainable long-term, two-way relationships with our supply chain, building mutual trust to deliver exceptional results in a responsible way. Our Supplier Code of Conduct, which is available on our website at **www.gpe.co.uk/our-relationships/our-suppliers**, sets out the standards we require of our suppliers to help ensure they operate ethically and responsibly.

I am delighted that the efforts of our team have been rewarded by winning a number of awards, including, amongst others, Developer of the Year along with the award for Best West End New Build for 1 Newman Street & 70/88 Oxford Street, W1 at the OAS Development Awards 2022, the Innovation Award (Business) at the EG Tech Awards 2022, the Best New Workplace Award for The Hickman, E1 at the Building London Planning Awards 2022 and the Sustainable Property Company of the Year Award at the Young Norwood Property Awards 2023. I am also very pleased to report on our achieving a gold award in relation to EPRA's 2022 Best Practice Recommendations and Sustainability Best Practice Recommendations.

Engaging with our shareholders

We believe that communication with our shareholders is key. To this end, in addition to our comprehensive investor relations programme led by Toby Courtauld and Nick Sanderson, as detailed on pages 90 and 91, as Chair of GPE, I proactively seek periodic engagement with many of our institutional shareholders to discuss and hear their views on GPE's business and governance arrangements.

I, together with Nick Hampton as Senior Independent Director, am available to meet with shareholders as appropriate. Each of our Committee chairs is also available to engage with shareholders on significant matters related to their areas of responsibility. During the year, Emma Woods, as Chair of our Remuneration Committee, met with many of our largest shareholders to discuss the proposed changes to our Directors' remuneration policy, as further described in the Directors' remuneration report on page 118.

The AGM also provides the Board with an opportunity to engage with and answer questions from shareholders. Arrangements for the 2023 AGM can be found in our 2023 AGM Notice.

On behalf of the Board, I would like to thank all our of shareholders and other stakeholders for their continued support as we work to evolve and execute GPE's strategy to deliver long-term sustainable success.

Richard Mully
Chair
24 May 2023

The Board

Chair

Richard Mully
BSc (Hons), MBA
Chair

Committees: N

Date appointed to the Board: December 2016

Date appointed as Chair: February 2019

Independent: Yes, on appointment as Chair

Relevant skills and experience: Richard is currently Senior Advisor to TPG Real Estate Actis LLP and Hodes Weill LLC. He has extensive property, banking and private equity experience. This, combined with his Senior Independent and Non-Executive Director experience, enables him to provide constructive leadership, challenge and support to the Board and wider business for the benefit of all stakeholders. Richard was formerly Chairman of Arlington Business Parks Partnership LLP, Vice Chairman and member of the Supervisory Board of Alstria Office REIT-AG, founder and Managing Partner of Soros Real Estate Partners LLC, a Non-Executive Director and Chairman of the Remuneration Committee of Standard Life Aberdeen plc and Senior Independent Director at ISG, Hansteen Holdings and St Modwen Properties.

Current external commitments: Senior Advisor to TPG Real Estate, Actis LLP and Hodes Weill LLC.

Executive Directors

Toby Courtauld
MA, MRICS
Chief Executive

Committees: E S

Joint venture directorships: Director of the GHS Limited Partnership

Date appointed to the Board: April 2002

Independent: No

Relevant skills and experience: Toby joined the Group in April 2002 as Chief Executive and has nearly three decades of extensive experience in real estate. He was previously with the property company MEPC for 11 years, where he gained broad experience ranging from portfolio management through to corporate transactions and general management as a member of the Group Executive Committee. He has previously been President of the British Property Federation Board and Policy Committee. Toby's significant knowledge of the Company and the sector enables him to provide broad leadership of the business internally and externally, through the successful design and implementation of the Company's strategy, values and business plans and their exemplary communication to a wide range of stakeholders.

Current external commitments: Director of The New West End Company, Non-Executive Director of Liv-ex Limited, Member of the Council of Imperial College and Chair of its Property Committee.

Nick Sanderson
BA (Hons), ACA
Chief Financial & Operating Officer

Committees: E S S I

Joint venture directorships: Director of the GHS Limited Partnership and the Great Ropemaker Partnership

Date appointed to the Board: July 2011

Independent: No

Relevant skills and experience: Nick joined the Group in July 2011 as Finance Director, was subsequently promoted to Finance & Operations Director and is now Chief Financial & Operating Officer. He was formerly Partner, Head of Real Estate Corporate Finance Advisory at Deloitte, following ten years of real estate investment banking experience in Europe and Asia with Nomura, Lehman Brothers and UBS Investment Bank. Nick's wide-ranging property-related financial experience combined with strategic and corporate finance skills enables him to provide valuable support in developing, implementing and articulating the Company's strategy, and taking leadership over the delivery of a wide range of financial and operational matters along with our Flex, customer experience and marketing activities.

Current external commitments: Member of the Reporting and Accounting Committee of EPRA and Trustee of the Outward Bound Trust.

Dan Nicholson
MA (Cantab), MA, MRICS
Executive Director

Committees: E S H

Joint venture directorships: Director of the Great Ropemaker Partnership, the Great Victoria Partnership and the Great Victoria Partnership (No. 2)

Date appointed to the Board: September 2021

Independent: No

Relevant skills and experience: Dan joined the Group in September 2021 as an Executive Director and now has responsibility for the New Business, Portfolio Management, Development Management and the Workplace Services teams. He has extensive knowledge of the real estate industry and, prior to joining GPE, spent over ten years with Tishman Speyer, for the majority of which he ran their UK business. Dan started his career as a surveyor at Lambert Smith Hampton before gaining broad property investment, development and asset management experience in a number of organisations, including at City & West End Property Group, Quintain Estates & Development plc and real estate private equity firm, Three Delta LLP. Dan's significant sector and business expertise enables him to provide valuable support in developing and implementing the Company's strategy.

Current external commitments: Non-Executive Director of Bioregional Homes Limited.

Committee memberships:

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- E Executive Committee
- S Sustainability Committee
- H Health & Safety Committee
- S Social Impact Committee
- I Inclusion Committee

Committee Chair:

A E H
N S S
R

Non-Executive Directors

Nick Hampton
MA (Hons)
Senior Independent Director

Committees: A N R

Date appointed to the Board: October 2016 (Senior Independent Director from 30 March 2023)

Independent: Yes

Relevant skills and experience: Nick is currently Chief Executive Officer (previously Chief Financial Officer) of Tate & Lyle PLC, and prior to this spent 20 years with PepsiCo in a number of financial, commercial and operational roles. Nick's strong financial background, and general management experience, as well as his deep knowledge of GPE, provide a strong basis for him to offer wise counsel in his role as Senior Independent Director.

Current external commitments: Chief Executive Officer of Tate & Lyle PLC.

Mark Anderson
Dip Mgmt, MBA, FRICS
Non-Executive Director

Committees: A N R

Date appointed to the Board: September 2021

Independent: Yes

Relevant skills and experience: Mark is currently Property and International Managing Director of Whitbread Plc and leads its international businesses and M&A activities. Mark previously spent 16 years at J Sainsbury PLC in a variety of senior positions, finally managing all aspects of its property estate. Mark's significant property, operational and customer service knowledge and expertise, gained over many years, enable him to provide valuable strategic insight and challenge to Board and Committee discussions.

Current external commitments: Property and International Managing Director of Whitbread Plc and Trustee of Tourism for All UK.

Vicky Jarman
BEng, ACA
Non-Executive Director

Committees: A N R

Date appointed to the Board: February 2020

Independent: Yes

Relevant skills and experience: Vicky is currently a Non-Executive Director of Melrose Industries plc. She is a chartered accountant who qualified at KPMG before spending over ten years with Lazard Ltd working in the Investment Banking team and then as Chief Operating Officer for the London and Middle East operations until 2009. Vicky has previously been a Non-Executive Director and Chair of the Audit Committees of Equiniti Group plc, Hays plc and De La Rue plc, a Non-Executive Director of Signature Aviation plc and Entain plc and Senior Independent Director at Equiniti Group plc. Vicky's significant financial, commercial and non-executive experience enable her to contribute to the strategy of the business and its long-term sustainable success, and provide a strong basis for her effective performance as Audit Committee Chair.

Current external commitments: Non-Executive Director of Melrose Industries plc.

Champa Magesh
MBA, MSIM
Non-Executive Director

Committees: A N R

Date appointed to the Board: August 2022

Independent: Yes

Relevant skills and experience: Champa, until April 2023, was a member of the executive team at Trainline plc and President of Trainline Partner Solutions, where she was responsible for Trainline's business travel and white label businesses. Champa has over 20 years' international business experience gained in multiple industries and diverse functional areas, underpinned by a strong technology focus, and a background in leading successful customer-facing and digital transformation initiatives. Before joining Trainline, Champa held senior positions at Amadeus IT Group between 2015 and 2020 and previously held leadership roles at American Express, Royal Bank of Scotland and Cisco Systems. Champa's significant digital transformation, technology, operational and broad commercial experience enable her to provide valuable insight as GPE evolves its strategy, products and Customer First approach.

Current external commitments: None. Trainline plc executive team and President of Trainline Partnership Solutions until 30 April 2023.

Dame Alison Rose[1]
BA (Hons)
Non-Executive Director

Committees: A N R

Date appointed to the Board: April 2018

Independent: Yes

Relevant skills and experience: Alison is currently Chief Executive Officer of NatWest Group plc and was previously Deputy Chief Executive Officer of NatWest Holdings and Chief Executive Officer of Royal Bank of Scotland Commercial and Private Banking. She has also held a number of other banking and finance roles within Royal Bank of Scotland and NatWest Markets. Alison's significant experience of real estate financing, capital markets and customer relations through her different roles at Royal Bank of Scotland and NatWest enables her to provide an informed view and helpful challenge to Board and Committee discussions.

Current external commitments: Chief Executive Officer of NatWest Group plc, Vice-Chair of BITC, Co-Chair of the UK Government's Rose Review and Energy Efficiency Taskforce, Non-Executive Director of the Sustainable Markets Initiative, Member of the Board of the Institute of International Finance, and Trustee of the Coutts Charitable Foundation.

1. Alison Rose will be stepping down from the Board from the conclusion of the 2023 AGM.

Emma Woods
MA (Hons)
Non-Executive Director

Committees: A N R

Date appointed to the Board: February 2022

Independent: Yes

Relevant skills and experience: Emma is currently a Non-Executive Director, Senior Independent Director and Chair of the Remuneration Committee of The Gym Group plc, Non-Executive Director and Chair of the Remuneration Committee of Huel Limited (a nutritional food company) and Chair of Tortilla Mexican Grill plc. Emma was formerly Chief Executive Officer at Wagamama between 2018 and 2021 and subsequently an Advisory Board Member of the Wagamama Brand Board. She has also held senior marketing roles at Merlin Entertainments, Pizza Express and Unilever. Emma's extensive operational, customer service, digital and marketing skills, combined with her non-executive and remuneration committee experience, allow her to provide valuable strategic insight and challenge, including to further enhance delivery on our customers' needs, as well serving as a strong foundation for her effective performance as Remuneration Committee Chair.

Current external commitments: Chair of Tortilla Mexican Grill plc, Non-Executive Director of The Gym Group plc and Huel Limited.

Changes to the Board during 2022/23

– Wendy Becker stepped down from the Board on 7 July 2022.
– Champa Magesh joined the Board on 1 August 2022.
– Charles Philipps stepped down from the Board on 30 March 2023.

The Board's attendance in 2022/23

Attendance at scheduled Board and Committee meetings during the year was as follows:

	Board	Audit Committee	Nomination Committee	Remuneration Committee
		See Committee report on **pages 106 to 113**	See Committee report on **pages 100 to 105**	See Committee report on **pages 114 to 146**
	6 Scheduled meetings[1]	**4** Scheduled meetings	**5** Scheduled meetings	**5** Scheduled meetings
Chair[2]				
Richard Mully	●●●●●●	–	●●●●●	–
Executive Directors[3]				
Toby Courtauld	●●●●●●	–	–	–
Nick Sanderson	●●●●●●	–	–	–
Dan Nicholson	●●●●●●	–	–	–
Non-Executive Directors[2]				
Charles Philipps[4]	●●●●●●	●●●●	●●●●●	●●●●●
Mark Anderson[5]	●●●●●●	●○●●	●○●●●	●●○●●
Wendy Becker[6]	●● (2/2)	–	● (1/1)	●● (2/2)
Nick Hampton[7]	●●●●●●	●●●●	●●●●●	●●●●●
Vicky Jarman	●●●●●●	●●●●	●●●●●	●●●●●
Champa Magesh[8]	●●●● (4/4)	●●● (3/3)	●●●● (4/4)	●●● (3/3)
Alison Rose[9]	●●●●○●	○●●●	○○●●●	○●●●○
Emma Woods[10]	●●●●●●	●●●●	●●●●●	●●●●●

● Board meetings attended
● Committee meetings attended
○ Board meetings not attended
○ Committee meetings not attended

1. There were six scheduled Board meetings in 2022/23. The Board also held a strategy review session and additional meetings to consider matters of a time-sensitive nature – see Board activities on pages 87, 96 and 97.
2. Non-Executive Directors (including the Chair), where not a member of a Committee, have a standing invitation to attend meetings of that Committee where appropriate.
3. Executive Directors are not members of the Audit, Nomination or Remuneration Committees. However, they are invited to attend for parts or all of certain Committee meetings where appropriate.
4. Charles Philipps stepped down from the Board on 30 March 2023 and was succeeded in the role of Senior Independent Director by Nick Hampton.
5. Mark Anderson was unable to attend the Audit, Nomination and Remuneration Committee meetings on 20 September 2022 due to a prior business commitment preceding his appointment. Mark received meeting papers in advance and was able to provide comments to the Chair of the respective meetings.
6. Wendy Becker stepped down from the Board at the conclusion of the 2022 AGM held on 7 July 2022. The number in parenthesis is the number of meetings she could have attended in the year.
7. Nick Hampton stepped down as Chair of the Audit Committee from the conclusion of the 2022 AGM held on 7 July 2022 and was succeeded in that role by Vicky Jarman. Nick Hampton remains a member of the Audit Committee.
8. Champa Magesh was appointed to the Board and also the Audit, Nomination and Remuneration Committees with effect from 1 August 2022. The number in parenthesis is the number of meetings she could have attended in the year.
9. Alison Rose was unable to attend the Board meeting held on 20 January 2023, the Audit, Nomination and Remuneration Committee meetings held on 11 May 2022, the Nomination Committee meeting on 20 September 2022 and the Remuneration Committee meeting held on 30 March 2023, in each case due to late scheduling conflicts with material business commitments. Alison received meeting papers in advance and was able to provide comments to the Chair of the respective meetings.
10. Emma Woods succeeded Wendy Becker as Chair of the Remuneration Committee from the conclusion of the 2022 AGM held on 7 July 2022.

Board activities

The Board typically meets for scheduled Board meetings six times a year in addition to an annual strategy review session. The Board also meets as necessary to consider matters of a time-sensitive nature.

The role and interaction of the Board and its Committees during the year

The Board has a duty to promote the long-term sustainable success of the Company for its shareholders. The Board is responsible for establishing and monitoring the Company's purpose, values and strategy and ensuring that these and its culture are aligned. Its role includes the oversight of human resource levels and succession planning, approval of major acquisitions, disposals, capital expenditure and financing arrangements and of the Group's systems of internal control, governance and risk management. The Board provides and promotes effective and entrepreneurial leadership across the business within the Group's governance framework.

2022/23	May	July	September	November	January	March
Purpose, strategy and implementation						
Purpose and strategic review, discussion and setting of business plan	●	●	●	●	●	●
Chief Executive's report including market conditions dashboard, operational parameters, strategic risks and opportunities, sustainability, innovation, team resourcing and development	●	●	●	●	●	–
Executive Director's and other Board reports on valuation, leasing activity, key portfolio and development activities, asset strategies, the longer-term pipeline, new business opportunities and health and safety updates	●	●	●	●	●	–
Chief Financial & Operating Officer's report including forecasts, finance initiatives, debt and equity markets update, social impact update and operational matters including Flex and customer experience, marketing, HR and IT	●	●	●	●	●	–
Shareholder analysis and/or investor relations updates	●	●	●	●	●	–
Board property tour	–	–	●	–	–	–
Risks						
Formal review of risk management and internal controls	●	–	–	●	–	–
Ongoing monitoring of risks	●	●	●	●	●	●
Governance						
Review of half-year or annual results, going concern, viability statement, dividend policy and analyst presentation	●	–	–	●	–	–
Stakeholder feedback, including shareholders and analysts, employees, customers, communities, suppliers, joint venture partners and local planning authorities	●	●	●	●	●	●
Reports from Board Committees	●	–	●	●	●	●
Corporate governance matters including authority levels, Terms of Reference, UK Corporate Governance Code compliance	●	●	–	–	–	●
Health and safety reports including strategy and updates	–	–	●	●	●	●
Sustainability updates including vision, strategy, targets and Roadmap	●	●	●	●	●	●
Corporate Responsibility including review of the Company's Modern Slavery Statement, Anti-Fraud, Bribery & Corruption, Ethics, Gifts and Hospitality and Whistleblowing Policies	–	–	●	–	–	●
Evaluation						
Board evaluation	–	–	–	–	●	–
Conflicts of interest	●	●	●	●	●	●

● Board meeting matter

Other ad hoc matters for consideration by the Board at both scheduled and unscheduled Board meetings, in addition to the above, include:

- major potential acquisitions and disposals;
- significant leasing arrangements;
- approval of major developments;
- significant financing arrangements;
- Board and senior management appointments; and
- appointments of principal advisers.

A forward agenda for the Board is maintained to ensure that all necessary and appropriate matters are covered during the year and to allow sufficient time for discussion and debate.

The Board receives papers and presentations from the Executive Directors and senior managers are regularly invited to attend to provide further insight and feedback on specific matters.

Significant matters discussed and major transactions approved by the Board in the year are shown on pages 96 and 97.

Where Directors are unable to attend meetings, their comments, as appropriate, are provided to the Board or Committee Chair prior to the meeting.

At least annually, the Board reviews the nature and scale of matters reserved for its decision.

Our purpose, strategy, values and culture

Our purpose is to unlock potential, creating sustainable space for London to thrive. In setting our purpose, we believe our role relates not only to our buildings, but also to the people who live and work there and what and how we contribute to the wider public realm, community and environment.

The Board sets our strategy and strategic priorities to align with our purpose, which informs our decisions regarding our acquisition, repositioning, operation or sale of properties.

Our purpose is underpinned by our values and behaviours, which encapsulate who we are and how we do business. Our purpose, values and behaviours were articulated through a Board-sponsored, employee-driven initiative, and engaging all our employees in this process meant we were able to develop a unifying purpose and set of values which are well understood and regularly discussed. At GPE, everyone is accountable for living by our shared set of behaviours, which form an important part of our workforce policies and remuneration processes.

Our culture is underpinned by a clear alignment of purpose, strategy, values and incentives. It is our culture that makes us unique. Further details regarding our culture, values and behaviours can be found on page 54.

Our culture inspires us to go further for our customers, partners, each other and the business. As we innovate and adapt in a fast-changing market to deliver our customer, sustainability, technology and flexible space ambitions, our strong culture has never been more important and we must therefore work hard to preserve and enhance it.

A key objective for the Board is to monitor our culture, and to address any instances where there is a misalignment between our purpose, culture, values and behaviours. Our culture is not about rules, but about actions, and the Board and senior management seek to lead by example in communicating and demonstrating the values and behaviours which lie at the heart of our culture.

How the Board monitors culture

The Board is committed to ensuring that the tone of our values is set from the top by both the Board and senior management. Our smaller size and the high level of regular Board interaction with employees facilitates the Board's monitoring of culture and the implementation of our values, which we do in a number of ways:

- inclusion of culture, values and behaviour-led questions within employee surveys, along with a targeted annual diversity and inclusion survey with Board analysis of the results;
- regular face-to-face engagement with employees as part of our Non-Executive Director breakfast programme, our programme of employee engagement sessions, Board and Committee presentations, property tours and other meetings and engagements throughout the year (see 'Engaging with our employees' on pages 92 and 93 for more details);
- 'Living Our Values' is an integral part of every individual's objective setting and annual performance reviews, with outcomes being reported via the Remuneration Committee. 360-degree feedback reviews for senior management prompt open feedback on culture and values which then feeds into an individual's personal development plan. Our bonus structure ensures a strong link between the values and remuneration, with a proportion of each employee's personal bonus based on their values and behaviours;
- the Executive Committee holds regular 'Living Our Values' meetings with Heads of Department which are then discussed with the Board;
- policies, pay and diversity and inclusion activities are reviewed and developed to ensure they appropriately capture and reflect our values;
- reviews of compliance, whistleblowing statistics, health and safety incidents and internal audit reports to identify and address any areas not meeting expected standards of conduct or behaviour;
- feedback from our stakeholder engagement programmes, including our customer survey results, helps the Board to assess how the values and behaviours are embedded in our interactions with third parties and the way we do business; and
- review of supplier payment practices.

The Group's response to the cost of living crisis this year has further demonstrated the strength of our collaborative culture and the commitment of our people to serve in the best interests of our stakeholders. See pages 118, 58 to 59, 40 and 43 for details regarding the financial and wider support we provided to employees in the year, the work undertaken to support our customers with the management of rising energy prices and the support given to our communities.

The Board is satisfied that there remains a high level of engagement with our values. However, safeguarding our culture and further embedding our values remains a continuous area of focus. Following this year's feedback, a number of actions have been taken to help further strengthen our culture and drive the right behaviours through our activities. These have included:

- implementing initiatives within our People Plan, an ongoing process, to positively impact our culture through a focus on diversity, equity and inclusion;
- updating our diversity and inclusion policies;
- the participation by all members of our Executive Committee in a nine-month inclusive leadership programme, with our next layer of senior management now embarking on a similar programme;
- the inclusion of diversity and inclusion objectives within the annual bonus measures for senior executives;
- the creation of our Race & Ethnicity, Women's, Health & Wellbeing and Parents & Carer's employee-led impact groups, overseen by the Inclusion Committee, aimed at making our culture even more inclusive;
- launching our new GPE Competency Framework and leadership training programme to develop more inclusive and capable leaders;
- rolling out a new GPE Legal Strategy and framework and our new Anti-Fraud, Bribery & Corruption Policy;
- strengthening our performance review process to explicitly assess behaviours and 'how' objectives are achieved;
- demonstrating support for wellbeing and good mental health by sponsoring activities throughout the year and regularly communicating the resources made available to colleagues; and
- rolling out a series of compulsory all-employee workshops designed to embed our Customer First approach across all our operations and business activities.

Stakeholder engagement

Understanding the views of all our stakeholders and fostering of business relationships

The Board oversees and receives regular updates throughout the year on engagement activities with our key stakeholders. The Board develops its understanding of these key stakeholder views in a number of different ways, including the following:

Investors	The Chair engages with major shareholders on matters of governance and strategy, and Committee Chairs engage, as appropriate, on their areas of responsibility. This year, the Remuneration Committee Chair consulted with major shareholders on the proposed changes to our Directors' remuneration policy. Formal and informal discussions are held with shareholders in the context of the Company's AGM. Shareholders are invited to attend the AGM in person and those unable to attend in person are given the opportunity to ask questions of the Board via e-mail. We have a comprehensive investor relations programme with regular reporting of feedback to the Board. Members of the Board also attend investor events to hear views and questions first-hand. Our Executive Directors and Corporate Finance team have regular dialogue with our debt providers and report to the Board on their feedback.
Our people	High levels of direct engagement are maintained throughout the year through numerous mechanisms, including our formal programmes of Non-Executive Director breakfast meetings and 'An Audience with…' employee engagement sessions, our Non-Executive Director mentoring programme, property tours, employee presentations and other meetings and events. The Board also receives regular reports on employee feedback, including from employee engagement surveys, 'Living Our Values' meetings, 'Listening Sessions' hosted by Executive Committee members with small groups of employees and the work of the Inclusion Committee and our various employee impact groups.
Customers	The Board meets customers where possible as part of its cycle of property tours. Board papers include regular updates on our Customer First programme and customer engagement activities, including feedback from customer meetings which are periodically attended by Executive Directors, updates on discussions with property agents and feedback from industry forums and events and marketing campaigns. The Board discusses Net Promoter Scores and feedback from independent customer surveys. External presenters also present to the Board from time to time on occupier trends and market research and developments.
Joint venture partners	Frequent engagement with joint venture partners throughout the year is led by our Executive Directors, at least one of whom serves on each joint venture board, with regular updates and reporting of key matters to the Board.
Communities	Our Social Impact Strategy, which is designed to create a lasting positive social impact in our communities, is set by the Board, with implementation overseen by our Social Impact Committee which is chaired by the Chief Financial & Operating Officer. The Board receives regular updates on activities and initiatives, including the measurement of the social value we create.
Local planning authorities	Our relationships with key planning authorities are critical to the delivery of new spaces in London. Our Executive Director and Development Director regularly report to the Board on recent engagement activities, including planning discussions, community considerations and any development consultations involving key stakeholders and local residents.
Suppliers	Engagement is led through our Development, Leasing, Workplace Services, Customer Experience, Health and Safety and Sustainability teams, with information received through regular Board reports and presentations. The Board engages directly with contractors during development site visits and may also receive external presentations from suppliers such as property agents and valuers. The Audit Committee reviews GPE's supplier payment practices and performance twice-yearly.

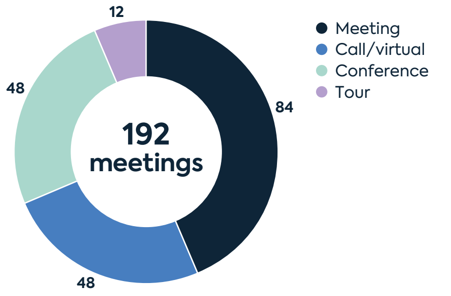
Further details of our relationships and engagement with key stakeholders, how stakeholder issues have been monitored and considered by the Board through our scheduled Board meetings, and discussion of matters between these meetings, are explained in more detail in:

Our stakeholder relationships on **pages 58 to 62**
Our people and culture on **pages 54 to 57**
Our approach to risk on **pages 64 to 77**
Engaging with our investors on **pages 90 and 91**
Engaging with our employees on **pages 92 and 93**
Impact of engagement on Board decisions on **page 94**
What we did in 2022/23 on **pages 96 and 97**

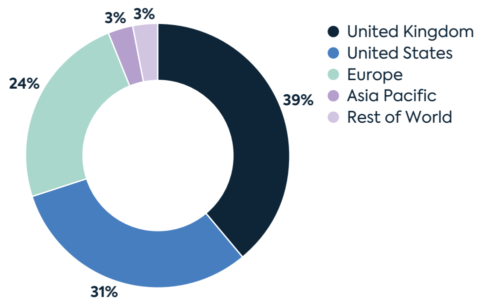
Engaging with our investors

The Board aims to maintain an open relationship with our investors based on a clear investment case and transparent disclosure. As a result, we maintain a regular dialogue with shareholders, potential shareholders, debt providers and analysts through a comprehensive investor relations programme.

Investor contact by method



Institutional shareholders by geography at 31 March 2023



See more about our largest shareholders on **page 148**

Sustainability indices 2022/23

Given the increased focus on sustainability, the Board believes that it is essential to provide transparent reporting. We therefore participate in a number of sustainability indices:

- CDP
- EPRA
- MSCI
- FTSE4Good
- ISS
- GRESB

See more about our approach to sustainability on **pages 37 to 53**

250+

Investors met during the year

What we did in 2022/23

2022

April
- Capital Markets Day (London)

May
- Roadshows: London & Netherlands (virtual)
- Equity sales force meetings x1

June
- Roadshow: US
- Conference: Morgan Stanley (London)
- Equity sales force meetings x2

July
- Annual General Meeting
- Fireside chat: Numis (London)
- Equity sales force meetings x1

September
- Conferences: Bank of America (New York), Goldman Sachs (London)
- Analyst Tour: 50 Finsbury Square, EC2

November
- Roadshows: London & Netherlands (virtual)
- Conferences: JP Morgan (London), UBS (London)
- Equity sales force meetings x2

2023

January
- Conference: Barclays (London)
- Roadshow: Asia (Tokyo and Singapore)

March
- Fireside chat: JP Morgan (London)
- Conferences: Citi (US), Bank of America (London)
- Equity sales force meetings x1

"The return to normal after the pandemic has been welcome, and we used the opportunity to have a significant number of meetings with our investors including a number of tours to showcase our assets."

Stephen Burrows Director of Financial Reporting and Investor Relations

Our approach

Our Investor Relations programme is executed across a number of geographies, reflecting the international nature of our share register, and through a variety of routes including roadshows, meetings at industry conferences, investor and analyst events, property tours and presentations to analysts and investment banks' equity sales teams.

The Board is also committed to providing investors with regular announcements of significant events affecting the Group, including its business activity and financial performance. These announcements are available on the Group's website at **www.gpe.co.uk** along with results webcasts, analyst presentations, property videos, press releases and interviews with the management team.

The Executive Directors and the Director of Financial Reporting and Investor Relations are the Company's principal representatives with investors, analysts, fund managers, press and other interested parties, and independent feedback on presentations by the Executive Directors to shareholders and analysts is provided to the Board on a regular basis.

The Executive Directors and Corporate Finance team also have regular dialogue with our debt providers, including relationship banks, private placement investors and debenture holders and report back to the Board as appropriate.

Activities during the year

Our engagement with our shareholders returned to being primarily in person during the year and, as global travel restrictions faded, we also hosted a large number of property tours as investors took the opportunity to see our activities in person.

The Executive Directors and senior management had 192 virtual and in-person meetings with over 250 shareholders, and potential shareholders, from a broad range of institutions during the year. This included participating in eight industry conferences, which provided the management team with the ability to meet a large number of investors on a formal and informal basis. We also held five roadshows to meet with investors from London, the Netherlands (virtual) and the US and, for the first time since 2020, a trip to Asia to meet investors in Tokyo and Singapore. We actively seek feedback after every roadshow, which is provided to the Board on a regular basis.

As part of the review of our Directors' remuneration policy this year, Emma Woods, our Remuneration Committee Chair, consulted with major shareholders and proxy agencies on the proposed changes to the policy. 19 meetings and calls were held to seek feedback, which was incorporated into the final policy proposed for shareholder approval at the 2023 AGM.

See more about our Directors' remuneration on **pages 114 to 146**

Examples of topics raised in the year

- Our view on the markets in which we operate;
- How London has emerged from the pandemic, including retail footfall and office occupancy;
- The impact of higher interest rates on valuations and future returns;
- The expansion of our Flex offers, our ambition for growth and their respective financial returns;
- The impact of sustainability on customer and investor demand;
- An understanding of the Clifford Chance LLP pre-let and the development returns from 2 Aldermanbury Square, EC2; and
- Evolving working patterns including the impact of working from home, technology and design.

We used these topics to shape both the content of subsequent investor presentations and our communications to the market to ensure that we meet their expectations.

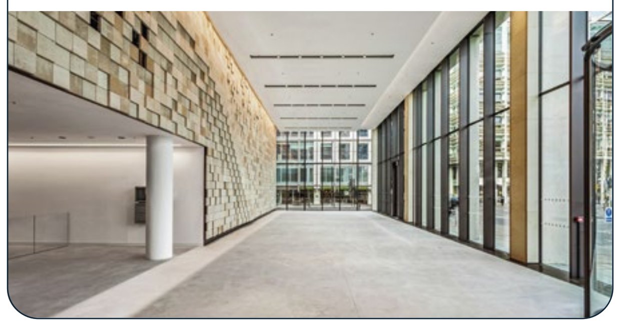
Next steps

Following the announcement of our year-end results, we will be embarking on our post-results IR programme over the early summer. We will be conducting in-person roadshows in London and the US, attending the Kempen conference in the Netherlands and attending the Morgan Stanley conference in London.

Property Tour: 50 Finsbury Square, EC2

Given our portfolio is highly concentrated in central London, we often take the opportunity to take investors and analysts on walking tours of a selection of assets as part of our active engagement.

In September 2022, we hosted an analyst tour of our development at 50 Finsbury Square, EC2. We took the opportunity to take the analysts around the near complete building in the short window ahead of the property's sale. The majority of our Executive Committee attended to answer questions on the building, and wider business, and our Project team explained the progress on-site, including the complexities of the scheme.



Engaging with our employees

Being a relatively small company of approximately 140 employees operating in one location, there is a high level of visibility of the Board by employees and vice versa. Given this high level of visibility, the Board has decided not to adopt any of the three specific employee engagement methods referred to in the UK Corporate Governance Code at this time. Instead, we have adopted the following employee engagement arrangements, which the Board believes have operated effectively during the year, to provide it with regular formal and informal employee feedback for consideration as part of the Board's decision making process:

- a formal programme of breakfast meetings between the Non-Executive Directors and members of the Executive Committee and senior management. These meetings have no fixed agenda and provide a useful forum to discuss what is happening in day-to-day operations and the associated challenges which might not be significant enough individually to warrant formal reporting at Board meetings; and
- a Non-Executive Director, on a rotational basis, presenting to all employees in a discursive format approximately twice yearly on a particular theme, followed by a Q&A session. To facilitate these sessions, we have set up an online portal for employees to raise questions, anonymously if they wish, in advance of the event. Employees are also invited to ask questions and to share their views on the day. These sessions are also designed for Board members to provide the Board's views, as appropriate, on matters raised through employee engagement, and feedback from the sessions is reported to the Board. Our latest sessions were led by Mark Anderson in November 2022 and by Emma Woods in March 2023, each of which is described below.

In addition to these arrangements, direct Board engagement with employees during the year has included the following:

- in September, property tours of 50 Finsbury Square, EC2 and 6/10 St Andrew Street, EC4 as part of the annual Board property tour involving our Development, Project Management, Leasing, Flex and Customer Experience teams;
- presentations made to the Board by the Executive Committee team at scheduled Board meetings;
- Board presentations and Q&A sessions by Heads of Department and other employees on key matters including acquisitions and disposals, development appraisals, our flexible office model, cyber security, health and safety, sustainability, financing, leasing, investor relations, diversity and inclusion and corporate governance;
- mentoring sessions between Non-Executive Directors and members of senior management and more junior colleagues of GPE as part of our Non-Executive Director Mentoring Programme;
- all-staff quarterly review meetings led by our Chief Executive which provide an informal forum for employees to discuss and raise questions regarding key events at GPE; and
- all employees are invited to attend a weekly update meeting on Monday mornings, led by our Chief Executive and other Executive Directors, to discuss key developments and concerns.

During the year, we also adopted a number of initiatives and activities to maintain levels of employee engagement, wellbeing and feedback, which we continue to evolve to further support our people.

See more on **pages 54 to 57**

An audience with Mark Anderson

One of our 'Audience with…' sessions this year was held with Mark Anderson, hosted by David O'Sullivan, our Director of Workplace Services.

David opened the session by exploring Mark's career in the retail and hospitality sectors, which led to an engaging discussion on customer centricity in the workplace, the benefits this brings and how GPE can drive further progress in this area, also learning from other industries.

The conversation then progressed to how everyone at GPE can make a difference for GPE's customers and London's communities. The discussion supported the development of GPE's Customer First approach and was a valuable lead into the launch of a series of Customer First workshops with employees to consider how the business should adapt to meet the evolving needs of modern customers.

Mark talked about the Board's view of London as a location of critical importance, which led to an interactive conversation regarding the macro environment and the opportunities this presented for GPE in a changing market.

Mark also provided his insights on changing working patterns, the future of the workplace and the increasing role that technology and data can play, both to support our customers and to differentiate GPE from its competitors.

There was an opportunity for employees to ask questions and share views across a broad range of topics that affected them, including the progress of GPE's diversity and inclusion agenda, the challenges and opportunities of business transformation, the scaling-up of service-led operations and the development of the GPE's customer proposition.

The event was well attended by employees, with members of the Board also present, and received positive employee feedback.

"The session was a great opportunity for all employees to hear Mark's views on customer centricity in the workplace and how GPE can evolve and make a real difference for our customers. It was inspiring to hear from Mark on a range of issues and to engage with one of our Non-Executive Directors."

Anna Kharchenko
Investment Associate

An audience with Emma Woods

Our latest 'Audience with…' session was held with Emma Woods, hosted by Carrie Heiss, our HR Director.

Carrie started the session by asking Emma about her career path and motivations. Emma discussed, in particular, the importance of GPE's strong culture and values, and doing the right thing by colleagues and customers to drive business success.

In view of challenging economic conditions, Emma discussed the need to focus on key priorities, the importance of long-term considerations when making business decisions and her confidence in the GPE team to deliver the strategy.

Emma responded to questions regarding diversity and inclusion (D&I) at GPE, and in the wider property industry, and commented on the importance of diverse teams to generate ideas, challenge and superior performance. There was an engaging conversation regarding the results of a recent employee D&I survey, the importance of honest feedback and the ongoing work to strengthen D&I at GPE in response to the feedback received.

Emma explained and answered questions regarding her position as Chair of GPE's Remuneration Committee. Topics covered included GPE's principles of remuneration and their consistent application across the business, the rationale for the proposed changes to the Directors' remuneration policy, how the changes would be cascaded to employees and the evolution of the proposed changes in response to internal and shareholder feedback.

Emma also discussed and answered questions on a range of matters including branding and marketing, sustainability as a differentiator for GPE, customer service and her role as a Non-Executive Director.

The event was well received with high levels of employee attendance, alongside attendance by the Chair and other members of the Board.

"It was a great chance to have an open and engaging discussion with Emma on key topics including diversity and remuneration."

Harriet Fulford-Brown
Deputy General Counsel

Board consideration of stakeholder interests and s.172(1) matters

Impact on decisions

Some examples of how the Board has considered stakeholder interests and s.172(1) matters in its decision making in 2022/23 are set out below and in 'What we did in 2022/23' on pages 96 and 97. Further details on our stakeholder engagement, and our response, can also be found on pages 54 to 62.

Sale of 50 Finsbury Square, EC2 ❶❷❺

In September 2022, having previously approved the pre-letting of the building's office space to Inmarsat Global Limited, the Board approved the sale of 50 Finsbury Square for the headline price of £190 million.

In reviewing the proposal, the Board considered how the sale presented the opportunity to recycle capital out of a mature asset, crystallise value and maximise returns.

The Board assessed the prospective returns from the sale and the impact on the Group's financial metrics, including on GPE's forward look NTA, EPRA cost ratio and earnings. This was weighed against the prospect of generating sale proceeds to further strengthen the balance sheet and fund future development opportunities to deliver greater value for GPE's stakeholders in the longer term. The use of proceeds from the sale would also help reduce any future need to seek additional debt or equity financing to fund the future development pipeline or acquisitions.

From a wider stakeholder perspective, the 50 Finsbury Square scheme created GPE's first net zero carbon development, and the lessons learned and proceeds of sale could be used to create new net zero carbon buildings for London. This in turn would also provide future opportunities for employees who would otherwise be minimally impacted by the sale.

The sale would be subject to practical completion of the building, and therefore GPE's contractors and suppliers would continue to be engaged to the conclusion of the project.

It was concluded, having regard to stakeholder interests, that the sale was likely to generate long-term sustainable value for shareholders as a whole and provide further opportunities to work with customers, communities and wider stakeholders to create sustainable space for London to thrive.

See more on **pages 08 and 24**

❶ Denotes strategic priorities for 2022/23 as set out on pages 14 and 15.

Pre-letting and redevelopment of 2 Aldermanbury Square, EC2 (2AS) ❶❷❹❺

Also in September 2022, the Board approved the pre-letting of all the office space at 2AS to leading international law firm, Clifford Chance LLP, and the redevelopment of 2AS.

The Board discussed the strong business case for the letting and development of the building and its wider stakeholder impacts. This included the review of performance metrics, procurement and pricing pressures in the market following Russia's invasion of Ukraine, the potential loss of opportunity from not developing speculatively and waiting to lease the building, and the prospective returns from the transaction for GPE and its shareholders.

The Board discussed customer and agent feedback and market analysis, which had highlighted strong customer demand for prime office space in a location where the future supply of space was expected to be limited. The redevelopment of the asset would also be necessary to attract customers and maintain the value of the investment.

The Board had regard for the positive impact the scheme would have on local communities through the provision of new public realm improvements and amenities. The impact on the Group's employees was also considered, noting that the scheme would offer employees development, project management and innovation opportunities.

The Board considered GPE's sustainability agenda and stakeholder expectations and the plans for 2AS to be GPE's second net zero carbon building. The Board also considered GPE's ongoing work with suppliers to achieve stretching embodied carbon targets, to embrace the circular economy and source sustainable construction materials, and the need to partner with customers to minimise their carbon impacts.

Having weighed up the balance of risks and potential returns, it was concluded that the proposals aligned with GPE's purpose and strategy and, in view of the value expected to be delivered to stakeholders, that GPE should proceed with the pre-letting and, conditional upon the exchange of contracts (which occurred in November 2022), commit to the redevelopment of 2AS.

See more on **page 28**

How we behave, human rights, supplier stewardship and anti-corruption and anti-bribery matters

We aspire to the highest standards of conduct based on honesty and transparency in everything we do. Our Executive Committee has a high level of oversight over the Group's day-to-day policies and procedures and carries out regular reviews of the appointment of contractors, consultants and suppliers.

We support the principles of the UN Declaration of Human Rights and core conventions of the International Labour Organization. Our expectations on human rights are set out across a number of our policies and procedures as we seek to avoid causing or contributing to adverse human rights impacts through our activities. In our business relationships, we look to demonstrate a commitment to fundamental human rights through our own behaviours and look to engage suppliers whose values and business principles are consistent with our own. Whilst we require all our suppliers to comply with standards and codes that may be specific to their industry, our Supplier Code of Conduct also sets out the additional standards that we require of our suppliers in this regard. GPE team members regularly meet with main contractors to share information on industry best practice, including in relation to human rights, health and safety and responsible sourcing.

In September 2022, we published our latest Modern Slavery Act Statement, which can be found at **www.gpe.co.uk/our-modern-slavery-statement**, setting out the steps we have taken over the past year, and intend to take over the next 12 months, to ensure our suppliers and their supply chains adopt similar standards to our own to prevent slavery and human trafficking taking place within our supply chain.

Formal policies in place in relation to human rights, anti-bribery and corruption and fraud matters include our overarching Anti-Fraud, Bribery & Corruption (Financial Crime) Policy, together with our Ethics, Gifts and Hospitality, Whistleblowing, Use of GPE Suppliers, Conflicts of Interest and our Inside Information and Share Dealing Policies. All new employees receive training on these policies as part of their induction process. A formal compliance statement relating to these policies is required to be signed off by employees annually, with any matters of concern reported to the Audit Committee. There were no significant matters to report to the Audit Committee in relation to these policies in the year ended 31 March 2023. The Audit Committee also reviews our Financial Crime, Ethics, Gifts and Hospitality and Whistleblowing Policies annually. Our policies can be found at **www.gpe.co.uk/about-us/governance**

Whilst we consider our industry to be relatively low risk with regard to money laundering, we also have a formal Anti-Money Laundering Policy in place and specific training is provided to employees as appropriate.

Our conflict of interest procedures

The Company's Articles of Association allow the Board to authorise potential conflicts of interest that may arise and to impose such limits or conditions as it thinks fit. The Company has established a procedure whereby any actual or potential conflicts of interest that may arise must be authorised by the Board, maintained on a register and periodically reviewed, with Directors required to update the Board with any changes to the nature of any conflicts disclosed.

A Director who has a conflict of interest is not counted in the quorum or entitled to vote when the Board considers the matter in which the Director has an interest and the Director may be excluded from the meeting where appropriate. The Board considers these procedures to be working effectively.

Our approach to Board induction and development

Having joined the Board as a new Non-Executive Director this year, Champa Magesh received a comprehensive induction programme over a number of months which was facilitated by the Chair and the General Counsel & Company Secretary and tailored to Champa's individual needs. Our induction process is designed to develop the Director's knowledge and understanding of the Group, covering key areas including GPE's purpose, values, culture and strategy, its corporate governance, risks and internal controls and the markets in which it operates. Our induction programme for new Directors is delivered through:

- meetings with the Chair, wider Board, General Counsel & Company Secretary and relevant Committee Chairs;
- a structured programme of meetings with executives and senior managers to provide a deeper understanding of risks and opportunities and stakeholder interests;
- meetings with advisers, including the internal and external auditors and brokers, to provide a valuable external perspective;
- property tours to see assets first-hand and to learn more about GPE's asset and development plans;
- access to a library of reference materials covering key areas including strategy, finance and operations, governance, risk management and internal controls; and
- training as appropriate on key policies, statutory duties and legal and governance requirements.

To enable the Board to discharge its duties, all Directors receive appropriate and timely information, including briefing papers distributed in advance of Board meetings and regular property tours conducted by the relevant GPE teams.

The Board strongly supports the ongoing development of its Directors. The Directors may, at the Company's expense, take independent professional advice and are encouraged to continually update their professional skills and knowledge of the business and wider industry. Senior managers and external advisers presented to the Board during the year on a range of subjects, including: macro-economic and political risks along with the impacts arising from the Russia-Ukraine war; industry themes and developments; the global and UK real estate investment market; the flexible space market and GPE's flexible space offer; property innovation and technology; health and safety; climate change and sustainability; cyber risk; and accounting and governance developments.

Directors also individually attend seminars or conferences associated with their expertise or areas of responsibility and are provided each quarter with a list of relevant upcoming seminars by various firms. Director training is reviewed by the Nomination Committee and development areas are discussed with individual Directors as part of the annual performance evaluation process.

What we did in 2022/23

The table below provides examples of our significant discussions, transactions and appointments over and above the scheduled matters outlined on page 87, together with examples of our oversight of engagement with stakeholders and consideration of s.172(1) matters since April 2022. You can read our s.172(1) statement on page 62.

2022 – 2023

Strategy, governance, risk and opportunity management

May/June

- Discussion of 2022/23 key priorities, themes, strategic actions and team resourcing
- Update from GPE's corporate brokers on the market backdrop, macro-economic conditions, including inflation and interest rates, and investment risks and opportunities
- Discussion of real estate trends and occupiers' future space requirements
- Discussed asset strategies and potential sales and supported the disposal of 6/10 Market Place, W1
- Received an update on activities being undertaken in relation to the development pipeline, including the impacts of rising construction costs and the challenging planning environment
- Approval of the acquisitions of 6/10 St Andrew Street, EC4 and 2 Cathedral Street, SE1
- Approval of Emma Woods as GPE's next Remuneration Committee Chair
- Approval of the appointment of Champa Magesh as a Non-Executive Director

July/August

- Discussion of the REIT sector and economic outlook, the limited supply of new space in the market and the bifurcation between prime and other assets
- Update on Flex activities, including growth, performance, resourcing and potential acquisitions
- Noted an IT and cyber security risk and controls update and recommendations arising from a 'red team' penetration exercise
- Update on Executive Committee 'Away Day', including discussions on market dynamics, delivery of a Customer First culture, the risks and opportunities regarding sustainability and Flex, and leadership in a post-pandemic world
- Update on debt markets, GPE's strong position to consider potential debt options going forward and its relationships with existing lenders
- Approval of PwC as GPE's next external auditor for 2023/24, subject to shareholder approval

September

- Received an external presentation on the market backdrop, the European real estate equity market and GPE's positioning to drive value creation and take advantage of market trends
- Discussion of development, planning, procurement, supplier failure and construction pricing risks and mitigating actions
- Approval of the pre-letting of 2AS to Clifford Chance and, conditional on the exchange of contracts, the 2AS redevelopment
- Approval of the 50 Finsbury Square disposal for £190m subject to final terms
- Discussion of the investment market and new business opportunities
- Received a health and safety update and discussed progress against KPIs
- Discussed an Innovation Strategy update including on the use of technology to support GPE's Customer First approach, the proposed deployment of a new customer relationship management system and GPE's investment in Pi Labs European PropTech venture capital fund (see page 104 for further information)


2 Aldermanbury Square

November

- Discussion of key market themes, macro conditions, London's continued attractiveness, demand for prime space and the opportunities presented
- Approved in principle a management reorganisation to support the Customer First approach and changing market conditions
- Review of void rates, potential vacancies and void mitigation strategies
- Received an update on Flex and discussed product differentiation
- Discussion of the Customer First programme including customer journey mapping, customer feedback and planned immersive workshops for all employees


50 Finsbury Square

January

- Review of key themes and priorities to be addressed as part of the March 2023 strategy review
- Discussion of developments in sustainability regulations and practice and the certification of 50 Finsbury Square as GPE's first net zero carbon development
- Approval of the definitive appraisal for the 6/10 St Andrew Street refurbishment scheme
- Discussion of the Flex marketing strategy, operating costs and returns
- Discussion of the recommendations arising from the external Board evaluation
- Approval of the appointment of Nick Hampton as GPE's next Senior Independent Director following the retirement of Charles Philipps


St Andrew Street

March

- External presentations on (i) the economy and the central London office market; and (ii) the flexible office market
- Review of our portfolio response to customer demands and approval of the target to grow our Flex office space to 1m sq ft
- Update on our three-year IT strategy, including cyber security governance and actions arising from an externally facilitated cyber-attack simulation exercise
- Review of health and safety activities, governance, risks and controls, including the implications of new fire and building safety legislation
- Discussion of progress against GPE's Innovation Strategy and areas of focus for 2023/24 following a business-wide consultation

Understanding the views of stakeholders, the interests of employees and the fostering of business relationships

May/June

- Review of feedback from the Capital Markets Day in April, including positive feedback on the simplification of GPE's strategy and products
- Discussion of the Customer First launch to strengthen customer service and engagement
- Discussion of recent employee survey results and next steps
- Update on progress of diversity and inclusion (D&I) initiatives, including the commencement of the Executive Committee Inclusive Leadership Programme
- Recommendation of the payment of a final dividend to shareholders
- Discussion of the social value created by GPE during 2021/22 and positive feedback from the launch of the new Social Impact Strategy
- Update on the launch of GPE's new charity partner, XLP

July/August

- Review of customer and agent themes and insights from an independent Customer First research exercise identifying opportunities to strengthen the customer experience, including through service-level improvements, and to enhance agent and broker relationships and their knowledge of GPE products
- Consideration of engagement with freeholders, including to progress the regear of the headlease at 2 Aldermanbury Square (2AS)
- Discussion of feedback from employee D&I workshops and next steps to drive further progress

GPE.Connect

- Approval of an updated Sustainability Policy and review of costs to upgrade portfolio assets to an EPC B rating
- Noted feedback from joint venture partners regarding management of partnership assets and retail strategies

September

- Discussion of increasing energy prices and GPE's creation of Energy Councils at each building, and the use of sesame® app data, to support customers with their energy use
- Received an update on the People Plan, including D&I activities, improvements to GPE's talent and development programme and initiatives to improve operational processes in response to employee feedback
- Update on planning authority and local community engagement regarding development schemes, including at New City Court and Minerva House
- Review of investor relations activities and analyst updates
- Supported a disability project on inclusive spaces with the Purple Tuesday charity and initiatives to become a Disability Confident Employer
- Approval of GPE's 2022 Modern Slavery Statement

November

- Discussion of the refinement of the New City Court scheme to meet evolving customer and sustainability needs
- Received feedback from GPE's successful Community Day
- Update on sustainability innovations and GPE's continued support of industry-wide sustainability efforts
- Update on the Executive Committee's Inclusive Leadership Programme, the work to define the practical applications of the learnings from the programme for the wider business and the setting of measurable goals
- Approval of the interim dividend
- Discussion of progress being made against GPE's Social Impact Strategy and the social value created to date, including through the work with charity partner, XLP

XLP WORKING TO CREATE POSITIVE FUTURES FOR YOUNG PEOPLE

January

- Discussion of feedback from the employee Customer First workshops and the identified need to define GPE's service proposition and standards
- Consideration of responses to a recent employee D&I survey highlighting opportunities for further progress and positive feedback following the communication of new employee representation targets and the launch of a new D&I programme for senior managers
- Review of feedback from an institutional investor roadshow in November which, despite macro concerns, signalled broad support for GPE's Flex and development strategy and low leverage
- Update on the Customer First programme and actions to enhance customer engagement

March

- Received an update on sustainability developments and progress against targets
- Approval of GPE's updated Sustainability Statement of Intent and Brief for Creating Sustainable Spaces

- Update on results of the recent customer satisfaction survey and Net Promoter Score and the development of our customer service proposition and standards
- Update on our Inclusive Spaces Project and the attainment of Level Two Disability Confident Employer accreditation

Consideration of stakeholder engagement

Governance

Division of responsibilities

The role of the Board and its Committees during the year

Board

- six scheduled meetings a year
- sets strategy
- provides oversight of purpose, culture and risk
- approves major transactions
- provides oversight of governance
- oversees climate change risk and sustainability strategy

See Board activities on **pages 87 to 97**
See biographies of the current Directors on **pages 84 and 85**
See the division of responsibilities of the Directors on **page 99**

Board Committees

Audit Committee

- four scheduled meetings a year
- oversees financial reporting
- monitors risk management and internal controls
- scrutinises activities and performance of the external auditor
- conducts, as appropriate, the tender process for the external audit contract
- evaluates internal auditor and audit plan

See Audit Committee report on **pages 107 to 113**
See Our approach to risk on **pages 64 to 77**

Remuneration Committee

- five scheduled meetings a year
- establishes Directors' remuneration policy to be proposed to shareholders for approval
- sets executive remuneration schemes
- reviews Executive Committee member objectives and achievements
- approves senior management remuneration and incentive awards
- approves variable remuneration targets
- approves the Directors' remuneration report
- reviews wider workforce pay policies and alignment of incentives with culture

See Directors' remuneration report on **pages 114 to 146**

Nomination Committee

- five scheduled meetings a year
- recommends Board appointments
- approves senior management appointments
- oversees succession planning and development of a diverse pipeline
- responsible for Board effectiveness evaluation

See Nomination Committee report on **pages 100 to 105**

Management Committees

Executive Committee

- meets fortnightly
- implements the Group's strategy
- oversees transactions
- monitors risks and opportunities
- responsible for succession planning, resourcing and people development

See Strategic Report on **pages 02 to 78**

Sustainability Committee

- meets four times a year
- manages climate change risk and resilience
- reviews progress and development of sustainability strategy
- monitors environmental compliance
- oversees allocation of Decarbonisation Fund
- net zero carbon development sub-committee focuses on innovation and opportunities of net zero carbon development and refurbishment
- portfolio sub-committee focuses on reducing carbon emissions in the existing portfolio

See Sustainability on our website **www.gpe.co.uk/sustainability**

Health and Safety Committee

- meets four times a year
- reviews the Group's health and safety compliance and performance
- provides oversight on Health and Safety Strategy
- identifies and reviews opportunities for improvement

See Sustainability on our website **www.gpe.co.uk/sustainability/working-safely**

Social Impact Committee

- meets four times a year
- sets direction for the Group's social value creation
- oversees implementation of the Group's Social Impact Strategy, charitable partnerships and donations

See Strategic Report on **pages 02 to 78**

Inclusion Committee

- meets six times a year
- provides oversight of Group diversity and inclusion initiatives
- oversees the work of Employee Impact Groups
- monitors feedback and identifies areas for improvement

See Our people and culture on **pages 54 to 57**

The division of responsibilities of the Directors

The Board currently comprises the Non-Executive Chair, three Executive Directors and six independent Non-Executive Directors and is supported by the General Counsel & Company Secretary. The Chair and the other Non-Executive Directors meet regularly without the Executive Directors, and at least once a year the Non-Executive Directors meet without the Chair. In addition, individual Directors meet routinely outside the formal Board meetings as part of each Director's contribution to the delivery of the Company's strategy and review of operations.

The Executive Directors meet every two weeks with senior management as the Executive Committee, chaired by the Chief Executive, to attend to the ongoing management of the Group. The Executive Committee makes decisions within the parameters set out in the Group's Delegated Authorities which govern the taking and escalation of significant decisions. Significant operational and market matters are communicated to the Non-Executive Directors on a timely basis outside of the Board meetings. All Directors have access to the advice and services of the General Counsel & Company Secretary, who is responsible to the Chair on matters of corporate governance.

Each year the Schedule of Board Responsibilities and terms of reference for the roles of Chair, Chief Executive and Senior Independent Director are revisited by the whole Board and are available on our website at **www.gpe.co.uk/investors/governance**

Roles and responsibilities of the Directors:

Chair	Richard Mully	Richard is responsible for leading the Board and for its effectiveness, meeting with shareholders as appropriate, ensuring a culture of openness, transparency and debate and helping the Chief Executive 'to set the tone from the top' on the Company's purpose, values and culture. As part of his role in leading the Board, he ensures that the Board provides constructive input into the development of strategy, understands the views of the Company's key stakeholders and provides appropriate oversight, challenge and support. As Chair, Richard also leads the Nomination Committee.
Chief Executive	Toby Courtauld	Toby is responsible for setting the Group's strategic direction, implementing the agreed strategy, the operational and financial performance of the Group and the day-to-day management of the Company, including setting the tone for, and ensuring oversight of, the Company's culture through 'living our values' and ensuring the Board is aware of key stakeholders' views. As part of his role, Toby is responsible for leading the Executive and Sustainability Committees and has executive responsibility for climate change and sustainability matters.
Chief Financial & Operating Officer	Nick Sanderson	Nick supports the Chief Executive in developing and implementing the Group strategy and all financial matters. As part of his operations role, Nick has responsibility for oversight of the valuation process and the HR, IT and, following a team reorganisation in November 2022, the Customer Experience, Flex and Marketing functions. Nick also leads the Social Impact Committee.
Executive Director	Dan Nicholson	Dan further supports the Chief Executive in developing and implementing the Group strategy while he has specific responsibility for portfolio management and development management matters. Following a team reorganisation in November 2022, Dan also leads the New Business and Workplace Services teams. As part of the team reorganisation, Board responsibility for health and safety was transitioned from Nick Sanderson to Dan in the year, and Dan now leads the Health and Safety Committee.
Senior Independent Director[1]	Nick Hampton	Nick acts as a sounding board for the Chair, leads the other independent Non-Executive Directors in the performance evaluation of the Chair and is available to shareholders as required. As part of his role, he also acts as an intermediary for the Non-Executive Directors if necessary and is an independent point of contact in the Group's whistleblowing procedure. As Senior Independent Director, Nick is also responsible for the Chair's succession process, working closely with the Nomination Committee.
Non-Executive Directors	Mark Anderson Vicky Jarman Champa Magesh Alison Rose Emma Woods	Responsible for bringing an external perspective and providing constructive challenge and support to the Board's deliberations and decision making, using their broad mix of business skills, knowledge and experience acquired across different business sectors. They are also responsible for monitoring the delivery of the agreed strategy within the risk management framework set by the Board and promoting high standards of integrity and corporate governance. As Committee Chair, Emma Woods (who succeeded Wendy Becker in that role on 7 July 2022) is responsible for leading the Remuneration Committee, while Vicky Jarman (who succeeded Nick Hampton in that role on 7 July 2022) is responsible for leading the Audit Committee. Each Committee Chair seeks engagement with shareholders, as appropriate, on significant matters relating to their areas of responsibility.

1. Charles Philipps was GPE's Senior Independent Director during the year under review, stepping down on 30 March 2023 when he was succeeded by Nick Hampton.

Composition, succession and evaluation

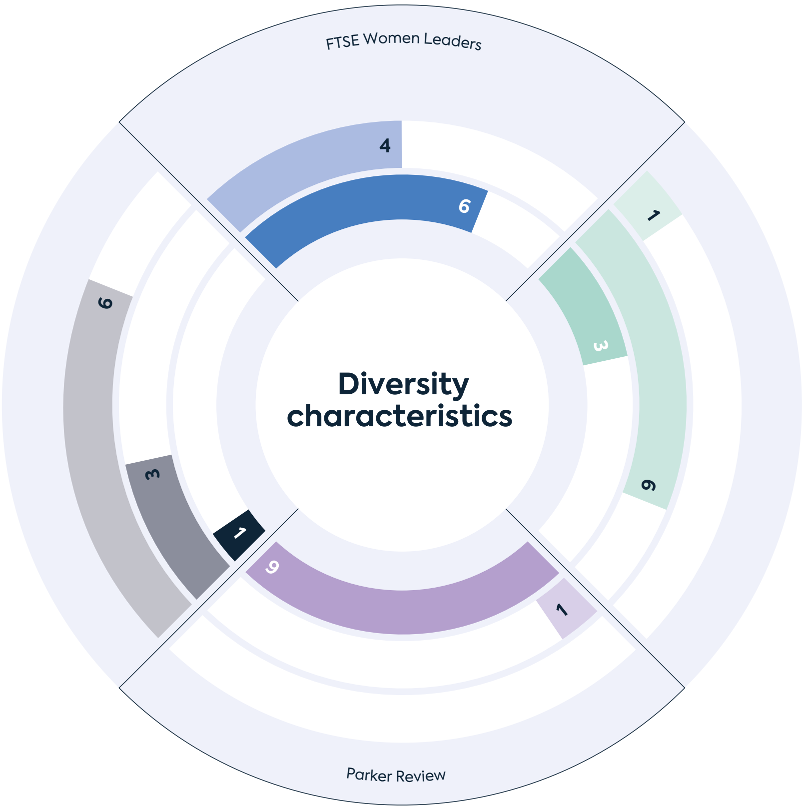
Board composition and diversity

The diagrams below show the Board's composition, tenure and diversity characteristics.

The biographical details of the Directors can be found on pages 84 and 85 which show the breadth of their skills and experience, why their contribution is important to the Company's long-term sustainable success, and their membership of the Company's various Committees.

Further details regarding diversity and inclusion at GPE can be found on pages 56, 57 and 103.

Board diversity and tenure (as at 31 March 2023 and the date of this report)



Gender[1]
- Male – 60%
- Female – 40%

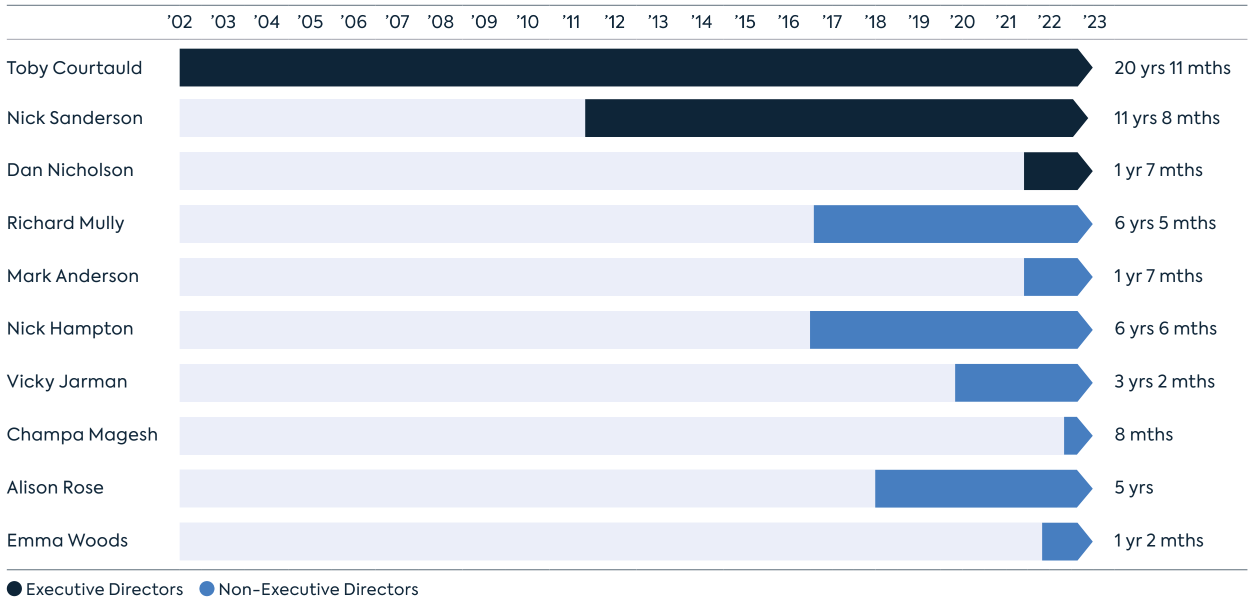
Age
- 40–50
- 51–56
- 57+

Ethnic group[1]
- White – 90%
- Ethnic Minority – 10%

Board balance
- Chair
- Executive Directors
- Independent Non-Executive Directors

1. As at 31 March 2023 and the date of this report, GPE met the FTSE Women Leaders Review target to have at least 40% female representation on the Board and the Parker Review target to have at least one Director from an ethnic minority background. GPE's Board Diversity Policy, which was updated in March 2023, can be found on our website at **www.gpe.co.uk/investors/governance**. Further information can be found on page 103.

Directors' tenure (as at 31 March 2023)



Nomination Committee

Further details regarding Committee memberships, meetings and attendance can be found on page 86.

Committee members[1]

Director	Role
Richard Mully	Chair
Nick Hampton	Senior Independent Director
Mark Anderson	Non-Executive Director
Vicky Jarman	Non-Executive Director
Champa Magesh	Non-Executive Director
Alison Rose	Non-Executive Director
Emma Woods	Non-Executive Director

Our approach

The key objectives of the Committee are to regularly review the skills and experience of the Board to ensure that it is the right size, structure and composition taking into account the skills, experience, independence, knowledge and diversity of Directors and the future strategy of the Group.

It is the Committee's role to consider succession planning for the Board and senior executives below Board level, to oversee the development of a diverse pipeline for succession and to lead on the process for Board appointments.

As part of its objectives, the Committee reviews and recommends to the Board (i) the compositions of the Audit, Nomination and Remuneration Committees, taking into consideration individuals' experience, ongoing training and development and time commitments and the benefits of diversity; and (ii) the re-election of Directors by shareholders at the Annual General Meeting.

Our process

The Nomination Committee Terms of Reference are available on the Company website at **www.gpe.co.uk/investors/governance**

The Nomination Committee membership generally includes all of the Non-Executive Directors. At the start of the financial year, the Nomination Committee comprised the Chair of the Board, Richard Mully, and seven independent Non-Executive Directors, namely Charles Philipps, Mark Anderson, Wendy Becker, Nick Hampton, Vicky Jarman, Alison Rose and Emma Woods. Wendy Becker and Charles Philipps stepped down from the Board, and therefore the Committee, with effect 7 July 2022 and 30 March 2023 respectively. Champa Magesh was appointed to the Committee with effect from her appointment to the Board on 1 August 2022.

In making any recommendations for Board appointments, the Nomination Committee consults with the Chief Executive and other members of the Board as appropriate. During the year, the Chief Executive was invited to attend Nomination Committee meetings to provide the Committee with updates on human resourcing, diversity and inclusion activities, talent development and succession planning. The Chief Executive and the Chief Financial & Operating Officer also provided their input into Board recruitment processes.

In making recommendations to the Board on Non-Executive Director appointments, the Nomination Committee specifically considers the expected time commitment of the proposed Non-Executive Director and other commitments they already have. Agreement of the Board is also required before a Director may accept any additional commitments to ensure possible conflicts of interest are identified and that the Directors will continue to have sufficient time available to devote to the Company. During the year, the Board carefully considered the appointment of Emma Woods as a Non-Executive Director of Huel Limited in May 2022 and the appointment of Alison Rose as co-chair of the Government's new Energy Efficiency Taskforce in February 2023. The Board was satisfied that these changes would not impact Emma's or Alison's independence or commitment and that in each case they would continue to be able to add significant value to their respective roles at GPE.

Non-Executive Directors are not appointed for specific terms but, in accordance with the UK Corporate Governance Code, are subject to annual re-election. All proposed re-elections to the Board are formally considered by the Nomination Committee, taking account of each individual's effectiveness and commitment to the role.

The Nomination Committee also reviews the recommendations of the Board evaluation process and progress against the recommendations from the previous year.

1. Wendy Becker and Charles Philipps also served as members of the Nomination Committee during the year, stepping down from the Board and the Committee on 7 July 2022 and 30 March 2023 respectively.

Composition, succession and evaluation continued

"In a busy year for the Committee, our continued focus has been on Board recruitment and succession planning, and the progression of our diversity and inclusion agenda."

Richard Mully Chair of the Nomination Committee

Dear fellow shareholder

On behalf of the Nomination Committee, welcome to the report of the Nomination Committee for the year ended 31 March 2023. In a busy year for the Committee, our continued focus has been on Board recruitment and succession planning and the progression of our diversity and inclusion agenda.

Board and Committee composition

There have been a number of changes to the Board during the year as we have continued to focus on appropriate ongoing succession and diversity of the Non-Executive Directors. As part of this process, the Nomination Committee regularly reviews the composition of the Board and its Committees to ensure they have the requisite skills, experience, diversity and knowledge in alignment with the Group's strategy.

As I explained in last year's report, the Committee had identified the need to strengthen the Board's technology and data expertise. During the year, in view of Charles Philipps' impending retirement at the end of his nine-year tenure, the Committee also agreed to commence an additional search process for a Non-Executive Director with strong City, investment and capital markets experience. The Committee instructed executive search firm, Russell Reynolds, to support with each of these searches. Russell Reynolds has no connection with the Company or any individual Directors other than to assist with Executive and Non-Executive succession planning and appointment processes.

As part of each recruitment process, the Committee reviewed diverse longlists from which refined shortlists of candidates were selected for interview. Following a detailed selection process for the technology and data search, the Committee recommended to the Board the appointment of Champa Magesh, who joined the Board and each of its Committees from 1 August 2022. Champa's wealth of digital transformation, technology and operational experience are of great value as we evolve our strategy, products and our Customer First approach.

The search for an additional Non-Executive Director is progressing to enhance the Board's City, financial and transaction experience, and with the aspiration of increasing the Board's overall diversity, and we hope to announce a further appointment in due course.

As planned, Wendy Becker stepped down from the Board and as Chair of the Remuneration Committee, and Nick Hampton stood down as Chair of the Audit Committee, each from the conclusion of the 2022 AGM held on 7 July 2022. Emma Woods and Vicky Jarman became the next Chairs of the Remuneration Committee and Audit Committee respectively from that time, and I am delighted with the smooth transition processes and the valuable experience each is bringing to their roles. Nick Hampton remains a member of the Audit Committee. As explained on page 81, Charles Philipps retired from the Board on 30 March 2023 and Alison Rose will be stepping down from the Board from the conclusion of the 2023 AGM.

Given Charles Philipps' anticipated retirement, the Committee considered who should succeed him as GPE's next Senior Independent Director (SID). The Committee discussed the attributes required for a SID and the suitability and ongoing responsibilities of Directors. While the FTSE Women Leaders Review and new Listing Rule target, for at least one of the Chair, SID, CEO and CFO positions to be held by a woman, remains an important consideration, and the benefits of diversity are always an important consideration when we are making appointments to Board roles, it was unanimously agreed that Nick Hampton's significant experience, skills and deep knowledge of GPE would make him an excellent SID for the next stage of our Board's development. Vicky Jarman and Emma Woods have recently been appointed as Chairs of the Audit and Remuneration Committees and continue to focus on these key responsibilities. External candidates were not considered for the SID role at this time as it was felt that an experienced internal candidate, with a strong understanding of the Board and the Group, would be best placed to support Board succession planning over the next few years. On the recommendation of the Committee, the Board was pleased to appoint Nick as GPE's new SID following Charles' retirement on 30 March 2023.

Succession planning and talent development

During the year, in addition to the Board processes described above, we have considered the development plans and succession planning for Executive Directors, the Executive Committee and senior leaders. As part of this process, the Committee considers the depth and quality of the succession pipeline, the skills and capabilities required for the future strategic needs of the business, retention and succession planning risks, personal development needs and the strengthening of diversity and inclusion.

Recognising and developing our top talent is key to ensuring that we have a healthy and diverse pipeline of current and potential future leaders, and this remains a key area of focus for the Board and Committee. We have progressed our Non-Executive Director mentoring programme for selected members of the GPE team and continue to oversee our wider talent development programme. This includes our Executive Committee Rotating Seats programme, whereby two members of senior management join the Executive Committee on a six-month rotating basis, helping individuals to develop their skills and exposure whilst supporting the development of a diverse talent pipeline.

To support the delivery of our Customer First approach and to position GPE to take advantage of changing market conditions, we were pleased to endorse a team reorganisation as well as several senior management role changes and promotions in the year. This included the rebalancing of the responsibilities of our Executive Directors with Nick Sanderson assuming reporting line responsibility for Marketing, Flex and Customer Experience, and Dan Nicholson assuming responsibility for New Business, Health and Safety and the newly created Workplace Services function. Details of these and other changes, promotions and appointments made to strengthen the team can be found on page 54.

Our approach to diversity and inclusion

We recognise the strategic importance of a diverse Board and workforce which is representative of our stakeholders and which provides different perspectives to support the development and delivery of our strategy.

The Board was pleased to adopt a new Board Diversity Policy in March 2023 which specifically applies to the Board and its Committees and supports GPE's wider approach to diversity. A copy of the policy can be found on our website at **www.gpe.co.uk/investors/governance**. We believe that the Board should comprise Directors with a diverse mix of attributes including but not limited to skills, knowledge, experience, gender, ethnicity, age and educational, professional and socio-economic background. Different perspectives and points of view improve decision making, and we believe that ultimately this will benefit GPE's stakeholders through better business performance. The Board also believes that the tone for diversity and inclusion at GPE must be set from the top; having a diverse leadership team and an open and inclusive culture where people feel safe, respected and appreciated for who they are and what they bring is aligned to our core values and expected behaviours.

We expect our search consultants to ensure that the candidate pool for appointments to the Board is sufficiently wide and includes candidates from a variety of backgrounds with a wide range of experience and strengths to reflect the Board's diversity aims. This approach to recruitment is mirrored across the business.

From a gender perspective, the Committee supports the recommendations set out in the FTSE Women Leaders Review. As at the date of this Report, women represented 40% of the Board, 22% of the Executive Committee (or 27% including participants in our Executive Committee Rotating Seats programme) and 36% of the population comprising the Executive Committee and their direct reports. We continue to make progress in many areas but recognise there is much work still to do.

We have also collected data on the ethnic diversity of our people, which we have published for the first time this year. We are pleased to have met the Parker Review target to have at least one Director from a minority ethnic background by 2024 and, as explained below, we are working to increase ethnic minority representation across the organisation.

Diversity and inclusion, and the development of a diverse management pipeline, remain a key priority and the Board, along with the Nomination and Remuneration Committees, continues to drive and oversee our progress in these areas under our People Plan. To inject further pace, for 2022/23, Executive Directors had a full one-third weighting of their personal bonus objectives linked to improving female representation at GPE. All Executive Committee members participated in an impactful inclusive leadership development programme over nine months of the year. We also launched several meaningful Employee Impact Groups to provide a voice for colleagues from under-represented groups. These initiatives, amongst others, have given us all confidence in setting the following aspirational diversity and inclusion targets which were communicated to our colleagues in December 2022:

- for 40% of senior leadership roles (Executive and Operations Committee roles) to be held by women by 2025;
- for 20% of all management roles to be held by colleagues who identify with an ethnic minority category (as identified by the ONS) by 2025; and
- reflecting our London communities, for 40% of all colleagues to identify with an ethnic minority category by 2027.

In line with the latest Parker Review recommendations for FTSE 350 companies, the Committee will also be considering setting a December 2027 target regarding the percentage of Executive Committee members and their senior manager direct reports who identify with an ethnic minority category.

Further details regarding our diversity and inclusion initiatives and progress can be found on pages 56 and 57.

Statement in accordance with Listing Rule 9.8.6R(9) on Board Diversity

As at 31 March 2023, GPE met the targets specified in Listing Rules 9.8.6R(9)(a) and (c) with the Board comprising 40% women and having one Director from a minority ethnic background. Alison Rose will be stepping down from the Board from the conclusion of the AGM 2023 on 6 July 2023, which will reduce the percentage of women on the Board to 33% in the short term. We currently envisage that the Board may, once again, comprise 40% women following the planned appointment of an additional Non-Executive Director with City, financial and transaction experience. An announcement will be made at the appropriate time.

While the key roles of Audit Committee Chair and Remuneration Committee Chair are both held by women, the Board has not yet met the target under Listing Rule 9.8.6R(9)(b) for at least one of the Chair of the Board, Chief Executive, SID or CFO positions to be held by a woman. All Board appointments are based on merit and objective criteria, taking account of the benefits of diversity. As explained on page 102, Nick Hampton was appointed as GPE's SID from 30 March 2023, with unanimous support from his fellow Directors, on account of his extensive experience, skills and deep knowledge of GPE and the continued value he brings to the Board. It is the Board's aspiration and intention to meet the target specified in Listing Rule 9.8.6R(9)(b) as we refresh our Board over time and, as set out in our Board Diversity Policy, we aim to meet all targets set out in Listing 9.8.6(9) by no later than the end of 2025, with gender diversity being a key consideration in our Board succession planning. Details regarding GPE's gender and ethnic diversity data, including that required by Listing Rule 9.8.6R(10), can be found on page 56.

Committee and Director effectiveness review

Milena Djurdjevic of Calibro Consult was appointed to undertake an external evaluation for the Board and its Committees in 2022/23. The review concluded that the Board and its Committees, including the Nomination Committee, continue to operate efficiently and effectively. Details of the review and its findings can be found on pages 104 and 105.

All proposed elections and re-elections to the Board are formally considered by the Nomination Committee, taking account of each individual's continued effectiveness and commitment to the role. Following this review, I can confirm that each of the Non-Executive Directors is considered effective in their roles and both independent of the Executive Management and free from any business or other relationship which could materially interfere with their exercising of independent judgement. The SID also met with the Directors to appraise my own performance.

Richard Mully
Chair of the Nomination Committee
24 May 2023

Governance

Our 2022/23 Board evaluation process

In accordance with the recommendations of the Code, we undertake a review of the effectiveness of the Board's performance and that of its Committees and Directors every year, with an external evaluation held at least every three years. Accordingly, an external review of Board and Committee effectiveness was undertaken during 2023, details of which can be found below.

Our progress against the actions identified through the 2021/22 internal review is set out below:

Progress against 2021/22 Board evaluation actions in 2022/23

Actions	Progress
Closer oversight of strategic implementation and ensuring that GPE has the right people and skills to deliver on its ambitions.	– Board agendas revised to allow time to consider strategy implementation. – Further development of management packs and Board reporting. – Development of Customer First strategy. – Team reorganisation implemented with changes to Executive Director and team responsibilities to support delivery of the Customer First programme.
Broadening the Board's skill sets in line with GPE's technology, data and customer objectives.	– Champa Magesh was appointed to the Board on 1 August 2022, bringing significant digital transformation, technology and operational experience. This followed the appointments of Mark Anderson and Emma Woods in the prior financial year.
Continuing to enhance diversity and inclusion across the Board, Executive Committee and wider organisation.	– Board gender and ethnic diversity increased. – New Board Diversity Policy adopted. – Executive Committee participation in a nine-month inclusive leadership programme and clear D&I annual bonus objectives set. – Implementation of meaningful diversity and inclusion initiatives – see pages 56, 57 and 103. – Diversity and inclusion representation targets set for wider organisation.
Increasing Board engagement on technology and innovation to further develop its understanding of the challenges and opportunities.	– Presentations received from GPE's Director of Innovation and Head of IT. – Board review of the Innovation Strategy and progress made. – Discussion of the potential impacts of technology, including the Metaverse, on real estate and how innovation and technology can support GPE's Customer First approach. – Board updates on maximising the use and benefits of the sesame® app and regarding GPE's investment in Pi Labs European PropTech venture capital fund, which focuses on investment in start-ups in the UK and Europe using technology solutions to enhance the real estate value chain.

The 2022/23 Board and Committee effectiveness review was facilitated by Milena Djurdjevic of Calibro Consult, an external board evaluation specialist. After considering proposals from a number of providers, the Committee felt that Ms Djurdjevic's tailored approach, with particular focus around GPE's strategy and business transformation, made her best placed to facilitate the external evaluation. Neither Ms Djurdjevic nor Calibro Consult have any other connection with GPE or any individual Director.

The aim of the review was to assess the effectiveness of the Board and its Committees and identify any actions to help improve how we fulfil our duties and become a more effective Board. The review considered the performance of the Board and its development, composition and succession in view of its strategy, future growth ambitions, the changing business environment and the challenges ahead. It also considered the systems, controls, capabilities and processes underpinning the operation of the Board and its Committees.

The process included:

- one-to-one workshops held by Ms Djurdjevic with individual members of the Board and Executive Committee and meetings with other stakeholders, including GPE's remuneration consultant;
- review of Board, Committee and other governance-related papers;
- attendance at the November 2022 meetings of the Board and the Audit, Nomination and Remuneration Committees;
- discussion of a draft report with the Chair of the Board and Charles Philipps, as SID; and
- circulation of a report detailing the findings from the evaluation, including strengths, opportunities and recommendations, which was discussed by the full Board at the January 2023 Board meeting.

The process also considered the effectiveness of individual Directors, with feedback given to Directors by the Chair of the Board at the end of the process (and feedback given to the Chair of the Board by Charles Philipps, as SID).

The review concluded that the Board, its Committees and individual Directors continue to operate effectively. Some of the key strengths identified included:

- the strength of the Board's composition and diversity, which was considered well suited to helping management achieve its strategic and broader stakeholder objectives with appropriate levels of support and constructive challenge;
- well-run Board and Committees meetings, with appropriate time devoted to key issues and Board members who are highly committed, engaged and well prepared;
- a positive and collaborative Board culture with strong leadership from the Chair, high levels of contribution, debate and insight and mutual respect between Executive and Non-Executive Directors;
- the many opportunities for Directors to engage with the business engendering a common sense of purpose and 'team';
- the Board's strong approach to strategy development; and
- GPE's clear purpose, values and strategy which aligned with its culture.

The review identified some recommendations and opportunities and the key actions arising from the review are as follows:

Recommendations from the 2022/23 Board evaluation

1. **To consider enhancing the Board's City, financial and transaction experience in view of Charles Philipps' length of service (and his retirement now announced).**
2. **To allocate additional Board time to GPE's strategy and transformation.**
3. **To further deepen the Board's knowledge of the developing flexible space market and continue to ensure that GPE has the right structure, resourcing and oversight to deliver its evolving strategy.**
4. **To further develop the Board's understanding of technology and innovation threats and opportunities, GPE's ambitions in these areas and the best means of achieving them.**
5. **Continued focus by the Board and Nomination Committee on talent development and Executive Committee and Board succession planning and diversity.**

What we did in 2022/23

2022

March

Board meeting
- The Board and Committee memberships were approved

May/June

Nomination Committee
- The Committee recommended Emma Woods to succeed Wendy Becker as Chair of the Remuneration Committee
- The Committee discussed Executive Committee talent planning and development
- The Committee discussed Executive Director succession planning processes
- The Committee recommended the appointment of Champa Magesh as a Non-Executive Director and member of the Audit, Nomination and Remuneration Committees

Board
- The Board approved the appointments of Emma Woods as the next Remuneration Committee Chair and Champa Magesh as a Non-Executive Director

September

Nomination Committee
- The Committee discussed the outputs from an Executive Director succession planning exercise
- The Committee discussed diversity and inclusion and the development of a diverse pipeline

November

Nomination Committee
- The Committee discussed Executive Committee performance and development
- The Committee endorsed the proposed team reorganisation to support the delivery of our Customer First approach, including the promotion of Rebecca Bradley to Director of Customer Experience & Relationships, and approved the reallocation of Executive Director responsibilities
- The Committee discussed the expected retirement of Charles Philipps and associated succession planning

2023

January

Nomination Committee
- The Committee considered Non-Executive Director succession planning and recommended the appointment of Nick Hampton as GPE's next Senior Independent Director upon Charles Philipps' retirement
- The Committee discussed the search for an additional Non-Executive Director with strong City, financial and transaction experience to be conducted by Russell Reynolds
- The Committee discussed the findings from a senior management talent development, retention and succession planning review and Executive Director succession planning

Board
- The Board approved the appointment of Nick Hampton as GPE's next Senior Independent Director
- The Board considered the findings from the 2022/23 external Board and Board Committee evaluation

February

Nomination Committee
- The Committee discussed the findings from the 2022/23 external Board and Board Committee evaluation
- Richard Mully and Russell Reynolds provided the Committee with an update on the search for an additional Non-Executive Director
- The Committee reviewed Board and Board Committee compositions and Board training
- The Committee received an update on governance and regulatory requirements, including in relation to diversity
- The Committee recommended the adoption of GPE's new Board Diversity Policy
- The Committee approved changes to its Terms of Reference

Audit, risks and internal controls

Together, the Audit Committee and the Board are responsible for ensuring the Group has an effective internal control and risk management system and that the Annual Report provides a fair reflection of the Group's activities during the year.

Internal controls and ongoing risk management

The Board is responsible for maintaining and monitoring the Group's system of internal control and, at least annually, reviewing its effectiveness.

Such a system can only provide reasonable, and not absolute, assurance against material misstatement or loss, as it is designed to manage rather than eliminate the risk of failure to achieve business objectives.

The identification and management of risks and opportunities is part of the GPE mindset, underpinned by evolving processes and procedures in place for identifying, evaluating and managing the principal and emerging risks faced by the Group. These processes and procedures have been in place for the year under review and up to the date of this report, are regularly reviewed by the Board and accord with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Key features of our system of internal control include:

- a comprehensive system of financial reporting and business planning;
- a defined schedule of matters reserved for Board decision, which is reviewed by the Board at least annually;
- an organisational structure with clearly defined levels of authority and division of responsibilities;
- formal documentation of procedures;
- the close involvement of the Executive Directors and the other Executive Committee members in day-to-day operations, including regular meetings with senior managers to review operational activities and risk management systems;
- the Executive Committee reporting on control systems to the Audit Committee and Board, including to annually confirm its view on whether GPE's internal controls, and broader control environment, are appropriate and operating effectively;
- regular Board review of Group strategy, including forecasts of the Group's future performance and progress on the Group's development projects;
- formal sign-off on the Group's Ethics, Anti-Fraud, Bribery & Corruption, Gifts and Hospitality and Whistleblowing Policies by all employees annually; and
- review by the Audit Committee of internal audit reports and reports from the external auditor.

Twice a year, the Audit Committee carries out, on behalf of the Board, a review of the Group's risk management framework, its principal and emerging risks, key controls and their oversight during the year. The Group's systems of risk management and internal controls involves the identification of business and financial market risks including social, ethical and environmental issues which may impact on the Group's objectives, together with the controls and reporting procedures designed to minimise those risks.

As part of its review, the Audit Committee formally considers the key controls forming the Group's system of internal control and whether these are considered to be operating effectively.

The Committee considers a report from management, the work of internal audit, as described on page 110, and feedback from the external auditor. Key control observations, exceptions and management actions are reviewed and discussed, and identified risk areas are considered for inclusion in the internal audit plan where appropriate. Once complete, the Audit Committee's review of the Group's risks and internal controls is considered by the full Board. No significant control weaknesses or failures were identified as part of this year's internal controls effectiveness review. During the year, the Audit Committee has overseen actions to further enhance controls and the efficiency of GPE's internal control framework. This has included:

- the continued development of GPE's fraud risk assessment process introduced in the prior year to more formally document and assess GPE's key fraud risks and controls;
- a detailed internal financial controls mapping exercise to help identify opportunities for improvement, as well as to streamline controls, which will continue to evolve in readiness for expected regulatory changes;
- the implementation of additional IT controls in response to recommendations arising from an internal audit review of cyber security, as further detailed on page 110, and the completion of a cyber-attack simulation exercise facilitated by a third-party provider; and
- the review and updating of GPE's Business Continuity Plan.

The Board and Audit Committee have also continued to oversee the implementation and development of the Company's risk management framework and processes to ensure these remain fit for purpose.

During the year, the Board and the Audit Committee have continued to regularly review and monitor the risks, potential impacts and controls associated with the volatile macro-economic environment and the geopolitical tensions arising from the war in Ukraine, including in respect of rising inflation, interest rates and property yields, and supply chain pressures. This has included a review of the impacts on GPE's operations, development delivery and costs, valuations, financial forecasts and business plans. The Group's business plans continue to be prepared under a variety of market scenarios to reflect a number of potential outcomes.

The Board and the Audit Committee have remained focused on climate change and decarbonisation risks and the steps being taken by GPE to mitigate these risks and their potential impacts on our business and operations. Such steps have included the continued implementation of our Net Zero Carbon Roadmap and Social Impact Strategy along with the updating of our Sustainability Statement of Intent and Brief for Creating Sustainable Spaces to articulate our approach to climate resiliance.

The Group's principal risks relating to 'Climate change and decarbonisation', 'Adverse macro-economic environment', and 'London attractiveness' continue to be identified as the risks which the Board believes could have the greatest potential impact on the Group's viability. The Group's viability statement can be found on page 78.

The Group's principal risks and the processes in place to manage those risks are described in more detail on pages 64 to 77.

Audit Committee

Committee members[1]

Director	Role
Vicky Jarman	Committee Chair (from 7 July 2022)
Nick Hampton	Senior Independent Director
Mark Anderson	Non-Executive Director
Champa Magesh	Non-Executive Director
Alison Rose	Non-Executive Director
Emma Woods	Non-Executive Director

Further details regarding Committee memberships, meetings and attendance can be found on page 86.

Our approach

The key objectives for the Audit Committee are to review and report to the Board and shareholders on the Group's financial reporting, internal control and risk management systems, and on the independence and effectiveness of the external auditor.

Our process

The Audit Committee Terms of Reference are available on the Company website at **www.gpe.co.uk/investors/governance**

At the beginning of the financial year, the Committee comprised six independent Non-Executive Directors: Nick Hampton as Chair, Charles Philipps, Mark Anderson, Vicky Jarman, Alison Rose and Emma Woods. Vicky Jarman succeeded Nick Hampton as Chair of the Committee from the conclusion of the 2022 AGM on 7 July 2022, with Nick Hampton continuing as a member of the Committee. Champa Magesh joined the Committee with effect from her appointment to the Board on 1 August 2022. Charles Philipps retired from the Board, and therefore the Committee, on 30 March 2023.

The biographies of the current Committee members are set out on pages 84 and 85. Vicky Jarman, Nick Hampton and Alison Rose have recent and relevant financial experience and are considered suitably competent in accounting and/or auditing. The Committee, as a whole, has competence relevant to the real estate sector.

The Audit Committee provides a forum for review of the Group's financial external reporting, including its accounting policies. In respect of the Group's half-year and year-end results, this includes discussions with the Group's external valuer, CBRE, on the valuation process and conditions in London's real estate markets and with the Group's external auditor, currently Deloitte LLP (Deloitte), on any accounting or audit matters. The Committee reviews the Company's Task Force on Climate-related Financial Disclosures (TCFD) in the Annual Report and discusses sustainability assurance activities more broadly with Deloitte. The Audit Committee also reviews the adequacy and effectiveness of the Group's internal financial controls and internal control and risk management systems and is responsible for the selection and review of the effectiveness of the internal and external auditors.

The Chair of the Board, Richard Mully, attends the meetings reviewing the half-year and year-end results and has a standing invitation to attend any other meetings as appropriate. The Chief Executive, Chief Financial & Operating Officer, Executive Director, Director of Financial Reporting and Investor Relations, other members of senior management and representatives from the external auditor and internal auditor also attend Committee meetings as appropriate.

The Committee typically meets four times a year, with the meetings aligned with our financial reporting timetable.

1. Nick Hampton was Chair of the Audit Committee until 7 July 2022, when he was succeeded in that role by Vicky Jarman. Charles Philipps also served as a member of the Audit Committee during the year, stepping down from the Board and the Committee on 30 March 2023.

> "The Committee has continued to play a vital role in providing comfort to the Board on the integrity of the Group's processes and procedures in relation to financial reporting, internal control and risk management."
>
> **Vicky Jarman** Chair of the Audit Committee

Dear fellow shareholder

On behalf of the Audit Committee, I am pleased to present my first report as Chair of the Committee for the year ended 31 March 2023, having succeeded Nick Hampton as Chair from the conclusion of the 2022 AGM. On behalf of the Committee, I would like to thank Nick for his chairmanship of the Committee over the past few years and for a smooth handover process.

During a year which was marked by the impacts of the war in Ukraine, geopolitical tensions and macro-economic volatility, with heightened UK political and economic instability in the autumn, the Committee has continued to play a vital role in providing comfort to the Board on the integrity of the Group's processes and procedures in relation to financial reporting, internal control and risk management.

The Committee's report is intended to provide insight into its activities during the year and sets out how it has performed against its key objectives.

As outlined on pages 106 and 113, the Committee meets four times a year to:

- review the plan for the external audit;
- agree the internal audit plan;
- identify key accounting matters and areas of judgement as early as possible;
- review reports from the external and internal auditors and valuer;
- consider how risks and internal controls have operated in the preceding six months in respect of the half-year and year-end results;
- monitor the integrity of the Group's financial reporting and consider any key accounting judgements by management; and
- review the independence and effectiveness of both the external and internal auditors.

This year, the Committee led the important process to retender the external audit. Deloitte, GPE's current external auditor, has undertaken the audit for the financial year ending 31 March 2023, completing its permitted tenure. I would like to thank Deloitte for its significant contribution during its time as external auditor. Following a competitive tender process, it is proposed to appoint PricewaterhouseCoopers LLP (PwC) as auditor for the financial year commencing 1 April 2023, subject to shareholder approval at the 2023 AGM. Details of the review and selection process can be found later in this report.

The Committee also spent further time ensuring the effective transition to the new internal auditor, Grant Thornton LLP (Grant Thornton), which succeeded PwC as the Group's internal auditor from January 2022 when PwC stepped down to enable it to participate in our external audit tender process. Further details can be found on page 109.

In addition, the Committee has considered the implications arising from the BEIS consultation on 'Restoring trust in audit and corporate governance', the Government's response to the consultation and the FRC Position Paper setting out the next steps to reform the UK's audit and corporate governance framework. The Committee continues to consider and monitor developments in this area.

Valuation of the portfolio, accounting considerations and key areas of judgement

As expected of a listed property REIT, the most significant financial judgement in the preparation of the Group accounts is GPE's property valuation, which is central to the Group's performance and net tangible asset value and is inherently subjective. A key responsibility of the Committee is, therefore, to satisfy itself that the valuation process in relation to the Group's property portfolio has been carried out appropriately. CBRE are the Group's valuer having previously been reappointed in April 2001 for a three-year term. Following a comprehensive process, which is outlined in more detail below, the Committee is satisfied that the valuation process is sufficiently robust.

During the year, the Committee considered a number of items that impacted the Group's financial statements, including:

- the methodologies and accounting policies used in the treatment of our Flex space and the enhancement of disclosures, including:
  - disclosure of rental income broken down between Ready to Fit, Fitted, Fully Managed and Flex Partnership products; and
  - separate disclosure of the Fully Managed services income; and
- the sale of 50 Finsbury Square and provisions for any latent defects given this was an extensive refurbishment with elements of the existing building retained.

The Committee has also considered the sustainability and TCFD disclosures in the Annual Report and the sustainability assurance activities to support these disclosures.

External audit tender process

During the year, the Committee completed the process to retender the external audit, which was conducted over a period of 18 months. Deloitte has been GPE's auditor since 2003 and, in view of this length of service, was not permitted to participate in the process under applicable FRC rules. A selection of eligible firms, including challenger firms, was reduced to a shortlist of two which received a detailed request for proposal. A selection committee comprising members of the Committee, along with the Chair of the Board and members of management, considered their written submissions and formal presentations. Key considerations included:

- capability and competence, including understanding of GPE and the real estate sector;
- audit methodology, scope and approach to technical judgements (including a technical challenge);
- alignment with GPE values, firm culture and approach to diversity and inclusion;
- innovation, use of technology and the value add proposition from the audit; and
- quality of deliverables and the firm's conduct during the tender.

Following the conclusion of a comprehensive process, the Committee selected PwC as the preferred audit firm for recommendation to the Board. PwC's proposed appointment was approved by the Board in July 2022 and will be put to a shareholder vote at the 2023 AGM. Further details can be found in the Company's 2023 Notice of AGM.

Subject to shareholders approving the appointment of PwC as the Company's external auditor, the lead audit partner for PwC will be Saira Choudhry, who will take responsibility for the Group's external audit with effect from July 2023. In order to facilitate an effective transition of the audit, PwC monitored the FY23 half-year review process and shadowed Deloitte through the year-end audit and it has attended Committee meetings in an observational capacity since November 2022.

Auditor effectiveness is usually reviewed annually (see page 111 for details regarding the latest review) and PwC's first formal audit effectiveness review will take place in the second half of 2024 following the FY24 audit.

Fair, balanced and understandable

The Committee considered this Annual Report and Financial Statements 2023, taken as a whole, and concluded that the disclosures, as well as the process and controls underlying its production, were appropriate and recommended to the Board that the Annual Report and Financial Statements 2023 is fair, balanced and understandable while providing the necessary information to assess the Company's position and performance, business model and strategy.

Viability and going concern statements

The Committee considered the viability and going concern statements and their underlying assumptions. This included management's work on assessing the potential risks to the business and the impacts arising from the adverse macro-economic environment (including weak UK GDP growth, the risk of recession and political instability), London attractiveness risks (including the rise of alternative destinations for international trade) and climate change and decarbonisation risks, and the appropriateness of the Company's choice of a three-year viability assessment period. Following this review, the Committee was satisfied that management had conducted robust viability and going concern assessments and recommended the approval of the viability and going concern statements to the Board.

Internal controls and risk management

The Audit Committee's role in supporting the Board's oversight and review of the Group's principal and emerging risks, internal controls and risk management processes is covered on pages 64 to 67 and page 106.

The Committee continues to consider and monitor developments in the areas of internal controls assurance and risk management.

Accounting and key areas of judgement

Significant matter	Action taken
Valuation of the Group's portfolio The valuation of the Group's property portfolio is a key determinant of the Group's net tangible asset value as well as indirectly impacting executive and employee remuneration. The valuation is conducted externally by independent valuers; however, the nature of the valuation process is inherently subjective due to the assumptions made on market comparable yields, estimated rental values, void periods and the costs to complete development projects.	The Audit Committee, together with the Chair of the Board, meets with the valuer, the Executive Directors and senior management involved in the valuation process along with the external auditor in November and May to discuss the valuation included within the half-year and year-end financial statements. This review includes the valuation process undertaken, changes in market conditions, including higher interest rates and property yields, recent transactions in the market and how these have impacted our portfolio, the valuation of individual buildings and the valuer's expectations in relation to future rental growth and yield movement. The Committee asks the valuer to highlight significant judgements or disagreements with management during the valuation process. The external auditor, Deloitte, using its real estate experts, separately meets the valuer and provides the Audit Committee with a summary of its work as part of its report on the half-year and year-end results. As a result of these reviews, the Committee concluded that the valuation had been carried out appropriately and independently and was suitable for inclusion in the Group's accounts.

Internal audit

Our internal audit function, which is outsourced to Grant Thornton, provides independent assurance as to the adequacy and effectiveness of the Company's internal controls and risk management systems, and reports on its findings to the Committee. In accordance with the FRC's Revised Ethical Standard 2019, PwC stepped down as the Group's internal auditor to allow it to participate in our external audit tender process and was succeeded by Grant Thornton as the Group's internal auditor from January 2022.

During the year, Grant Thornton undertook internal audit reviews in relation to: risk management processes and assurance mapping; the development programme; Flex space and technology; and cyber security. The reviews did not identify any major causes for concern. A number of recommendations were made to strengthen the design and operation of certain controls and to implement 'best practice' alongside other opportunities for improvements. This has included actions to increase the overall effectiveness of our IT control environment which have since been implemented, one of which was the execution of a simulated cyber-attack exercise, the results of which are being used to enhance the Group's cyber incident and disaster recovery plans.

The Committee receives regular updates on the implementation of agreed actions arising from internal audit findings and is satisfied with the progress made to date. Six-monthly reports on IT general controls and cyber governance are also presented to the Board by the Head of IT along with a quarterly cyber risk dashboard.

At the Audit Committee meeting in February 2023, the Committee reviewed and agreed with Grant Thornton the internal audit plan for 2023/24, having regard to the Company's risk management framework. It was concluded that, for the current financial year, Grant Thornton should carry out an internal audit of:

- HR operations;
- Flex space – dashboard processes and controls and management reporting;
- information technology disaster recovery; and
- sustainability – assessment of GPE's Transition Pathway Initiative readiness.

The Committee believes that the process for determining the internal audit plan is appropriate and effective with scope for the Committee to react to events, new information and situations which become known during the year and to include them as necessary. The internal audit plan for 2023/24 will continue to be reviewed and adapted, if appropriate, to meet the changing needs of the business.

Supplier payment practices

The Committee reviews the Group's supplier payment practices twice per year along with opportunities to further enhance processes. For the period to 31 March 2023, the average supplier payment period of the Group's largest subsidiary was 31 days (2022: 30 days).

Our Anti-Fraud, Bribery & Corruption and Whistleblowing Policies

Each year, as part of the year-end planning meeting, the Committee considers the Group's Anti-Fraud, Bribery & Corruption, Ethics, Gifts and Hospitality and Whistleblowing Policies, which comprise the Company's key policies on bribery and fraud, for reporting to the Board. The Board has a zero tolerance for bribery and corruption of any kind. The Committee also oversees the periodic review of the Group's fraud risk assessment matrix.

Annually, all employees are required to confirm their compliance with the Group's Anti-Fraud, Bribery & Corruption, Ethics, Gifts and Hospitality and Whistleblowing Policies as outlined on page 95, and any non-compliance is escalated to the Committee as appropriate. No matters were escalated to the Committee during the year.

The Company's whistleblowing processes include a confidential hotline, operated by an independent third party, through which employees can anonymously raise matters of concern relating to suspected wrongdoings or dangers at work. Any matters reported are investigated by the General Counsel & Company Secretary or the Senior Independent Director. During the year, there were no whistleblowing incidents reported.

Committee effectiveness

I believe that the quality of discussion and level of challenge by the Committee with management, the internal and external audit teams and the valuer, together with the timeliness and quality of papers received by the Committee, ensures the Committee is able to perform its role effectively. The formal review of the Committee's effectiveness was covered as part of this year's external Board and Committee evaluation process and I am pleased that the review confirmed that the Committee continues to operate effectively. Further details on the evaluation process and its broader findings can be found on pages 104 and 105.

Vicky Jarman
Chair of the Audit Committee
24 May 2023

The external audit and review of its effectiveness

The Audit Committee advises the Board on the appointment of the external auditor, negotiates and agrees its remuneration for audit and non-audit work, reviews its effectiveness, independence and objectivity and discusses the nature, scope and results of the audit with the external auditor. As part of the review of the effectiveness of the external audit undertaken by Deloitte in respect of the financial year ended 31 March 2022, a formal evaluation incorporating views from the Committee and relevant members of management was considered by the Committee. Feedback from the review undertaken in September 2022 was provided to Deloitte as part of the annual planning meeting.

Areas covered by the review included:

- the calibre of the external audit firm, Deloitte – including reputation, coverage and industry presence;
- quality controls – including review processes, partner oversight, reports on Deloitte generally from the Audit Quality Review team and regulators and use of specialists;
- the audit team – covering quality of individuals, knowledge, resources, partner involvement, team rotation, the audit scope including planning and execution, scope adequacy and specialist areas;
- audit fee – reasonableness and scope changes;
- audit communications and effectiveness – planning, new developments and regulations, approach to critical accounting policies, issues and risks, quality of processes, timely resolution of issues, level of professional scepticism and challenge of management assumptions, freedom of communication with the Audit Committee and feedback on management performance;
- governance and independence – internal governance arrangements, lines of communication with the Audit Committee, integrity of the audit team, Audit Committee confidence in the audit team and transparency;
- ethical standards – including conflicts of interest;
- non-audit work and partner rotation; and
- potential impairment of independence by non-audit fee income.

Overall, the Committee agreed that Deloitte remained both effective and efficient, with strong and open communications, high levels of engagement, appropriate constructive challenge and professional scepticism, strong technical and specialist knowledge and a solid understanding of the Company, its industry and commercial risks. It was felt that Deloitte had performed a smooth and effective 2021/22 audit.

The Committee also considered the effectiveness of the Group's management during the external audit process in relation to the timely identification and resolution of areas of accounting judgement, as well as the timely provision of the draft results to Deloitte and the Committee for review. Feedback was also sought from Deloitte on the conduct and responsiveness of members of the Finance team, which confirmed that there had remained a good level of interaction and communication between the GPE team and Deloitte.

The Committee requested that Deloitte continued to provide feedback on how companies were responding to evolving governance and best practice requirements and, in February 2023, the Deloitte Governance team provided an in-depth update on recent corporate governance developments and practice.

As explained above, following a competitive tender process, PwC has been selected as the preferred audit firm for the 2023/24 audit and its appointment will be put to a shareholder vote at the 2023 AGM. In line with best practice, the Company intends to put the external audit out to tender at least every ten years in the future.

The Company has complied during the year ended 31 March 2023, and up to the date of this report, with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

Non-audit services

The external auditor, Deloitte, is responsible for the annual statutory audit and also provides certain other services which the Audit Committee believes Deloitte is best placed to undertake due to its position as auditor. These arrangements are governed by the Group's policy for provision of non-audit services by the external auditor, which is available on the Company's website at **www.gpe.co.uk/investors/governance**. The policy, which is reviewed annually, reflects the FRC's Revised Ethical Standard that came into force on 15 March 2020.

The purpose of this policy is to ensure that auditor independence and objectivity are maintained and, under the policy, prior approval is required by the Committee for any permitted non-statutory assignments over £50,000, or where such an assignment would take the cumulative total of non-audit fees paid to the external auditor over 50% of that year's audit fees. The appointment of Deloitte to undertake any non-audit services also requires the prior approval of the Chief Financial & Operating Officer and, importantly, he is required to consider whether it is in the interests of the Company that the services are provided by Deloitte, rather than another supplier.

The policy also applies a fee cap on permitted non-audit services, whereby such fees in any financial year must not exceed 70% of the average statutory audit fee for the prior three consecutive financial years. During the year, activities undertaken by Deloitte for the Group outside of the main audit included:

- the interim review;
- reporting on the income cover in connection with the debenture trust deed compliance certificate; and
- limited assurance of 2022/23 sustainability and energy consumption data.

In each case, Deloitte was considered the most appropriate service provider due to its position as auditor and given its detailed knowledge and understanding of our business and industry.

Payments made by the Group for audit and non-audit fees for the year are disclosed on page 161. The Group's audit fees are presented to, discussed and approved by the Audit Committee at its February year-end planning meeting. In addition, audit and non-audit fees paid to Deloitte in respect of joint ventures totalled £103,000 (GPE share: £52,500) (2022: £87,000) and £nil (2022: £nil) respectively.

The non-audit fees for the year ended 31 March 2023 as a percentage of the prior three-year average audit fees are 38%, as set out in the table below. The percentage remained consistent with the prior year primarily as a result of Deloitte once again undertaking additional assurance work on our sustainability and energy consumption data.

Audit and non-audit fees

	2023 £000	2022 £000	2021 £000
Audit fees	**336**	341[1]	286
Non-audit fees including the interim review	**112**	103	83
Ratio of non-audit fees to audit fees	**38%**	39%	34%
Audit fees of joint ventures (GPE share)	**53**	44	42

1. The final 2022 audit fee of £341,000 was £10,000 more than stated in the prior year Annual Report due to the inclusion of a fee for the audit of Gresse Street Limited which was acquired in March 2022.

In addition to ensuring compliance with the Group's policy in respect of non-audit services, the Committee also receives confirmation from Deloitte that it remains independent and has maintained internal safeguards to ensure its objectivity.

Ahead of its appointment as the Group's external auditor for the 2023/24 audit, non-audit services provided to the Group by PwC are being transitioned to other service providers where considered appropriate.

Internal audit and review of its effectiveness

An Internal Audit Charter approved by the Committee governs the internal audit remit and provides the framework for the conduct of the internal audit function, which was outsourced to Grant Thornton from January 2022. The Committee approved an updated Internal Audit Charter in February 2023, which reflects market practice and recommendations in the Internal Audit Code published by the Chartered Institute of Internal Auditors in 2020.

The Committee reviews and approves the internal audit plan annually which is closely aligned to the review by management and the Committee of the Group's risk management framework. In addition, the Committee Chair meets with the internal auditor separately from the Committee to discuss planned internal audit activities and the results of internal audit reviews.

The Committee meets annually with the internal auditor without management present to discuss the effectiveness of the internal audit function, and also to seek feedback from the internal auditor on the conduct of members of the GPE team during the internal audit process. The external audit partner also meets separately with the internal auditor at least annually.

In February 2023, the Committee conducted a formal assessment of the effectiveness of internal audit, which was facilitated by the Company Secretariat team. Key stakeholders were asked to complete a questionnaire-based assessment which was designed to evaluate internal audit's purpose, objectives and understanding, position, process, relationships and communication, people and performance. The responses were collated on an anonymous basis and the results were shared with the Committee Chair, internal audit partner and Chief Financial & Operating Officer prior to consideration at the Committee's meeting in May 2023.

The overall assessment concluded that the internal audit function remained effective following a smooth transition of services from PwC to Grant Thornton. The review found that there was a clear understanding of internal audit's purpose and responsibilities and that the function was trusted and respected. It was recognised that internal audit performed effectively and efficiently in delivering the audit plan, which focused on the right areas, and elevated issues in a timely manner. It was also found that internal audit worked constructively with management to develop appropriate responses to audit findings that were pragmatic and proportionate, leading to lasting positive change in the business. Areas highlighted for continued focus included opportunities for Grant Thornton to further develop its relationships and profile within GPE and to enhance communications with the business to maximise the efficiency of the audit process.

Where it is proposed to appoint Grant Thornton in any advisory role, careful consideration must first be given to any potential conflict with its internal audit role. The Audit Committee will also specifically consider Grant Thornton's independence when annually reviewing and approving the internal audit plan to ensure that there are no conflicts in Grant Thornton undertaking the proposed internal audit work.

What we did in relation to the financial year ended 31 March 2023

2022

July

External audit tender

Completed the external audit tender process and recommended to the Board the proposed appointment of PwC as auditor for 2023/24.

September

External audit tender

Discussed the outcome of the external audit tender process and the plans to transition the audit to PwC.

Annual planning meeting

Met with the external auditor, Deloitte, and management to review:

- the effectiveness and independence of the external auditor – see page 111;
- significant accounting and key areas of judgement – see page 109; and
- Deloitte's 2022/23 audit plan.

Internal audit

Met with the internal auditor, Grant Thornton, to discuss its findings from its internal audit reviews on risk management and assurance mapping, Flex space and technology and cyber security.

Other matters

Discussed the evolution of Flex financial disclosures, processes and controls.

Received an update regarding the Government's response to the BEIS consultation on 'Restoring trust in audit and corporate governance' and the FRC's Position Paper.

November

Review of half-year results

Met with CBRE to consider the September 2022 valuation.

Met with Deloitte (shadowed by PwC) and management to consider:

- Deloitte's independence;
- their review of the September 2022 valuation and the half-year results announcement;
- significant accounting and key areas of judgement, including going concern – see page 109;
- the principal and emerging risks, monitoring of internal controls and risk management processes;
- the half-year results announcement; and
- the relationship between Deloitte and management, with feedback provided by Deloitte without management present.

Other matters

Received the FRC's 2022 Review of Corporate Reporting and an update on supplier payment practices.

Considered the independence of PwC as incoming external auditor and its provision of non-audit services.

2023

February

Internal audit

Met with the Grant Thornton and approved the 2023/24 internal audit plan and an updated internal audit charter, and discussed its findings from the internal audit review of development.

Year-end planning update

Met with Deloitte and management to consider/approve:

- significant accounting and key areas of judgement;
- proposed changes to disclosures planned for the 2023 Annual Report;
- developments in corporate reporting presented by Deloitte;
- the 2022/23 audit plan update; and
- the 2022/23 audit fee – see page 112.

Other matters

Corporate governance update received from the General Counsel & Company Secretary and Deloitte.

Review of GPE's Anti-Fraud, Bribery & Corruption Policy and fraud risk assessment and its Ethics, Gifts and Hospitality and Whistleblowing Policies – see page 110.

Reviewed the Audit Committee Terms of Reference.

Reviewed the Provision of Non-Audit Services Policy.

Reviewed the Committee's effectiveness.

May

Review of year-end results

Met with CBRE to consider the March 2023 valuation – see pages 34 to 36.

Met with Deloitte (shadowed by PwC) and management to review:

- Deloitte's audit of the March 2023 valuation – see pages 34 to 36;
- significant accounting and key areas of judgement, including going concern and viability work – see page 109;
- an update on Group tax matters;
- an update on GPE's supplier payment practices;
- the principal and emerging risks, monitoring of internal controls and risk management processes – see pages 64 to 77;
- the year-end results announcement and Annual Report; and
- the relationship between Deloitte and GPE management, with feedback provided by Deloitte without management present.

Other matters

Discussed Deloitte's sustainability and energy consumption data assurance work.

Remuneration Committee

Further details regarding Committee memberships, meetings and attendance can be found on page 86.

Committee members[1]

Director	Role
Emma Woods	Committee Chair (from 7 July 2022)
Nick Hampton	Senior Independent Director
Mark Anderson	Non-Executive Director
Vicky Jarman	Non-Executive Director
Champa Magesh	Non-Executive Director
Alison Rose	Non-Executive Director

Our approach

The key objectives of the Remuneration Committee (the Committee) are to ensure that the Executive Directors are appropriately incentivised and remuneration arrangements are fully aligned with the Company's strategy to generate superior portfolio and shareholder returns.

Our approach to pay has been largely consistent for many years in measuring our absolute and relative performance using a small number of key financial performance indicators, with the incremental addition of new measures to the Annual Bonus Plan to reflect the Company's evolving strategy, including its focus on Flex, sustainability and other ESG-related metrics. Similarly, the Long Term Incentive Plan (the LTIP) has been linked to traditional financial measures. By failing to recognise the impacts of economic volatility, the LTIP has proved an ineffective tool to motivate participants and assess their contribution to success.

Since Brexit in 2016, these incentive plans have failed to operate as intended, and this is unlikely to change in the short term given uncertainties arising from the macro-economic environment. We wish to ensure that our remuneration arrangements are suitably aligned to GPE's priorities over the next few years, balancing the delivery of long-term superior returns to shareholders and the need to incentivise management to deliver on these priorities. Following a review of current arrangements and a consultation with our largest shareholders, we are proposing some changes to our Directors' remuneration policy, including: (i) a redesigned Annual Bonus scorecard to focus on relative Total Accounting Return (TAR) and key business priorities which will drive our financial KPIs; and (ii) the replacement of the LTIP with a restricted share plan. Further details can be found in the Committee Chair's letter on pages 117 to 121 and the proposed Directors' remuneration policy table on pages 136 to 146.

As well as being responsible for determining the remuneration of the Executive Directors, the Committee is responsible for setting the remuneration of the Chair of the Board, the members of the Executive Committee and other senior executives. The Committee also reviews the broad operation of remuneration policy and practices for all employees.

Our process

The Committee's Terms of Reference are available on the Company website at **www.gpe.co.uk/about-us/governance**

The Committee currently comprises six independent Non-Executive Directors, namely Emma Woods as Chair, Nick Hampton, Mark Anderson, Vicky Jarman, Champa Magesh and Alison Rose. Wendy Becker stepped down from the Board and as Chair of the Committee from 7 July 2022, from which time she was succeeded as Chair of the Committee by Emma Woods, an experienced remuneration committee chair. Champa Magesh joined the Board and the Committee on 1 August 2022, whilst Charles Philipps stepped down from the Board and the Committee on 30 March 2023. Non-Executive Directors who are not members of the Committee have a standing invitation to attend meetings of the Committee as appropriate.

The Committee was advised during the year by FIT Remuneration Consultants LLP (FIT Rem) as independent remuneration consultants. FIT Rem, which was appointed by the Committee in August 2014 following a review of advisers, attends Committee meetings and provides advice on remuneration for the Executive Directors, analysis on all elements of the Directors' remuneration policy and regular market and best practice updates. Further information on FIT Rem and other Committee adviser fees is available on page 135.

FIT Rem reports directly to the Committee and does not provide any other services to the Company.

At the request of the Committee, Toby Courtauld, the Chief Executive, attends Committee meetings where appropriate and provides input with regard to the achievement of personal objectives for senior executives. He also attends discussions on remuneration as considered appropriate by the Committee, including on new appointments and promotions and to provide his input on the development of the Directors' remuneration policy. Carrie Heiss, HR Director, attends Committee meetings where appropriate to present proposals regarding Executive Director and workforce remuneration and related policies, to discuss the alignment of remuneration across the organisation and to voice the perspectives of employees on relevant matters.

No Director or employee is involved in discussions on their own pay.

1. Wendy Becker and Charles Philipps also served as members of the Remuneration Committee during the year, stepping down from the Board and the Committee (and in Wendy's case as Committee Chair) on 7 July 2022 and 30 March 2023 respectively.

Compliance with the 2018 UK Corporate Governance Code

Throughout the year, the Committee has considered the provisions set out in paragraph 40 of the 2018 UK Corporate Governance Code. In the Committee's view, the Company's Directors' remuneration policy (the Policy), as approved by shareholders in 2020, and current practices address these factors as set out below. The table below also sets out how the proposed new Policy will address these factors going forward.

Clarity	**Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce**	The Committee proactively engages with shareholders and their representative bodies as part of the Policy renewal process. As such, it engaged with shareholders representing over 73% of the share register as part of the 2023 Policy review. The Committee is also regularly updated on developments in market practice and receives reports on pay and conditions across the business. In March 2023, the Chair of the Committee invited all staff to attend an interactive event to discuss the planned Policy revisions and broader remuneration matters. Employees were also engaged during the year regarding changes to enhance the annual bonus methodology and process for 2022/23.
Simplicity	**Remuneration structures should avoid complexity and their rationale and operation should be easy to understand**	The Company operates a simple pay model which comprises fixed and variable remuneration, with the performance conditions for variable elements clearly communicated to participants. Under the proposed new Policy, at least 80% of bonus measures will be objectively measurable. The proposed new restricted share plan (RSP) provides a simple mechanism for aligning Executive Director and shareholder interests. The RSP removes the difficult challenge of setting robust and appropriately challenging performance targets in a volatile market, thereby avoiding potentially unintended remuneration outcomes, and significantly reduces the maximum pay available to Executive Directors.
Risk	**Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated**	There is broad discretion to reduce variable pay if the Committee does not consider the formulaic outcome to be appropriate in the circumstances, and all plans (including the proposed new RSP) include the ability to operate malus and clawback where appropriate. A proportion of Executive Director bonuses is deferred into shares for three years and post-cessation shareholding guidelines apply to mitigate the risk of short-termist behaviours.
Predictability	**The range of possible reward values to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy**	The Policy includes a scenario chart showing potential pay levels on various assumptions, and all awards are subject to maximum grant levels as set out in the Policy, together with the discretions set out under 'Risk' above. The proposed RSP will increase the predictability of reward values subject to an overriding discretion to reduce vesting if not considered appropriate through its underpin.
Proportionality	**The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance**	The outturn in respect of variable pay is clearly set out in this report on pages 123 to 129, with payment clearly linked to our strategic and financial priorities. Page 121 sets out how the measures under the proposed new bonus scorecard will be clearly linked to the Company's strategy and KPIs. As indicated under 'Risk', the outturn can be reduced by the Committee as appropriate to ensure that outcomes do not reward poor performance.
Alignment to culture	**Incentive schemes should drive behaviours consistent with Company purpose, values and strategy**	Equivalent incentive plans apply to the wider workforce to engender a high-performance culture, although the weighting on personal performance increases as the bonus plans cascade through the workforce. All objectives are directly linked to the Group's strategy and KPIs, while a proportion of objectives must be values-led. An individual's commitment to GPE's values and behaviours is also reviewed as part of the personal performance assessment process. Under the proposed 2023 Policy, the newly developed bonus scorecard will be cascaded to all colleagues, again with a higher weighting on personal performance for less senior colleagues (and with the colleague engagement and diversity elements excluded for most colleagues to avoid the potential for conflicts). The new RSP clearly aligns Executive Director interests with those of shareholders by ensuring a focus on delivering the strategy to generate long-term value for shareholders.

Governance

Strategic alignment of pay 2022/23

As described on pages 16 and 17, GPE focuses on specific key performance indicators, the achievement of which is driven by our strategic priorities. During 2022/23, we remained focused on creating value in our portfolio, generating capital and income growth and shareholder value creation over time. Alongside these key financial metrics, sustainability has continued to be an important strategic priority for the Group. Customer satisfaction is critical to our business plans, including the expansion of our Flex product, and we believe that our people are fundamental to the success of our business and its long-term sustainable growth. For 2022/23, a proportion of the annual bonus for Executive Directors was also linked to GPE's diversity and inclusion priorities, as explained on page 118.

The measures and targets within our 2022/23 Annual Bonus Plan and 2022 LTIP aligned with our KPIs and strategic priorities to ensure strong linkage between these and Executive Director remuneration, as shown in the table below.

KPI	Long Term Incentive Plan[1]	Annual Bonus Plan[1]
TSR	✓	
TAR	✓	✓
TPR		✓[2]
Flex growth		✓[3]
Sustainability		✓
Customer satisfaction		✓
Employee engagement (including D&I[4] component)		✓

1. Appropriate actions also captured through Directors' personal objectives under the Annual Bonus Plan.
2. Capital growth element of TPR.
3. Introduced as an additional Annual Bonus financial measure for 2022/23.
4. For 2022/23, Executive Directors also had one-third of their Annual Bonus personal objectives linked to improving female diversity at GPE.

The Committee regularly reviews pay structures and incentive arrangements to ensure strong alignment between business performance and remuneration arrangements. As explained, we consider that the above mix of measures worked well in the past but needs to be updated to ensure that our remuneration arrangements appropriately reward all our colleagues for their contributions in a challenging macro-economic environment while being closely aligned to our evolving strategy and business priorities.

The table on page 121 sets out how our proposed annual bonus scorecard measures for 2023/24 align with our strategy and KPIs. The new RSP aligns Executive Director interests with shareholders' by ensuring a focus on delivering the strategy to generate long-term value for shareholders supported by the inclusion of underpins designed to avoid payments for failure and also to ensure, amongst other matters, that progress is made in delivering our Sustainability Statement of Intent.

Employee remuneration and engagement

As explained on page 122, the Committee applies consistent remuneration principles for employees across the Group. As part of its responsibilities, the Committee reviews GPE's wider employee remuneration policies and practices and the alignment of incentives and rewards with the Company's culture.

The Committee takes into account pay and conditions across the Group when determining the remuneration of the Executive Directors and other members of senior management. As part of the annual pay review, the Committee receives a report setting out changes to employee remuneration levels and proposed discretionary bonus awards. The Committee also discusses GPE's gender pay gap statistics alongside our D&I objectives and related policies.

In March 2023, the Committee Chair led an interactive all-employee event to discuss the proposed changes to the Directors' remuneration policy and how these would cascade through the organisation. GPE's broader remuneration principles and approach, alignment of pay and the workings of the Committee were also discussed.

More broadly, remuneration is regularly discussed with employees. GPE's annual review process and how this links to employees' remuneration is incorporated into our new joiner induction process, along with an introduction to GPE's all-employee share plan. Briefing sessions are also held with employees from time to time to discuss pay policies and the work of the Committee, as well as to enable employees to find out more about GPE's pension scheme and all-employee share plan offer.

"We have redesigned our remuneration policy to ensure that remuneration arrangements are suitably aligned to business priorities, balancing the delivery of long-term superior returns to shareholders and the need to incentivise management to deliver on these priorities."

Emma Woods Chair of the Remuneration Committee

Dear shareholder

I am pleased to present my first Directors' remuneration report for the year ended 31 March 2023 (the Report) on behalf of the Committee. I joined the Board of GPE in February 2022 and became the Chair of the Remuneration Committee in July 2022. When Wendy Becker, our previous Remuneration Committee Chair, stepped off the Board, I was pleased that I inherited a very experienced and committed Remuneration Committee, including a long-standing remuneration adviser (John Lee of FIT Remuneration Consultants LLP). I would like to thank Wendy for a smooth handover process and my other Board colleagues and John for their support with this transition.

In my statement, I set out below:

- context for the recent review of our Directors' remuneration policy (the Policy);
- decisions relating to the year ended March 2023;
- further detail on the Policy review; and
- decisions relating to the year to March 2024.

Context for the recent Policy review

As the Policy was last renewed in 2020, it is due for renewal at the 2023 AGM. This has coincided with one of the biggest economic shocks in recent times, precipitated by the Ukraine war but compounded by inflation jumping to the highest levels in 20 years and rising interest rates, alongside changes to patterns in working practices. These events have led to widespread property devaluations, and the prospect of higher levels of volatility over the next few years makes it extremely difficult to set traditional property valuation growth and other financial targets. The Board anticipates this market uncertainty will remain for a significant period of the new Policy.

We also have used the Policy review as an opportunity to consider alternative forms of remuneration structures with colleagues and received clear feedback that our current long-term incentives are not perceived to be working as intended. Retention of talent will be important to us and our shareholders during the next few years, and so we have been mindful of this feedback. The combination of internal and external consultation and the uncertain macro conditions has led the Committee to recommend two material changes in the new Policy to ensure that our talented team (including our senior executives) are suitably incentivised:

- a move from the current traditional LTIP to a restricted share plan (RSP) adopting the market conventional approach of making grants at 50% of the previous level; and
- a move to a more target-focused operational bonus scorecard which can support our Chief Executive, Toby, and his full team (as the scorecard will be cascaded through the organisation) to drive GPE's strategy and perform as effectively as possible over the three-year life of the proposed Policy. Alongside a more traditional TAR metric, the scorecard has been redesigned to ensure that management are motivated to optimise returns for shareholders as the economy recovers by focusing on the Company's clear priorities, including:
  - optimising financial performance through maximising the rent achieved on new lettings and minimising the level of voids (both being indices which can be negatively impacted by downturns);
  - transforming our business through achieving planning milestones, growing our committed Flex space and maintaining industry-leading customer Net Promoter Scores;
  - fulfilling our net zero carbon commitments, both in our current estate and ensuring that new developments are completed on a net zero basis; and
  - continuing to pursue an industry-leading position on employee engagement and drive forward our diversity agenda.

GPE has a very strong collegiate ethos across its highly regarded team of approximately 140 colleagues. While other companies may operate different reward schemes for different levels within their businesses, we have taken a deliberate approach of applying the same bonus scorecard structure across the whole company. The new bonus scorecard will apply to all colleagues, albeit with a higher weighting on personal performance for less senior colleagues (save that the final elements explained above relating to employee engagement and diversity will not apply below senior executives to avoid the potential for conflicts of interest).

I am really pleased to have had the opportunity to consult with 17 of our largest shareholders on the proposed changes to our Policy, in addition to our important proxy agencies. This was an opportunity not only to explain our thinking and proposals but also to obtain meaningful input which helped shape (and improve) the overall proposal, including through the addition of the relative TAR measure to the final bonus scorecard. For those of you I talked to, I want to say a huge thank you on behalf of all of us at GPE for finding the time to discuss this with me. I hope, when you read the outcome, you do appreciate we listened and took on board much of your constructive feedback. For those of you not involved in this consultation, I would like to explain that the consultation lasted over two months and included 19 meetings and calls, and the conclusions are set out in the report below.

As well as debating new Policy design, the Board and the Committee have also been focused on how we can support colleagues during the cost of living crisis and promote strong mental health through enabling colleagues to manage their work and home priorities. Recognising the greater relative impact of inflationary pressure on lower-paid colleagues and, following the implementation of a minimum 5% salary increase for those on lower salaries for 2022/23 (compared with a minimum increase of 3.5% for other colleagues), we introduced a £1,500 one-time cost of living payment (half paid in October and half in January) for anyone paid under £70,000. We also continue to offer an incentive reward card (a form of debit card) with rewards linked to spending which can be used to provide enhanced benefits compared to privately available programmes at little or no cost to GPE. This has received consistently positive feedback from colleagues. Similarly, our Employee Assistance Programme, which is available to all colleagues, enables them to obtain free mental health, legal and financial management support.

Finally, one of the things that has impressed me most since joining GPE (and which I have asked the Committee to consciously support) is GPE's commitment to improving its diversity and inclusion standing. Toby and the team are committed to tackling this, and they know this is about a multitude of deliberate small steps. For 2022/23, Executive Directors had a full one-third weighting of their personal bonus objectives linked to improving diversity and female representation at GPE. An inclusion component was also incorporated into the Employee Engagement measure under the ESG/strategic measures. The team has made good progress in implementing our diversity and inclusion agenda and related initiatives, and the Board was pleased to endorse our new diversity and inclusion representation targets for the business, which were communicated to our colleagues in December 2022. Further details can be found on pages 56, 57 and 103.

In summary, this is a business that, I feel, is facing into the current economic uncertainty with the right strategy and the determination to build the right leadership for the future. Therefore, I am very pleased to recommend this Report, and the proposed new Policy, to all shareholders.

To help you understand how to read this Report, it will start by reviewing last year's outturns but move on to the new Policy design and Executive Director salary recommendations for the coming year.

Key decisions

The Committee has had regard to business performance alongside the wider context explained above (including the measures to support colleagues across the business) when considering reward and incentive outcomes. Key Committee decisions for the year, as more fully described in this Report, include:

- approving the proposed 2023 Policy, including a new annual bonus scorecard and the introduction of RSP awards, to ensure that remuneration arrangements are suitably aligned to business priorities, balancing the delivery of long-term superior returns to shareholders and the need to incentivise employees;
- determining annual bonus and LTIP outcomes;
- agreeing salary and fee increases for the Executive Directors and the Chair of the Board below the all-colleague average increase; and
- setting suitably stretching targets for the 2023/24 annual bonus.

Remuneration outcomes in respect of the year ended 31 March 2023

Despite the macro-economic challenges during the year, GPE has continued to progress its strategy and delivered strong operational performance, while maintaining our financial strength and capital discipline. During the year, we delivered record volumes of leasing, including pre-letting all the offices at our 2 Aldermanbury Square, EC2 development. We completed our 50 Finsbury Square, EC2 development and sold the building for the headline price of £190.0 million. We also completed our second Flex acquisition of St Andrew Street and progressed our near-term development programme.

We look at success in both absolute and relative terms. While the absolute TAR for the year was negative and, therefore, this element of the bonus was not achieved, our leasing success, combined with our portfolio performance, delivered superior relative performance with our portfolio capital growth (while negative in absolute terms) exceeding the MSCI Capital Growth Index by 4.8%.

The like-for-like property valuation across our portfolio was down 6.6% over the year, ahead of our central London benchmarks. Shareholder returns were down across the real estate sector, with GPE delivering a TSR of -27.3%, marginally outperforming the FTSE 350 Real Estate Index.

We have continued to innovate and evolve our strategy in response to market trends and the changing needs and aspirations of our customers, people and wider stakeholders as we focus our business priorities to position GPE for success as it emerges from the uncertain economic climate. During the year, we strengthened our Customer First approach with the roll-out of our Customer First programme, further developed our Flex product, adopted our revised Sustainability Statement of Intent and Our Brief for Creating Sustainable Spaces and progressed our diversity and inclusion agenda.

Moreover, we have maintained our financial strength, with our loan-to-property value ratio being only 19.8%. Our liquidity position remains strong, with £457 million of available cash and undrawn facilities. We have also maintained the payment of our ordinary dividends.

Taken as a whole, we continue to be well positioned to deliver both our purpose and long-term shareholder value.

Against the backdrop of this business performance, the Company's variable pay was assessed as set out in the following sections.

Salaries

As explained in last year's report, for the year commencing 1 April 2022, the average like-for-like salary increase was 6.1% with all employees receiving a minimum increase of 3.5%. The Committee adopted a market-leading position in focusing increases on the lowest-paid colleagues and increased Toby Courtauld's, Nick Sanderson's and Dan Nicholson's salaries by 3.5% in line with that minimum level.

Pensions

From 1 January 2023, all Executive Directors' pension contribution allowances were reduced to 15% of salary to be aligned with the level available to colleagues generally. Dan Nicholson's employer pension contribution was set at 15%, in line with the wider workforce, from his appointment date.

Annual Bonus Plan

Under our 2022/23 Annual Bonus Plan, we delivered a TAR of -7.8% in the financial year ended 31 March 2023, as explained above, and therefore the TAR target was not met, resulting in a zero payout for this measure. However, the Group's portfolio capital growth has performed above the MSCI Capital Growth Index resulting in a 100% payout for that measure. This is a commendable outcome reflecting our record leasing success and strong operational performance.

The business made excellent progress with the growth of its Flex offer, growing the amount of portfolio space committed to Flex to 414,000 sq ft at the year end, resulting in a full payout for the Flex measure. Similarly, the business exceeded its sustainability target to reduce energy consumption across our occupied buildings. The Company also performed well against the customer satisfaction and employee engagement metrics in the ESG/strategic measures.

Each of the Executive Directors performed very well against their personal objectives, making a significant contribution to the development and implementation of the Group's strategic priorities. Once again, in line with the Policy approved by shareholders at the 2020 AGM, the Committee applied a tougher stance to performance assessment than in previous years and awarded the Chief Executive, Chief Financial & Operating Officer and Executive Director an outturn of 75%, 80% and 65% respectively. See pages 124 and 125 for further details.

The formulaic outturn, therefore, was felt to be appropriate and was approved without the exercise of further discretion. The 2022/23 annual bonus outturn was 65%, 65.75% and 63.5% of the maximum (97.5%, 98.63% and 95.25% of eligible salary) respectively for the Chief Executive, Chief Financial & Operating Officer and Executive Director.

In accordance with the Policy, 40% of Executive Directors' annual bonuses will be deferred into shares for three years through the Company's Deferred Share Bonus Plan. Please refer to page 129 of this Report for further details.

2020 LTIP vesting

The performance under the 2020 LTIP was significantly impacted by the onset of COVID-19 in early 2020, followed by geopolitical and market uncertainties and challenging economic conditions, particularly in the UK. The economic impact impaired property values in the performance period, which resulted in an 111 pence per share EPRA NTA decline over the three years, equating to a TAR of -8.4% or -2.9% p.a. and a nil vesting of the TAR measure for the Group's three-year 2020 LTIP award.

Against this challenging backdrop, our relative share price performance has underperformed against the FTSE 350 Real Estate Index, with many of the constituents investing in other asset classes which outperformed London offices, including logistics and self-storage space. As a result, we expect a 0% vesting of the TSR measure based on the information available as at 31 March 2023. This is expected to lead to no vesting for the 2020 LTIP grants.

Impact of Policy review

As explained above, it is anticipated that real estate values may be more volatile than historic norms over the three-year life of the proposed new Policy and, therefore, the proposed Policy has been developed to recognise this. The key architecture (other than the proposed introduction of the RSP) is largely unchanged, including various 'best practice' features introduced as part of the 2020 Policy:

- bonus deferral;
- broad discretion to reduce the formulaic outturn if the Committee does not consider it to reflect a fair outcome;
- strengthening of clawback provisions; and
- a commitment to align pension contributions.

The principal change in the proposed 2023 Policy is to replace the long-standing LTIP with the proposed RSP. The key elements of the proposed RSP are as follows:

- we plan to convert using the standard '1 share for 2' conversion rate, i.e. the previous Policy provided for the grant of shares under the LTIP worth 300% of salary each year and the proposed Policy provides for a grant worth 150%;
- while the inherent nature of RSPs is to exchange quantum for greater certainty and, therefore, there is a default of vesting, the Committee will ensure that payments for failure are avoided through the operation of a robust underpin allowing the Committee to reduce the vesting in whatever circumstances it considers to be appropriate – we consider this to be the main underpin; and
- there is an additional underpin whereby the Committee will consider reducing vesting levels if any of the following occur (which does not limit the broader underpin):
  - breach of the financial covenants of the Group's principal debt facilities;
  - failing to make satisfactory progress in delivering our Sustainability Statement of Intent; or
  - there being material damage to the reputation of the Company.

The RSP is felt to better reflect the current position given the challenge of setting robust performance targets in a volatile environment. There are a limited number of listed companies focusing on central London assets, making relative assessment more problematic (although, following feedback from our largest shareholders, we have included a relative TAR measure within the annual bonus scorecard). At the same time, absolute measures can quickly prove too easy to achieve (and therefore potentially lead to over-reward) or too difficult to achieve (and therefore have neither retention nor motivational impact). As seen last year, unexpected and dramatic changes in interest rates negated the strong performance of management, demonstrating the potential for such misalignment.

We recognise that some shareholders (and particularly proxy advisory firms) are wary of simply changing reward structures at different points in the economic cycle, and we confirm that this is a thoughtful and long-term decision applied not only to the Executive Directors but also consistently applied to other colleagues. There are no current plans to revert back to a more traditional LTIP.

The other key change is to redesign the bonus scorecard to create better alignment with our strategic priorities. While this is more about the application of the Policy – the detailed scorecard relating to our pay decisions for the next financial year is set out on the following page – some minor changes to the existing Policy relating to the weighting of different elements of the scorecard are included in the proposed new Policy.

Decisions relating to the year to March 2024

Assuming the proposed new Policy and associated resolution to adopt the new RSP are approved by shareholders at the 2023 AGM, we shall adopt the new bonus scorecard and make the first grants under the RSP shortly after the AGM.

Salaries

For the year commencing 1 April 2023, the average all-colleague salary increase will be 5.7%. The Committee increased Toby Courtauld's, Nick Sanderson's and Dan Nicholson's salaries by 5%, below the employee average.

Annual Bonus

The Executive Directors' bonus opportunity will remain unchanged at 150% of salary, with 40% of any bonus earned deferred into shares for three years through the Company's Deferred Share Bonus Plan. However, the scorecard used to determine bonus entitlement has been redesigned to include a scorecard much more focused on our strategic priorities, both to determine how management (and the wider workforce) have performed but also to ensure they have taken the right steps to ensure we optimise returns for shareholders in the longer term. We believe that each of the measures chosen should, directly or indirectly, lead to the creation of shareholder value.

The new scorecard comprises:

Revised Remuneration Proposal: Bonus

Bonus scorecard[1]	Total weighting	Measure	Link to strategy or KPIs	Financial	Quantifiable and objective
Market performance 1 2 3 4 5 6	20%	GPE Relative TAR[2] (EPRA NTA growth + dividend) per share vs FTSE 350 real estate companies excluding agencies	✓ Measure of property valuation growth	✓	✓
Optimising financial performance (during downturn) 1 2 3 4 5	30% (10% each)	1. Rent achieved on market lettings during year vs ERV (as per CBRE at start of year) – '% beat to market rent'	✓ Will enhance property valuations and maximise income (impacts TPR, TAR & TSR)	✓	✓
		2. Vacancy rate at year end (including completed development/refurbished space during year)	✓ Will enhance property valuations and maximise income (impacts TPR, TAR & TSR)	✓	✓
		3. Maintain appropriate liquidity	✓ Underpins ability to acquire and invest in assets to drive capital and income returns (impacts TPR, TAR & TSR)	✓	✓
Transforming the business and putting customers first 2 3 4 5 6	15% (5% each)	1. Hitting planning milestones in year (combination of planning submissions and planning approvals across entire portfolio)	✓ Enhance property valuations (impacts TPR, TAR & TSR)	–	–
		2. Commitments to new Flex space over the year	✓ Underpins strategy to expand Flex space in line with disclosed targets	–	✓
		3. Market leading Customer NPS	✓ Underpins strategy, aids customer retention and enhances property valuations (impacts TPR, TAR & TSR)	–	✓
Delivering our Net Zero Carbon Roadmap 1 5 6	15% (7.5% each)	1. Reduction in energy consumption (targets set each year against Roadmap)	✓ Increases attraction of GPE space driving rents and enhancing property valuations (impacts TPR & TAR)	–	✓
		2. All new developments to be net zero or on track to be net zero	✓ Underpins HQ repositioning strategy, customer demand, capital and income returns (impacts TPR, TAR & TSR)	–	✓
Personal and business culture	20%	1. 10% – Personal objectives (reduced from historic 15%)	✓ Set annually based on strategic priorities	–	–
		2. 5% – Maintaining and nurturing a positive and inclusive culture (measured through employee engagement index survey scores)	✓ Retaining and attracting key talent critical to support growth	–	✓
		3. 5% – Achievement against gender and diversity targets	✓ Ensuring diverse talent to develop and deliver strategy	–	✓

1. 1 Denotes strategic priorities for 2023/24 as set out on pages 14 and 15.
2. As with the current arrangements, any dividends will be deducted from the base figure from the point of distribution (as it is not realistic to deliver growth after capital has been repaid to shareholders), except where reflected in some other way such as through a share consolidation.

Restricted Share Plan

Assuming the proposed Policy and RSP rules are approved by shareholders at the 2023 AGM, no further grants will be made under the LTIP and, instead, the first grant under the RSP will be made shortly following the AGM. Under this grant, the Executive Directors will each receive an award over shares worth 150% of salary, which will be subject to assessment against a performance underpin following the third anniversary of grant and then subject to a further two-year holding period.

I hope you find this Report clear and informative and I look forward to receiving your support for the resolutions approving both this Report, and the revised Directors' remuneration policy, at the 2023 AGM.

Emma Woods
Chair of the Remuneration Committee
24 May 2023

Our overarching remuneration policy principles and a fair and consistent approach

The Executive Directors' total pay is analysed by looking at each of the different elements of remuneration, including salary, benefits, pension, the Annual Bonus Plan and long-term incentives, to provide the Committee with a view of total remuneration rather than just the competitiveness of the individual elements. It is important that the Group's remuneration policy reinforces the Company's purpose, culture and values, providing effective incentives for exceptional Group and individual performance. As well as providing motivation to perform, remuneration plays an important retention role and needs to be appropriately competitive without being excessive.

To achieve the aims of the Company's remuneration policy, the Committee generally seeks to position fixed remuneration, including benefits and pension, around mid-market, taking into account the size and complexity of the business as compared with other peer companies in the sector, and, using a significant proportion of variable reward, offers the ability to increase total potential remuneration for superior performance through the Annual Bonus Plan and long-term incentives.

The Committee seeks to apply consistent principles to remuneration across the organisation. Our approach to salary reviews is to consider each employee's 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.

The weighting of the different components of an employee's remuneration will vary depending on their role, responsibilities and seniority, with senior employees having a higher proportion of their remuneration linked to variable reward and Company performance. However, we apply our overarching remuneration principles, and provide a competitive and consistent remuneration and benefits package, as appropriate, throughout GPE. This is made up of the following key components:

All employees		Executive Directors
All employees receive a market-competitive base salary reflective of the individual's role, responsibilities and experience, which is subject to an annual external benchmarking review for approximately 90% of our roles.	Salary	Executive Directors receive a market-competitive base salary reflective of their responsibilities, which is subject to an annual external benchmarking review to ensure salaries remain at an appropriate level to attract and retain talent in our industry.
All employees receive market-competitive benefits, including private medical insurance.	Benefits	Executive Directors receive market-competitive benefits, including private medical insurance. No car allowance is provided.
All employees are eligible and encouraged to join the GPE pension scheme to save for their retirement, with an employer contribution of 15%.	Pension	Executive Directors' contribution levels have been aligned with the wider workforce at 15%.
All employees can join the Company's Share Incentive Plan, allowing employees to purchase Company shares in a tax-efficient way and to receive matching shares, thereby encouraging employee share ownership. 71% of GPE's employees participate in the Share Incentive Plan.	All-employee share plans	The Executive Directors are also eligible to participate in the Company's Share Incentive Plan.
All employees participate in the Annual Bonus Plan. Under the proposed 2023 Policy, all employees will be subject to the same measures with the exception of the employee engagement and diversity measures which will not apply to most colleagues to avoid conflicts of interest.	Annual Bonus Plan	The maximum bonus potential for Executive Directors is 150% of base salary. At least 40% of any bonus outcome will be deferred into shares, typically through the Deferred Share Bonus Plan, to provide further alignment with the shareholder experience.
Those able to influence long-term performance, generate significant sustainable returns or managing major capital budgets may participate in the RSP under the 2023 Policy in place of the Company's LTIP. RSP awards (like prior LTIP awards) will vest after three years.	Restricted Share Plan (RSP)*	The Executive Directors have a larger potential maximum opportunity under the RSP, being eligible to receive an award of up to 150% of base salary (reduced from 300% under the LTIP). As was the case under the LTIP, RSP awards are subject to a five-year release period (in the case of the RSP comprising a three-year underpin period followed by a two-year holding period).

* Replacing Long Term Incentive Plan (LTIP).

The Annual Remuneration Report sets out how the Directors' remuneration policy was applied in 2022/23 and how it will be applied for the forthcoming year. It is divided into four sections:

Section of Report	Page numbers
Executive Directors' remuneration for the year ended 31 March 2023	See pages 123 to 129
Executive Directors' remuneration for the year ending 31 March 2024	See page 130
Chair and Non-Executive Directors' remuneration	See page 131
Other disclosures	See pages 132 to 135

The Company's auditor has reported on specific sections of this Report and stated, where applicable, that in its opinion those sections have been properly prepared in accordance with the Companies Act 2006. The sections that have been subject to audit are marked with an asterisk (*).

The Directors' remuneration policy was approved by shareholders at the 2020 AGM and is available on the Company's website at **www.gpe.co.uk/investors**. The proposed Directors' remuneration policy can be found on pages 136 to 146 of this Report.

Executive Directors' remuneration for the year ended 31 March 2023

Executive Directors' single figure table*

	Base salary[1]		Benefits		Pension[3]		SIP[4]		Fixed Total		Annual Bonus[5]		LTIP		Variable Total		Total[8,9]	
Executive Directors	**2023 £000**	2022 £000	**2023 £000**	2022 £000	**2023 £000**	2022 £000	**2023 £000**	2022 £000	**2023 £000**	2022 £000	**2023 £000**	2022 £000	**2023[6] £000**	2022[7] £000	**2023 £000**	2022 £000	**2023 £000**	2022 £000
Toby Courtauld	**646**	624	**16**	16	**121**	125	**4**	4	**787**	769	**630**	527	**–**	129	**630**	656	**1,417**	1,425
Nick Sanderson	**445**	430	**18**	14	**83**	86	**4**	4	**550**	534	**439**	363	**–**	89	**439**	452	**989**	986
Dan Nicholson[2]	**362**	201	**6**	3	**54**	30	**4**	–	**426**	234	**345**	135	**–**	–	**345**	135	**771**	369

1. Please refer to the 'Salary' table on page 130 for details of Executive Directors' annual salaries.
2. Dan Nicholson joined the Board on 6 September 2021. He was entitled to a pro-rated bonus for his period of service from 4 October 2021 to 31 March 2022.
3. Toby Courtauld and Nick Sanderson received a pension allowance of 20% of their basic salary between 1 April 2022 and 31 December 2022 which was reduced to 15% of their basic salary with effect from 1 January 2023 in line with the wider workforce. Dan Nicholson has received a mix of employer pension contributions and pension allowance of 15% of his basic salary in aggregate from his appointment date.
4. The value of the matching shares awarded under the SIP are calculated using the share price on the date the shares were purchased.
5. 40% of the annual bonus will be deferred into shares for three years under the Deferred Share Bonus Plan. Deferred bonus shares are not subject to any further performance conditions.
6. A nil vesting of the 2020 LTIP awards has been assumed based on the information available as at 22 May 2023.
7. The figures disclosed in the 2022 Annual Report for the 2019 LTIP vesting were based on an estimated share price, an estimated 22.1% TPR performance outcome and an estimated TSR performance outcome of 0%. The actual TPR vested at 22.24% and the TSR element vested at 0%. This resulted in a 7.41% vesting for the 2019 LTIP awards. Figures are stated using the share price on the third anniversary of the date of grant of £6.510. The 2019 LTIP award remains subject to a two-year holding period and becomes exercisable on the fifth anniversary of the date of grant.
8. The single figure for the total remuneration due to the Directors for the year ended 31 March 2023.
9. The aggregate emoluments (being salary/fees, benefits, cash allowances in lieu of pension and bonus) of all Directors for the year ended 31 March 2023 was £3,929,000 (2022: £3,208,000).

Fixed pay:

Taxable benefits

Benefits principally comprise private medical insurance, membership subscriptions, travel expenses, luncheon vouchers, the Employee Assistance Programme and entertainment. No individual benefit provided has a value which is significant enough to warrant separate disclosure.

Pensions

None of the Executive Directors participate in the Group's defined benefit final salary pension plan, which was closed to new entrants in 2002. Toby Courtauld's and Nick Sanderson's employer pension contribution rates were reduced from 20% to 15%, being the average rate available to all employees, from the end of the 2022 calendar year. Dan Nicholson's employer pension contribution was set at 15%, in line with the wider workforce, from his appointment date.

All-employee Share Incentive Plan

In line with the wider workforce, Executive Directors may participate in the GPE Share Incentive Plan, which is an HMRC tax-advantaged plan. Participants may save up to £150 from their monthly pre-tax salary to purchase shares. For every share purchased, GPE grants two matching shares. Shares acquired attract dividends paid by the Company, typically at the half-year and year end.

Variable pay:

Executive Directors' 2023 bonus outcome

The financial, ESG/strategic and personal objectives targets for the bonus for the year ended 31 March 2023, and the extent to which they were achieved, are set out in the table below. The Committee did not exercise discretion in respect of any elements of the outturn.

Key elements of strategy	Maximum percentage of salary	Measured by	Threshold performance target	Maximum performance target (100% payout)	Actual performance achieved	Actual performance level as a percentage of maximum	Bonus receivable (£000) Toby Courtauld	Bonus receivable (£000) Nick Sanderson	Bonus receivable (£000) Dan Nicholson
Market competitiveness (30% weighting)	45%	Growth of the Group's property portfolio against MSCI's relevant Capital Growth Index (for the year to 31 March 2022) – on a straight-line basis	Annual percentage rate of portfolio capital growth to meet annual percentage rate of capital growth of the central London MSCI Index (16.67% payout)	Annual percentage rate of portfolio capital growth to exceed annual percentage rate of capital growth of the central London MSCI Index by 2%	Index +4.8%	100%	£290,854	£200,110	£163,013
Absolute performance (30% weighting)	45%	Achievement of TAR targets (for the year to 31 March 2023) – on a straight-line basis	TAR: +3% (20% payout)	TAR: +7%	-7.8%	0%	£0	£0	£0
Flex growth (10% weighting)	15%	Growth of committed flex space in the portfolio – on a straight-line basis	300,000 sq ft (20% payout)	340,000 sq ft	414,000 sq ft	100%	£96,951	£66,703	£54,338
ESG/strategic measures (15% weighting):									
Sustainability	7.5%	Reduce energy consumption – on a straight-line basis %	199 kWh/m² (20% payout)	181 kWh/m² or lower	158.5 kWh/m²	100%	£48,476	£33,352	£27,169
Customer satisfaction	7.5%	Industry Average Net Promoter Score – on a straight-line basis	Industry Average (20% payout)	Above Industry Average by 10 points or more	Industry Average + 40.2 points	100%	£48,476	£33,352	£27,169
Employee engagement	7.5%	Achieve a blended Employee Engagement Index (EEI) and Inclusion Index score of at least 65%	Score between 65% and 69% (20% payout)	Score above 80%	78%	75%	£36,356	£25,013	£20,376
Personal objectives (15% weighting)	22.5%	Achievement against personal objectives (for the year to 31 March 2023)	Partial achievement of personal objectives	Exceeding personal objectives	See pages 125 and 126	Toby Courtauld 75% Nick Sanderson 80% Dan Nicholson 65%	£109,070	£80,044	£52,979
						Total	**£630,183**	**£438,574**	**£345,043**

Executive Directors' personal objectives

The Executive Directors' personal objectives, approved by the Committee, are designed to focus on the delivery of the strategic priorities and the successful management of risk for both 2022/23 and the longer term. Following consideration of achievement against the Executive Directors' personal objectives set at the beginning of the year as listed below, the Committee awarded Toby Courtauld, Nick Sanderson and Dan Nicholson 75%, 80% and 65% respectively of the full potential bonus for their personal objectives.

Measure	Score	Key achievements
Implement strategic change	**CEO** 24%/35% **CF&OO** 10%/15% **ED** 3%/7%	**Shared** – Customer First programme launched with implementation on track. – EPC strategy launched with implementation on track. – Innovation strategy updated and two awards won, including Most Innovative Property Company. – Strong communication of strategy amidst heightened macro and political uncertainty. **CEO** – Role model with clear vision. – Reorganised structure and reallocated responsibilities amongst the Executive Directors to support strategic objectives. – Led implementation of Sustainability Strategy; new Statement of Intent and Sustainable Spaces Brief adopted, clarifying approach to climate resilience. **CF&OO** – Assumed leadership of Flex activities; rollout successfully progressed, with management information and organisational/delivery processes further developed. **ED** – Developed acquisitions pipeline and strategy. – In his first full year at GPE, Dan's focus was on delivery of operational excellence rather than setting strategy hence the lower weighting on this element.
Operational excellence	**CEO** 15%/20% **CF&OO** 30%/40% **ED** 39%/55%	**Shared** – Completed development and sale of 50 Finsbury Square, GPE's first net zero carbon development, and its sale for a market-beating topped-up initial yield. – Pre-let 2 Aldermanbury Square, EC2 to Clifford Chance. – Exceeded growth of committed Flex space targets to 414,000 sq ft. – Record leasing achieved, exceeding prior year. – Launch and development of Customer First programme, customer service proposition and standards. Strong customer experience with above industry average Net Promoter Score. **CEO** – Led negotiation of pre-letting of 2 Aldermanbury Square, EC2. – Innovation programme progressed; data warehouse built; phase 1 of Customer Relationship Management system rolled out. – Numerous awards won, including Developer of the Year. – Corporate communications plan progressed; nominated for Britain's Most Admired Company (Property). **CF&OO** – Leading transition of new business processes including H&S, cyber and overseeing (with Audit Committee) appointment of new auditors. – Particular focus on delivering acquisitions; good progress given external environment. Completed acquisitions of 6/10 St Andrew Street, EC4 and 2 Cathedral Street, SE1. – Maintained one of the lowest loan-to-property value ratios in the UK REIT sector. – Social Impact Strategy implemented and launched new charity partnership relationship (XLP). **ED** – Oversaw new planning permissions obtained at French Railways House & 50 Jermyn Street, SW1. – Secured new headleases at 6/10 St Andrew Street, EC4 and 2 Aldermanbury Square, EC2. – Completed disposal of 6/10 Market Place, W1. – Oversaw new capital allocations.

Executive Directors' personal objectives continued

Measure	Score	Key achievements
Develop the team (which was expanded for FY23 to ensure all three executives had a 33% weighting on diversity)	**CEO** 36%/45% **CF&OO** 40%/45% **ED** 23%/38%	**Shared** – Diversity and Inclusion initiatives progressed. Particular focus on diversity, with 50% of senior hires women (only 1 person short of stretch target); ensured that all shortlists are both gender and ethnicity balanced. – Diversity representation targets set and communicated to all colleagues. – Significant effort expended in internal mentoring of high-potential talent, with a particular focus on women and ethnic minorities. **CEO** – Enhanced the team with good new hires and led restructuring of senior management roles. – Sponsored participation in a highly impactful inclusive leadership programme (with Arrival) for the Executive Committee. **CF&OO** – Took over Marketing, Customer Experience and Flex leadership. – Board lead on Inclusion Committee; internally regarded as a strong role model for D&I. **ED** – Fully onboarded after his first full year at GPE. – Executive sponsor for the Women's Impact Group. – Mentored and supported New Business team; assumed responsibility for Health and Safety and Workplace Services.
Total	**CEO** 75%/100% **CF&OO** 80%/100% **ED** 65%/100%	

While each of the Executive Directors was separately assessed, they inevitably had a number of common objectives so the above table identifies both individual and shared objectives. In each case, their contribution to the delivery of those objectives was considered.

Executive Directors' LTIPs

Anticipated vesting of 2020 LTIP awards

The tables below set out the alignment of LTIP awards with Company strategy and the anticipated vesting for those awards in July 2023, together with indicative payouts for the Executive Directors. The anticipated value of these awards at vesting reflects the disclosure in the single figure table on page 123.

Anticipated vesting of LTIP awards granted in the year ended 31 March 2021, vesting in the year ending 31 March 2024, is included in the 2023 single figure table.

Key elements of strategy	% of award	Measured by	Threshold performance target (20%)	Maximum performance target (100%)	Estimated performance	Estimated vesting level as at 22 May 2023 as a percentage of maximum by vesting date[1]
Shareholder value	33.33%	Total Shareholder Return (based on a three-year performance period)	Median	Upper quartile	40.1st percentile	0%
Absolute performance	33.33%	Total Accounting Return (based on a three-year performance period)	868p	925p	795p (actual)	0%
Total (estimated)						**0%**

1. Toby Courtauld and Nick Sanderson's 2020 LTIP is due to vest on 29 July 2023. For the TAR target, the performance period for the 2020 awards is the three-year period to 31 March 2023. For the TSR element, the vesting period is the three-year period from the award date (29 July 2020) and compares the Company's TSR to that of the constituents, at the date of grant, of the FTSE 350 Real Estate Index excluding agencies.

Confirmed vesting of 2019 LTIP awards

The figures provided in last year's Annual Report for the 2019 LTIP awards were disclosed on an estimated basis. The table below sets out the confirmed performance outcomes of the 2019 LTIP awards that resulted in a 7.41% vesting following the expiry of the three-year performance period on 3 June 2022.

Key elements of strategy	% of award	Measured by	Threshold performance target (20%)	Maximum performance target (100%)	Performance	Confirmed percentage of maximum at end of performance period (3 June 2021)
Shareholder value	33.33%	Total Shareholder Return (based on a three-year performance period)	Median	Upper quartile	36th percentile	0%
Absolute performance	33.33%	Total Accounting Return (based on a three-year performance period)	4% p.a.	10% p.a.	0.8% p.a.	0%
Portfolio performance	33.33%	Total Property Return against IPD (central London Index) (based on a three-year performance period)	Index	Index + 1.5% p.a.	Index plus 0.04% p.a.	7.41%
Total						**7.41%**

Number of shares at the end of the performance period for 2019 LTIP awards

	No. of shares awarded as nil cost options	% overall vesting	No. of shares under option at the end of the performance period[1]
Toby Courtauld	252,072	7.41	18,686
Nick Sanderson	173,225	7.41	12,856

1. The LTIP awards made in 2019 are subject to a five-year release period, comprising a three-year performance period (to 3 June 2022) followed by a further two-year holding period. The nil cost share options will become exercisable on the fifth anniversary of the date of award and will continue to accrue dividend equivalents until that time.

Directors’ remuneration report continued

Unvested share awards

The following tables provide details of outstanding share awards under the LTIP and the performance measures that apply to the awards. All awards were granted in the form of nil cost options.

Executive Director	Date of grant	Basis of award	Face value of award made £000	Number of shares under award[1,2]	Percentage of award receivable for threshold performance	End of performance period	Performance measures
Toby Courtauld	29 July 2020[3]	300% of salary	1,846	317,906	20%	28 July 2023	TSR – 50% TAR Target – 50%
	7 June 2021	300% of salary	1,873	255,587	20%	6 June 2024	TSR – 50% TAR Target – 50%
	27 May 2022	300% of salary	1,939	300,391	20%	26 May 2025	TSR – 50% TAR Target – 50%
		Total		**873,884**			
Nick Sanderson	29 July 2020[3]	300% of salary	1,270	218,722	20%	28 July 2023	TSR – 50% TAR Target – 50%
	7 June 2021	300% of salary	1,289	175,845	20%	6 June 2024	TSR – 50% TAR Target – 50%
	27 May 2022	300% of salary	1,334	206,671	20%	26 May 2025	TSR – 50% TAR Target – 50%
		Total		**601,238**			
Dan Nicholson[4]	27 May 2022	300% of salary	1,087	**168,357**	20%	26 May 2025	TSR – 50% TAR Target – 50%
		Total		**168,357**			

1. For the 2020,2021 and 2022 LTIP awards, the face value is calculated on the five-day average share price prior to the date of grant of the LTIP award. For the 2020 LTIP, this was up to and including 28 July 2020, being £5.81. For the 2021 LTIP, this was up to and including 4 June 2021, being £7.33. For the 2022 LTIP, this was up to and including 26 May 2022, being £6.46.
2. In addition, a cash sum equivalent to the value of dividends on the number of plan shares which vest in respect of the period from the award date to the expiry of the applicable two-year holding period will be payable at the end of that period.
3. The estimated overall outcome for the 29 July 2020 LTIP as at 22 May 2023 is 0%. This would equate to nil shares vesting for each of Toby Courtauld and Nick Sanderson.
4. Dan Nicholson joined the Board on 6 September 2021 and was entitled to his first LTIP award in 2022.

2020, 2021 and 2022 LTIP awards – performance measures

Performance measure over three years	% of award	Vesting level 20%	Straight-line vesting between these points	100%	Start of measurement period
2020 LTIP Award					
Total Accounting Return	50%	868p		925p	1 April prior to grant date
TSR against constituents of FTSE 350 Real Estate Sector (excluding agencies)	50%	Median		Upper quartile	Grant date
2021 LTIP Award					
Total Accounting Return	50%	3% p.a.		7% p.a.	1 April prior to grant date
TSR against constituents of FTSE 350 Real Estate Sector (excluding agencies)	50%	Median		Upper quartile	Grant date
2022 LTIP Award					
Total Accounting Return	50%	3% p.a.		8% p.a.	1 April prior to grant date
TSR against constituents of FTSE 350 Real Estate Sector (excluding agencies)	50%	Median		Upper quartile	Grant date

Payment to past Directors*

No payments to past Directors were made during the year.

Payment for loss of office*

No payments were made to Directors during the year for loss of office.

Executive Director remuneration from other roles

Executive Directors are able to accept external Board appointments with the consent of the Board. Any fees received by an Executive Director for such an external appointment can be retained by the individual. Toby Courtauld is a Non-Executive Director of Liv-ex Limited, for which he received no remuneration during the year. He also received no remuneration for serving as a Director of the New West End Company.

Nick Sanderson is a Trustee of the Outward Bound Trust, for which he received no remuneration during the year. Dan Nicholson is a Non-Executive Director of Bioregional Homes Limited, for which he also received no remuneration during the year.

Statement of Executive Directors’ shareholdings and share interests*

Executive Directors are required to hold a minimum of 300% of base salary in shares. The table below sets out their holdings against the requirement and their beneficial and conditional ownership as at 31 March 2023. Dan Nicholson joined the Board on 6 September 2021. As with the other Executive Directors, Dan will be required to build up a shareholding of 300% of base salary and to retain all shares that are vested to him, net of any tax liabilities, until the requirement is satisfied.

	Beneficial ownership			Conditional ownership[6]						
Director	Number of shares owned[1]	SIP Matching shares subject to forfeiture	**Total beneficial ownership[2,3,4,5]**	LTIP subject to performance conditions	LTIP not subject to performance conditions[7]	Deferred Share Bonus Plan[8]	**Total beneficial and conditional ownership as at 31 March 2023**	Total beneficial and conditional ownership as at 31 March 2022	Shareholding requirement met[9,10]	Comparator to 2022
Toby Courtauld	1,398,027	1,720	**1,399,747**	873,884	18,686	45,062	**2,337,379**	2,275,999	1,112% – Yes	1,599%
Nick Sanderson	280,537	1,720	**282,257**	601,238	12,856	31,540	**927,891**	884,057	326% – Yes	470%
Dan Nicholson	351	702	**1,053**	168,357	–	8,377	**177,787**	60	1%[11]	–

1. Excludes SIP shares that are subject to forfeiture.
2. Holdings are calculated based on the share price as at 31 March 2023 of £5.07.
3. Beneficial interests include shares held directly or indirectly by connected persons.
4. During the year, Toby Courtauld exercised 83,551 nil cost share options and Nick Sanderson exercised 54,730 nil cost share options. Of these, 39,270 and 25,724 shares respectively were sold at a price of 532.6545p each to cover tax and national insurance liabilities.
5. Between 1 April 2023 and 22 May 2023, Toby Courtauld, Nick Sanderson and Dan Nicholson each acquired 28 Partnership shares and 56 conditional Matching shares respectively under the SIP. In addition, under the SIP, 44 Matching shares vested to each of Toby Courtauld and Nick Sanderson. Otherwise there were no changes in their shareholdings during that period.
6. 40% of the Executive Directors’ annual bonuses for the year ended 31 March 2023 will be deferred into shares for three years under the Deferred Share Bonus Plan (DSBP). The number of shares awarded will be disclosed following the awards, in the 2024 Annual Report. In respect of their annual bonuses for the year ended 31 March 2022, Toby Courtauld, Nick Sanderson and Dan Nicholson were granted DSBP awards over 32,652, 22,465 and 8,377 shares respectively.
7. Consistent with best practice, estimated after-tax shares that will be retained after the cessation of the two-year holding period are included in the shareholding requirement (53% of shares retained).
8. Consistent with best practice, estimated after-tax shares retained are included in the shareholding requirement (53% of shares retained).
9. Post-cessation shareholding guidelines came into effect following the approval of the Policy at the 2020 AGM. Executive Directors are expected to retain the lower of actual shares held at cessation and shares equal to 300% of salary for two years post-cessation. Shares retained following vesting of LTIP, RSP and/or DSBP awards granted after the 2020 AGM will be held in escrow to enable enforcement of the post-cessation guidelines.
10. Executive Directors are required to hold 300% of their base salary and are expected to retain the after-tax shares received on the vesting of awards until they have acquired the necessary shares to meet their shareholding requirement.
11. Dan Nicholson joined the Board with effect from 6 September 2021 and is working towards his minimum shareholding requirement.

Executive Directors' remuneration for the year ending 31 March 2024

Statement of implementation of Directors' remuneration policy for the year ending 31 March 2024

The Policy and its implementation for the Executive Directors for the forthcoming financial year is summarised below. For information on the Chair of the Board and Non-Executive Directors, please refer to page 131.

Salary

Executive Director	Year ending 31 March 2024 £000[1]	Year ended 31 March 2023 £000[1]	Base salary increase
Toby Courtauld	**679**	646	5%
Nick Sanderson	**467**	445	5%
Dan Nicholson	**380**	362	5%

1. Rounded to the nearest £1,000.

Executive Directors have received an increase in salary below the all-colleague average increase of 5.7%. In reviewing the salaries of the Executive Directors, the Committee has also taken account of both the individual's and the Company's performance and the employment conditions and salary increases awarded to employees across the Group.

Pension and benefits

There have been no changes to the benefits and pension provision for the Executive Directors save that Toby Courtauld and Nick Sanderson's pension contribution rates were aligned with the average rate available to all employees (being 15% of base salary) from 1 January 2023. Dan Nicholson's employer pension contributions were set at this rate on his appointment.

Bonus for the year ending 31 March 2024

The target and maximum annual bonus potentials will remain unchanged at 75% and 150% of salary respectively for the Executive Directors. As with the existing Policy, under the proposed new Policy, 40% of any annual bonus outcome will be deferred into shares for three years under the Deferred Share Bonus Plan.

The table on page 121 sets out the performance measures and their respective weightings for the year ending 31 March 2024, together with how the measures are linked to the Group's strategy and KPIs. The Committee is of the opinion that, given the commercial sensitivity around GPE's business, disclosing precise targets for the Annual Bonus Plan in advance would not be in the best interests of shareholders or the Company. Objectives, performance achieved and awards made will be published at the end of the performance period so shareholders can fully assess the basis for any payouts.

Restricted Share Plan Awards for the year ending 31 March 2024

Performance measure over three years	Award as % of base salary
Subject to underpins as described in full in the Remuneration Policy	150%

The maximum potential award for the 2023 Restricted Share Plan Award is 150% of base salary, being 50% of the 300% of base salary awarded under historic LTIPs. This conversion rate is reflective of common market practice. The awards, granted in the form of nil cost options, will be subject to the underpins set out in the proposed new Policy. Alongside the operation of a robust underpin allowing the Committee to reduce the vesting of awards in whatever circumstances it considers to be appropriate, the Committee will also specifically consider reducing vesting levels in the event of a breach of the financial covenants of the Group's principal debt facilities; failure to make satisfactory progress in delivering our Sustainability Statement of Intent; or there being material damage to the reputation of the Company. Following a three-year vesting period, the 2023 RSP awards will be subject to a two-year holding period, whereby participants will not be permitted to exercise any performance-vested awards until the fifth anniversary of the award date. The holding period will generally continue to operate post-cessation of employment.

Chair and Non-Executive Directors' remuneration

Single figure table annual fees for year ended 31 March 2023*

This section of the Report contains details of how the Policy for the Chair and Non-Executive Directors was implemented during the financial year ended 31 March 2023.

	Fees		Benefits		Totals	
Name	**2023**	2022	**2023**	2022	**2023**	2022
Richard Mully	**244**	235	**2[1]**	1[1]	**246**	236
Charles Philipps[2]	**82**	80	**–**	–	**82**	80
Mark Anderson	**72**	41	**–**	–	**72**	41
Wendy Becker[3]	**20**	72	**–**	–	**20**	72
Nick Hampton[4]	**74**	75	**–**	–	**74**	75
Vicky Jarman[4]	**77**	70	**–**	–	**77**	70
Champa Magesh[5]	**48**	–	**–**	–	**48**	–
Alison Rose	**72**	70	**–**	–	**72**	70
Emma Woods[6]	**77**	12	**–**	–	**77**	12
Total	**766**	655	**2**	1	**768**	656

1. Richard Mully's benefits of less than £2,000 related to reimbursed travel (and related tax) for GPE meetings.
2. Charles Philipps stepped down from the Board on 30 March 2023 and was succeeded as Senior Independent Director by Nick Hampton.
3. Wendy Becker stepped down from the Board on 7 July 2022.
4. Vicky Jarman succeeded Nick Hampton as Chair of the Audit Committee from 7 July 2022.
5. Champa Magesh joined the Board and each of its Committees on 1 August 2022.
6. Emma Woods succeeded Wendy Becker as Chair of the Remuneration Committee from 7 July 2022.

Shareholdings*

	31 March 2023	31 March 2022
Richard Mully	**31,379**	26,379
Charles Philipps	**4,094**	4,094
Mark Anderson	**2,451**	–
Wendy Becker	**8,277**	8,277
Nick Hampton	**2,500**	2,500
Vicky Jarman	**2,708**	2,708
Champa Magesh	**–**	–
Alison Rose	**–**	–
Emma Woods	**–**	–

There were no changes in the shareholdings of the Chair and Non-Executive Directors in office between 1 April 2023 and 24 May 2023. The reported figures reflect the position at the stated dates or date of appointment if later/date of retirement if earlier.

Annual fees for year ending 31 March 2024

The table below sets out the fee rates for the Chair of the Board and Non-Executive Directors for the year ending 31 March 2024. The fees of the Chair and the base fees of the Non-Executive Directors have been increased by approximately 5%, being below the average of 5.7% awarded to colleagues. Fee levels for the Chair and Non-Executive Directors are assessed having regard to individual responsibility and fees paid to Non-Executive Directors in the wider FTSE 250.

	1 April 2022 to 31 March 2023 £	From 1 April 2023 (per annum) £
Chair fee	243,500	256,000
Non-Executive Director base fee	58,500	61,500
Senior Independent Director fee	10,000	10,000
Audit or Remuneration Committee Chair	12,500	12,500
Audit or Remuneration Committee Member	5,000	5,000
Nomination Committee Member	3,350	3,350

Governance

Directors' remuneration report continued

Other disclosures

Percentage change in Board remuneration vs Group employees

The table below shows the percentage change in remuneration/fees for the years ended 31 March 2021, 31 March 2022 and 31 March 2023 for each of the Directors who served during the year (including salary, taxable benefits and annual bonus) compared to that for an average Group employee.

	Base salary/fees			Taxable benefits[8]			Bonus[9]		
Name			Change			Change			Change
	2020/21	2021/22	**2022/23**	2020/21	2021/22	**2022/23**	2020/21	2021/22	**2022/23**
Average employee[1]	+5.1%	+3.2%	**+6.2%**	+4.1%	-20.1%	**-0.3%**	-17.5%	+71.3%[8]	**+13.5%**
Executive Directors									
Toby Courtauld	+1.5%	+1.5%	**+3.5%**	-3.6%	-38.5%	**0%**	-20.6%	+139.5%	**+19.5%**
Nick Sanderson	+1.5%	+1.5%	**+3.5%**	-22.7%	-12.5%	**+18.6%**	-15.7%	+125.5%	**+20.9%**
Dan Nicholson[2]	n/a	n/a	**+80.1%**	n/a	n/a	**+100.0%**	n/a	n/a	**+155.6%**
Non-Executive Directors									
Richard Mully (Chair)	-5.0%	0%	**+3.8%**	-100%	+100%	**+100%**	n/a	n/a	**n/a**
Charles Philipps[3]	-2.6%	0%	**+2.5%**	–	–	**–**	n/a	n/a	**n/a**
Mark Anderson[4]	n/a	n/a	**+75.6%**	n/a	–	**–**	n/a	n/a	**n/a**
Wendy Becker[5]	-9.2%	0%	**-72.2%**	–	–	**–**	n/a	n/a	**n/a**
Nick Hampton[6]	-4.2%	0%	**-1.3%**	-100%	–	**–**	n/a	n/a	**n/a**
Vicky Jarman[6]	-2.9%	0%	**+10.0%**	–	–	**–**	n/a	n/a	**n/a**
Champa Magesh[7]	–	–	**0.0%**	–	–	**–**	n/a	n/a	**n/a**
Alison Rose	-2.9%	0%	**+2.9%**	–	–	**–**	n/a	n/a	**n/a**
Emma Woods[4]	n/a	n/a	**+541.7%**	n/a	–	**–**	n/a	n/a	**n/a**

1. Based on all employees who were employed for the full consecutive financial years being compared. Average employee pay has been calculated on a full-time equivalent basis.
2. Dan Nicholson joined the Group in September 2021, part-way through the financial year. His remuneration in 2021/22 reflected this period of service, whereas his remuneration for 2022/23 was for a full year's service, explaining his large percentage increase over the two years.
3. Charles Philipps stepped down from the Board on 30 March 2023.
4. Mark Anderson and Emma Woods joined the Board on 1 September 2021 and 1 February 2022 respectively. Emma Woods succeeded Wendy Becker as Chair of the Remuneration Committee from 7 July 2022.
5. Wendy Becker stepped down from the Board on 7 July 2022.
6. Nick Hampton succeeded Charles Philipps as Senior Independent Director on 31 March 2023 and was succeeded by Vicky Jarman as Chair of the Audit Committee from 7 July 2022.
7. Champa Magesh joined the Board on 1 August 2022.
8. Taxable benefits from 31 March 2022, in line with the single figure table on page 123, have been updated to include: private medical insurance, membership subscriptions, travel expenses, luncheon vouchers, Employee Assistance Programme and entertainment. Prior years included death in service, life assurance and permanent health insurance which are not taxable benefits in line with HMRC guidelines.
9. Executive Directors have a higher proportion of their remuneration linked to variable pay and Company performance for greater alignment with shareholders. The percentage change in bonus payments will therefore fluctuate according to variable pay outcomes each year. The payout for the 2020/21 annual bonus financial measures was nil, resulting in the higher percentage change in bonuses for 2021/22.

Ten-year Chief Executive remuneration package

The table below shows the Chief Executive's remuneration package over the past ten years, together with incentive payout/vesting as compared to the maximum opportunity.

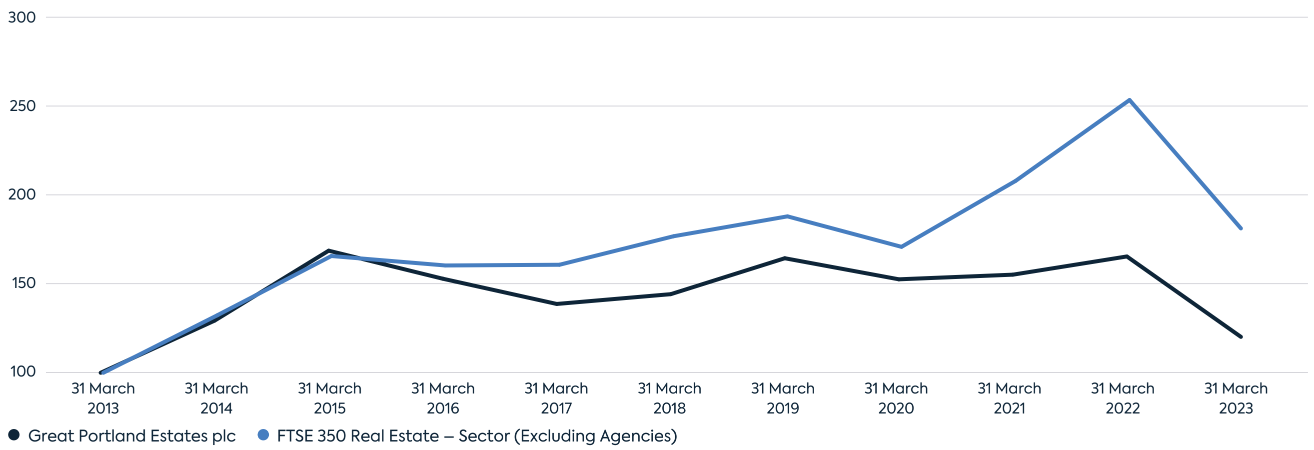
	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Single figure of total remuneration (£000)	3,409	3,689	2,650	1,402	1,174	905	1,599	984	1,425[1]	**1,417**
Bonus payout (as % of maximum opportunity)	100%	48%	100%	20%	37%	19%	31%	23.9%	56.3%	**65%**
Long-term incentive vesting rates (as % of maximum opportunity)	86%	81%	58%	33%	10%	0%	28.8%	0%	7.4%[1]	**0%[2]**

1. Re-stated to reflect the actual LTIP performance outcome of 7.41% as referred to in the single figure table on page 123. The figure provided in last year's Annual Report was disclosed on an estimated basis.
2. Based on estimated performance as at 22 May 2023.

Total shareholder return performance

The following graph shows the total shareholder returns for the Company for each of the last ten financial years compared to the FTSE 350 Real Estate Index (excluding agencies). The Company is a constituent of the FTSE 350 Real Estate Index and the Committee considers this benchmark to be the most appropriate for illustrating the Company's performance.

Total shareholder return over ten years (indexed)



Source: Refinitiv Datastream.

CEO pay ratio

Although the Company has fewer than 250 employees and is not, therefore, subject to any legal requirement to include such ratios, the Committee considers inclusion of the ratio to be reflective of best practice and includes this on a voluntary basis. The Committee notes the general preference of institutional shareholders for companies to use statutory Method A and prepared the calculations on that basis. However, for a company with a relatively small number of employees (139 as at 31 March 2023), the ratios can be unduly impacted by joiners and leavers who may not participate in the full suite of remuneration arrangements in the year of joining or leaving. Accordingly, the Committee modified the statutory basis to exclude any employee not employed throughout the financial year. In all other respects, Method A was followed so the following tables refer to modified Method A being adopted.

The Company believes that a bias towards variable pay for senior executives is the most appropriate means of both incentivising the senior executives and aligning them with shareholders. The ratios will therefore fluctuate according to variable pay outcomes each year. An estimated nil vesting of the 2020 LTIP in 2022/23 compared with a 7.41% vesting of the 2019 LTIP in 2021/22 has reduced the ratios for 2022/23.

Ratio of the pay of the Chief Executive to that of the UK lower quartile, median and upper quartile employees

		Pay ratio		
Year	Method	25th percentile	50th percentile (median)	75th percentile
31 March 2023	Modified Method A	18.0:1	12.6:1	6.7:1
31 March 2022	Modified Method A	19.9:1	15.4:1	7.2:1
31 March 2021[1]	Modified Method A	15.1:1	11.2:1	5.8:1
31 March 2020	Modified Method A	24.1:1	18.2:1	8.7:1
31 March 2019	Modified Method A	14.2:1	9.3:1	5.7:1

1. The 2022 ratios have been updated to reflect the actual vesting outcome of the 2019 LTIP awards at 7.41%.

Additional information on the ratio of the pay of the Chief Executive to that of employees

- Employee pay data is based on full-time equivalent pay for UK employees as at 31 March 2023. For each employee, total pay is calculated in line with the single figure methodology (i.e. fixed pay accrued during the financial year and the value of performance-based incentive awards vesting in relation to the performance year).
- Employee pay data excludes leavers and joiners to help ensure data is on a like-for-like basis. No other calculation adjustments or assumptions have been made.
- Chief Executive pay is as per the single total figure of remuneration for 2023, as disclosed on page 123.
- The 2023 ratio will be re-stated in the 2024 Directors' remuneration report to take account of the final LTIP vesting data for eligible employees and for the Chief Executive.

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The Committee has considered the pay data for the three individuals identified for 2023 and believes that it fairly reflects pay at the relevant quartiles among the UK employee population. Each of the individuals identified was a full-time employee during the year and received remuneration in line with the Policy.

Salary and total remuneration used to calculate the pay ratio

	Chief Executive £000	25th percentile £000	50th percentile (median) £000	75th percentile £000
Total salary	646	56	77	120
Total remuneration (single figure)	1,417	79	113	212

Employee Share Trust

Upon the vesting of share awards, shares used to satisfy awards under the LTIP and Deferred Share Bonus Plan are transferred out of the Great Portland Estates plc LTIP Employee Share Trust (the Trust), a discretionary trust established to facilitate the operation of the Company's share plans. The shares to satisfy vested awards have been purchased by the Trustees of the Trust in the open market. The number of shares held by the Trust as at 31 March 2023 was 877,159 (2022: 877,335).

Dilution

The Company currently funds the Trustees to purchase all of the shares required to satisfy awards under the Company's share plans and no shares have been issued to satisfy any grants made in the last ten years. However, if the Company decided to issue new shares to meet these awards, the Company would operate all of its share incentive arrangements within The Investment Association (IA) Guidelines on dilution. The following table sets out the level of dilution against the IA limits for all share plans and discretionary plans in respect of the outstanding awards should the Company issue shares rather than use purchased shares held in Trust.

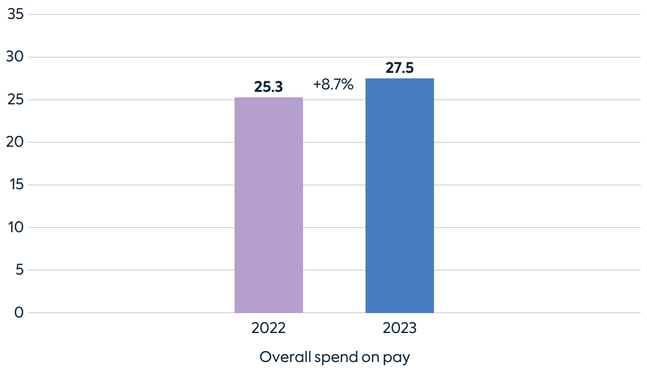
Maximum	As at 31 March 2023[1]
10% dilution in ten years (all plans)	2.03%
5% dilution in ten years (discretionary plans)	1.99%

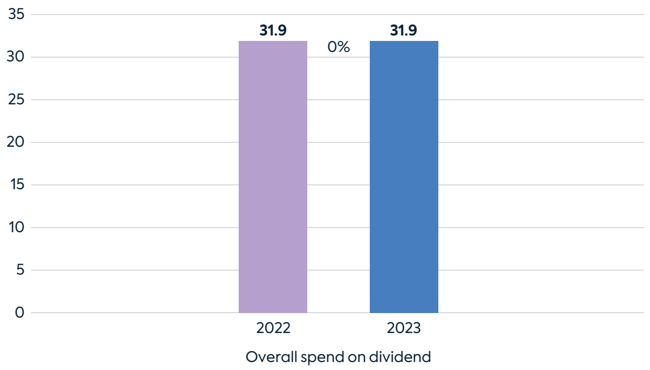
1. This figure shows the number of shares required to satisfy all outstanding awards as at 31 March 2023 as a percentage of the Company's issued share capital were these to be satisfied by the issue of new shares. This does not include vested awards that have been satisfied using market purchased shares.

Relative importance of spend on pay

The table below sets out the relative importance of spend on pay in 2022 and 2023:

Relative importance of spend on pay £m





Committee advisers

The Committee is satisfied that the advice received from FIT Rem is independent and objective as FIT Rem complies with the Code of Conduct for Remuneration Consultants (which can be found at **www.remunerationconsultantsgroup.com**) and provides no other advice to the Group. FIT Rem's fees for the year to 31 March 2023 were £112,056 (2022: £68,137) which were charged on its normal terms.

Independent and objective performance certificates are provided to the Committee by:

- Aon Hewitt on measurement of TSR performance targets for the LTIP and 2022/23 Annual Bonus Plan awards together with IFRS 2 calculations. Fees paid to Aon Hewitt in respect of this were £12,500. Aon Hewitt also provides gender pay gap assistance to the Group and fees paid in relation to this totalled £8,000; and
- Morgan Stanley Capital International (MSCI) on measurement against its property benchmark, for the Executive and Employee Annual Bonus Plan and measurement of TPR performance targets for the LTIP awards as part of its MSCI membership. Fees paid in relation to this membership totalled £41,949.

Statement of voting at the AGM

The following table shows the results of:

- the advisory vote on the Directors' remuneration report at the 7 July 2022 AGM; and
- the binding vote on the Directors' remuneration policy commencing from the 24 July 2020 AGM.

It is the Committee's policy to consult with major shareholders prior to any major changes to its Executive remuneration.

	For	Against	Abstentions
2022 Directors' remuneration report	190,081,568 (94.56%)	10,945,612 (5.44%)	1,438,293
2020 Directors' remuneration policy	200,319,758 (98.77%)	2,493,248 (1.23%)	7,049

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 6 July 2023, the date of the next AGM. Until such approval, the current remuneration policy, which was approved by shareholders at the 2020 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 2023 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 01 to 78.

The Rumeneration 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.

The key changes are highlighted in the final column in the table. In addition, the good leaver provisions for the annual bonus have been adjusted to reflect normal practice and the malus provisions updated to include corporate solvency, administration or failure.

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 Remuneration Committee (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. £874,600).	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: – is 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 current Executive Directors receive a contribution or cash equivalent equal to 15% of base salary which is aligned with the average rate for all employees. 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). The contribution rate for Executive Directors may change in line with increases for employees generally.	Not applicable.	Updated to reflect alignment of pension rates with employees generally.

Directors' remuneration policy continued

Executive Director remuneration continued

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 drive and 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 Deferred Share Bonus Plan (the DSBP) and normally for three years. 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; and malus only where there are sufficiently exceptional circumstances which impact the reputation of the Company, where there was a material error in determining the grant, size or nature of an award or in the event of corporate insolvency, administration or failure. 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 50% of the bonus will be linked to financial measures. The balance will be linked to personal or strategic objectives (including ESG factors). In addition, at least 80% of the total bonus opportunity 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 2023/24 are set out on page 121.	Changed the weightings of the bonus measures to better align with the evolution of the Company's strategic priorities.
Grants under the Restricted Share Plan (RSP)	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 KPI of achieving sustained share price growth through ensuring that a significant proportion of executive reward is delivered in shares, thereby aligning their reward with shareholder returns.	The Company is seeking shareholder approval for the RSP at the 2023 AGM. If approved, initial grants will be made shortly following the AGM in July 2023. The RSP will have an initial ten-year term. Participants are eligible to receive a conditional annual allocation of shares or nil price options (restricted 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 a three-year underpin period. Awards will typically be structured as nil cost options exercisable from the end of the holding period although the plan may permit earlier exercise following the third anniversary of grant if the resulting (net of tax) shares are similarly locked up for 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, where there was a material error in determining the grant, size or nature of an award or in the event of corporate insolvency, administration or failure. Awards under the RSP may be adjusted to reflect the impact of any variation of share capital. **Quantum** The Committee reviews the quantum of awards annually.	Up to 150% of salary.	The nature of RSPs is to deliver a lesser level of award (150% of salary compared with historic grant levels of 300%) in return for the greater likelihood of vesting. There is, therefore, a clear default to vesting. Nonetheless, the Committee is keen to avoid payments for failure and will consider the application of an underpin at the third anniversary of grant whereby it may reduce vesting levels (including to zero) where it considers that to be appropriate in all the circumstances (the underpin). Without limitation, it may reduce vesting levels where any of the following occur: – breach of the financial covenants of the Group's principal debt facilities; – failing to make satisfactory progress in delivering our Sustainability Statement of Intent; and – there being material damage to the reputation of the Company. The Committee retains the ability to adjust the underpin 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.	Introduction of RSP.

Directors' remuneration policy continued

Executive Director remuneration 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. Shareholders have also 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.	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. Executive Directors are 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, LTIP and RSP awards granted after the 2020 AGM (unless the Committee no longer considers it necessary). Shares retained following vesting of LTIP and/or DSBP and/or RSP awards granted after the 2020 AGM will be held in escrow to enable enforcement of post-cessation share ownership guidelines.	Not applicable.	Not applicable.	No changes.

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 or key performance indicators at the time. Relative measures will be assessed against appropriate comparators.

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 measures applicable to the 2023/24 financial year are set out on page 121. As referred to in the Committee Chair'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 will receive RSP 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) 15% 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, RSP (and deal with legacy LTIP awards) 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 as 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 the 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 128 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).

Directors' remuneration policy continued

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 Chair of the Board and the Executive Directors are responsible for setting the remuneration of the Non-Executive Directors, other than the Chair 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 approved by shareholders in accordance with the Articles of Association, which is currently £1,000,000. In the normal course, the Committee would generally consider awarding the Chair (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 2023/24 fee levels are set out on page 131.	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 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 RSP 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 150% of salary under the RSP. 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 Executive 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 of the contract.

Non-Executive Directors, who have letters of appointment, are subject to annual re-election under the Company's Articles of Association 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
Dan Nicholson	30 July 2021	12

Non-Executive	Date of appointment letter	Date when next subject to appointment or re-election
Richard Mully	12 October 2016	6 July 2023
Nick Hampton	28 September 2016	6 July 2023
Alison Rose	4 April 2018	6 July 2023
Vicky Jarman	22 January 2020	6 July 2023
Mark Anderson	30 July 2021	6 July 2023
Emma Woods	25 January 2022	6 July 2023
Champa Magesh[1]	6 June 2022	6 July 2023

1. Champa Magesh was appointed to the Board on 1 August 2022 and will be subject to election at the next AGM on 6 July 2023.
2. Alison Rose will be stepping down from the Board from the conclusion of the 2023 AGM and will not be putting herself forward for re-election.

Directors' remuneration policy continued

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 in 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. Compensation in lieu of notice to Dan Nicholson, payable at the Company's discretion, is 12 months' basic salary and the value of contractual benefits that would have been payable during the shorter of the minimum applicable notice period and any unexpired period of notice. In each case, the Company may elect to pay the compensation in lieu of notice in equal monthly instalments. Each individual is under a duty to mitigate against any payment in lieu of notice by seeking alternative employment or engagement and the Company has the right to reduce any payment in lieu of notice in given circumstances.

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, RSP, 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.	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) and Restricted Share Plan (RSP)	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 and RSP, on a change of control, vesting will occur immediately. Performance against targets and/or the underpin 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.
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, RSP, DSBP, SIP and SAYE are those leaving under specified conditions as set out below.

Annual Bonus Plan, LTIP and RSP:
- 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', except 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.

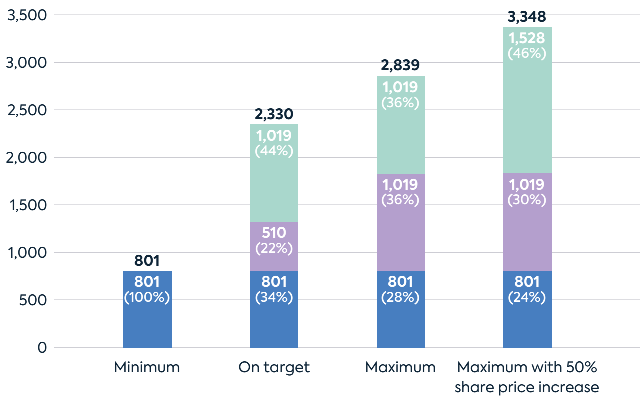
** Bad leavers are those leavers who are not good leavers.

Directors' remuneration policy continued

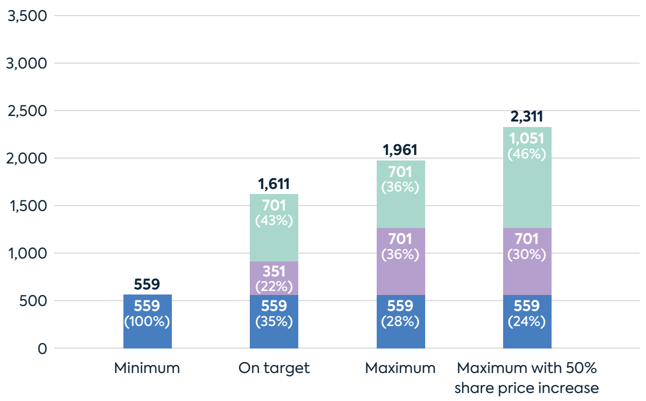
Executive Director remuneration scenarios based on performance

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 2024. It should be noted that the projected values exclude the impact of any dividend accrual.

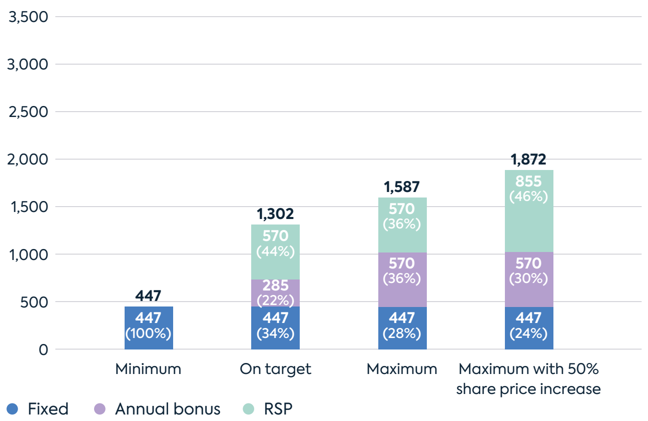
Chief Executive £000



Chief Financial & Operating Officer £000



Executive Director £000



Consideration of remuneration of other employees

The Committee seeks to apply consistent principles of remuneration across the organisation and takes into account wider employee pay and conditions when determining the remuneration of the Executive Directors. As part of the annual pay review, the Committee receives a report setting out changes to all employee remuneration levels and proposed discretionary bonus awards. The Company also discusses gender pay gap statistics alongside its diversity and inclusion objectives. Details regarding the broad operation of the Company's remuneration policy and principles for all employees and the Executive Directors can be found on pages 116 and 122.

The Company engages with employees on remuneration generally, including executive remuneration. As part of the new Policy review, the Remuneration Committee Chair held an interactive all-employee session in March 2023 to discuss the proposed changes to the Policy. Further details regarding employee engagement on remuneration matters can be found on page 116. The Committee is advised of pay levels throughout the Group and specifically approves the packages of more senior colleagues. In considering the position, it is advised of benchmark pay levels for most roles.

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 2023 remuneration policy has been subject to thorough consultation with our major shareholders and the main proxy voting advisers.

Deliberation and process

The Committee ensures it seeks independent advice as appropriate, and the Committee also has access to the HR Director and General Counsel & Company Secretary 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 6 July 2023.

Approved by the Board on 24 May 2023 and signed on its behalf by:

Emma Woods
Chair of the Remuneration Committee
24 May 2023

Report of the Directors

Strategic Report

The Group's Strategic Report on pages 01 to 78 includes the Company's business model and strategy, the principal risks and uncertainties facing the Group and how these are managed and mitigated, an indication of likely future developments in the Company and details of important events since the year ended 31 March 2023.

The purpose of the Annual Report is to provide information to the members of the Company, as a body. The Company, its Directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. The Annual Report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report. Nothing in this Annual Report should be construed as a profit forecast.

Results and dividends for the year

The Group's results for the year are set out on pages 152 to 178. An interim dividend of 4.7 pence per share (2022: 4.7 pence) was paid on 4 January 2023, and the Directors propose to pay a final dividend of 7.9 pence per share on 10 July 2023 to shareholders on the register of members as at the close of business on 2 June 2023. This makes a total of 12.6 pence per share (2022: 12.6 pence) for the year ended 31 March 2023.

Directors

Biographical details of the current Directors of the Company are shown on pages 84 and 85. Charles Philipps stepped down from the Board on 30 March 2023 and was succeeded as Senior Independent Director by Nick Hampton. Wendy Becker also served as a Director during the year under review, stepping down from the Board on 7 July 2022.

In accordance with the UK Corporate Governance Code, all the current Directors will retire, and those who wish to continue to serve will offer themselves for election or re-election at the forthcoming Annual General Meeting (AGM). Alison Rose will be stepping down from the Board from the conclusion of the AGM to focus on her other commitments.

Directors' shareholdings

The interests of the Directors of the Company (and of their connected persons) in the shares of the Company, which have been notified to the Company in accordance with the UK Market Abuse Regulation, are set out in the Directors' remuneration report on pages 129 and 131. The Directors' remuneration report also sets out details of any changes in those interests between 31 March 2023 and 22 May 2023.

Directors' indemnities and insurance

On 14 September 2007, an indemnity was given by the Company to the Directors in terms which comply with company law. The indemnity was in force during the year and remains in force at the date of this Report of the Directors.

The Company maintains directors' and officers' liability insurance and pension trustee liability insurance, both of which are reviewed annually.

Directors' powers

The powers of the Directors are contained in the Company's Articles of Association. These include powers, subject to relevant legislation, to authorise the issue and buyback of the Company's shares by the Company, subject to authority being given to the Directors by the shareholders in a general meeting.

Appointment and replacement of Directors

The rules about the appointment and replacement of Directors are contained in the Company's Articles of Association. Under the Articles of Association, every Director who held office on the date seven days before the date of notice of the AGM shall retire from office. A retiring Director shall be eligible for re-election at the AGM, and a Director who is re-elected will be treated as continuing in office without a break. This is in line with the UK Corporate Governance Code, which recommends that all Directors should be subject to annual re-election.

Changes to the Articles of Association must be approved by the Company's shareholders in accordance with legislation in force from time to time.

Corporate governance statement

The information fulfilling the requirements of the corporate governance statement can be found in this Report of the Directors and on pages 79 to 146, all of which are incorporated into this Report of the Directors by reference.

Political donations

It is the Company's policy not to make political donations or undertake any activities incurring political expenditure.

Annual General Meeting

Details of the Company's AGM can be found in the Notice of AGM 2023, which will be made available on the Company's website at **www.gpe.co.uk/investors/shareholder-information/agmgm**

Additional disclosures

Disclosures required by Schedule 7, Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), to the extent not already disclosed or referred to in this Report of the Directors, can be found on the following pages, all of which are incorporated into this Report of the Directors by reference:

	Page/s
Financial instruments	159, 172 to 174
Greenhouse gas emissions, energy consumption and energy efficiency action	37 to 53
Engagement with suppliers, customers and others	38, 40, 42, 43, 58 to 62 89 to 93
Research and development	01, 10, 14, 22 to 24, 26, 27 38 to 42, 45, 58 to 59

Disclosures required by the Financial Conduct Authority's Listing Rule 9.8.4R can be found on the following pages:

	Page/s
Capitalised interest	161 and 166
Waiver of dividends	148

The Directors' responsibilities statement is on page 150 and is incorporated into this Report of the Directors by reference. The 'Other information' found on pages 196 to 204 is also incorporated into this Report of the Directors by reference.

Significant shareholdings

As at 31 March 2023, the Company had been notified, in accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (DTR 5), of the following interests in the voting rights in its ordinary share capital:

	Number of voting rights[1]	%[1]	Nature of holding[1]
Norges Bank Investment Management	38,089,719	15.00	Direct
T. Rowe Price Associates, Inc.	33,008,070	13.00	Indirect
BlackRock Inc.	22,925,274	9.03	Indirect
	2,464,078	0.97	Financial instruments
KKR Investment Management LLC	13,579,569	5.35	Indirect

1. As at date of notification.

In the period from 31 March 2023 to 22 May 2023, the Company received a further notification from T. Rowe Price Associates, Inc. disclosing that its indirect holding had decreased to 32,997,865 ordinary shares (12.99% of the total voting rights in the Company).

Information provided to the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules is publicly available via the regulatory information service and on the Company's website.

Share capital and control

As at 31 March 2023, the issued share capital of the Company was 253,867,911 (2022: 253,867,911) ordinary shares of 15⁵⁄₁₉ pence each, all fully paid up and listed on the London Stock Exchange.

At the 2022 AGM, shareholders authorised the Company to make market purchases of up to 38,054,799 ordinary shares of 15⁵⁄₁₉ pence each, representing 14.99% of the issued share capital of the Company as at 26 May 2022, such authority to expire at the earlier of the conclusion of the 2023 AGM or 1 October 2023. No shares were purchased under that authority during the financial year. The Company is seeking to renew the authority at the forthcoming AGM, within the limits set out in the Company's Notice of AGM 2023.

There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which financial rights are held by a person other than the holder of the shares and no known agreements on restrictions on share transfers and voting rights. The Great Portland Estates plc LTIP Employee Share Trust (the Trust) is an employee share scheme which holds ordinary shares in the Company on trust for the benefit of employees within the Group. The Trustee of the Trust has the power to exercise all the rights and powers (including rights with regard to control of the Company) incidental to, and to generally act in relation to, the ordinary shares subject to the Trust in such manner as the Trustee in its absolute discretion thinks fit as if it were absolutely entitled to those ordinary shares. The Trustee has waived the right to receive dividends on the shares held in the Company.

Change of control

The Company has a number of unsecured borrowing facilities provided by various lenders. These facilities generally include provisions that may require any outstanding borrowings to be repaid or the alteration or termination of the facilities upon the occurrence of a change of control of the Company. The Company's Long Term Incentive Plan, Deferred Share Bonus Plan and Annual Bonus Plan contain provisions relating to the vesting of awards in the event of a change of control.

Going concern

The Group's business activities, together with the factors affecting its performance, the impact of recent macro-economic uncertainty and weak UK growth, are set out in the Strategic Report on pages 01 to 78. Details of the finances of the Group, including its strong liquidity position, attractively priced borrowing facilities and favourable debt maturity profile, are set out in 'Our financial results' on pages 30 to 33, including 'Our capital strength' on page 32 and in notes 8, 15 and 16 of the financial statements on pages 156 to 178.

The Directors have reviewed the current and projected financial position of the Group, making reasonable assumptions about future trading performance, with particular focus on macro-economic conditions in which the Group is operating, including weak UK growth, the ongoing economic disruption from geopolitical tensions, a high inflationary environment and elevated interest rates. This included a going concern scenario to consider the impact of market disruption on the Group's cash balances, its capital commitments, its debt maturity profile, including undrawn facilities and the long-term nature of customer leases. The Directors also conducted extensive stress testing, including sensitising significant increases in the cost of development to meet sustainability requirements as detailed further in the viability statement. Further information on the assumptions contained in the going concern scenario is on page 78. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Viability statement

The Company's viability statement is on page 78.

Statement as to disclosure of information to the auditor

So far as the Directors who held office at the date of approval of this Report of the Directors are aware, there is no relevant audit information of which the auditor is unaware and each Director has taken all steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the Board

Darren Lennark
General Counsel & Company Secretary

Great Portland Estates plc
Company number: 596137
24 May 2023

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in conformity with the requirements of the Companies Act 2006 and UK adopted international accounting standards, and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

This responsibility statement was approved by the Board of Directors and is signed on its behalf by:

Toby Courtauld
Chief Executive
24 May 2023

Nick Sanderson
Chief Financial & Operating Officer
24 May 2023