REMUNERATION

Our approach to Remuneration is designed to be simple and transparent and to support the Company’s strategy, values, and our purpose to give businesses the freedom to grow.

Remuneration for 2023 has been framed by the Company’s excellent operational performance and the broader stakeholder experience.

Lesley-Ann Nash
Chair of the Remuneration Committee

QUICK LINKS

REMUNERATION CONTINUED

MEMBERSHIP AND ATTENDANCE AT REMUNERATION COMMITTEE MEETINGS

The Committee consists of Non-Executive Directors and is chaired by Lesley-Ann Nash. Details of individual attendance at the meetings held during the year are set out below. More information on the skills and experience of all Committee members can be found on pages 115 to 116.

	Member since	Meetings attended
Lesley-Ann Nash (Chair)	**2021**	**6**/6
Stephen Hubbard	**2014**	**6**/6
Rosie Shapland	**2020**	**6**/6

Support for the Remuneration Committee
During the year, we sought external support from PwC and internal support from the CEO, whose attendance at Committee meetings was by invitation from the Chair, to advise on specific questions raised by the Committee and on matters relating to the performance and remuneration of the senior management team. The Company Secretary attended each meeting as Secretary to the Committee. No Director was present for any discussions that related directly to their own remuneration.

KEY TOPICS CONSIDERED BY THE COMMITTEE DURING THE YEAR

Remuneration Policy (the 'Policy') 2023
As part of the triennial review of the Directors' Remuneration Policy, the Committee undertook a review of the remuneration arrangements for the Executive Board Directors. This included a review of our key remuneration principles and a review of the current policy in order to agree initial proposals for the new Policy. Shareholders and proxy agencies were approached and consulted, with feedback reviewed and responded to by the Committee (further details can be found on page 190). The proposals were put forward and the changes were approved by the Committee.

Wider workforce remuneration
The Committee reviewed wider workforce remuneration arrangements and took these into account when reviewing remuneration for the Executive Directors. One particular area of focus during the year was the Committee's approval of management proposals for staff in response to the increased cost of living.

Executive and senior management remuneration framework
The Committee reviewed annual bonus outcomes for 2021/22 and reviewed performance outcomes under the 2019 LTIP. The Committee also set performance metrics and targets for the 2022/23 annual bonus, including appropriate sustainability and ESG metrics, and approved the 2022 LTIP awards. This year included a review of performance metrics for 2023/24 incentives against our strategy, including ESG, and a review of annual monitoring of shareholding guidelines.

Reflecting ESG targets under the annual bonus and the LTIP
The Committee approved appropriate sustainability metrics in both the annual bonus for 2022/23 and for the 2023 LTIP grant.

Gender Pay Gap
2022 was the first year in which we met the requirement regarding employee numbers to publish our gender pay gap. The Committee received a presentation from Human Resources which outlined our gender pay gap and this was published in March 2023.

Committee Governance
The Committee considered key executive remuneration trends and market practice including updates on the current executive pay environment, shareholder guidelines and corporate governance. A review of the results of the internal performance evaluation of the Remuneration Committee was conducted as well as a review of the Committee terms of reference. During the year, the Committee approved the Directors' Remuneration Report; Directors' Remuneration Policy; and Gender Pay Gap Report.

REMUNERATION CONTINUED

Aligning our purpose and strategy with our remuneration principles and the experience of all our stakeholders

OUR PURPOSE, STRATEGY AND STAKEHOLDERS

Stakeholder experiences in 2023
Pages 181 to 182 and 184

OUR KEY REMUNERATION PRINCIPLES

Alignment with our strategy and purpose	Workspace has worked hard to articulate and define our purpose, alongside our established values and corporate strategy. Our remuneration is aligned with the Group's objectives and long-term strategy through a mix of short and long-term performance metrics. This aligns with the 'alignment to culture' principle under Provision 40 of the UK Corporate Governance Code.
A focus on risk	A significant part of an Executive's reward is linked to performance with a clear line of sight between business performance and the delivery of Shareholder value. Performance measures applicable to the 2023 LTIP grant have been reviewed and are based on a combination of financial, share price, ESG and strategic measures aligned with the Company's strategic plan. This aligns with the 'risk' and 'proportionality' principles under the UK Corporate Governance Code.
Acting in a sustainable way	Incorporating ESG into our incentive arrangements strongly aligns to the sustainability pillar of our strategy. Staying ahead of the sustainability curve and delivering on our net zero carbon commitments is a fundamental part of Workspace's long-term strategy. This aligns with the 'alignment to culture' principle under Provision 40 of the UK Corporate Governance Code.
Transparency and simplicity for the benefit of all our stakeholders	The Committee seeks to embed simplicity and transparency in the design and delivery of Executive reward. The remuneration structure is simple to understand for both participants and Shareholders and is aligned to the strategic priorities of the business. This aligns with the 'clarity', 'simplicity' and 'predictability' principles under Provision 40 of the UK Corporate Governance Code.
Consistency of application	Short and long term incentive plans, operated across the organisation, reward the delivery of the business strategy. A high percentage of rewards are delivered in the form of equity, meaning that Executives are strongly aligned with Shareholders. Executives are also required to build significant shareholdings in Workspace. This aligns with the 'risk' principle under Provision 40 of the UK Corporate Governance Code.

REMUNERATION CONTINUED

Remuneration Committee Chair's letter

29%
INCREASE IN TRADING PROFIT AFTER INTEREST

20%
INCREASE IN DIVIDEND PER SHARE

84%
CUSTOMER SATISFACTION

Lesley-Ann Nash
Chair of the Remuneration Committee

> Our key priorities as a Remuneration Committee are to ensure that remuneration arrangements attract and retain a high-calibre team of Executive Directors and senior management and to offer them every encouragement to successfully deliver our strategy and to create shareholder value in a sustainable and responsible manner

Gender pay gap report >
Page 124

Dear shareholder,

As Chair of the Remuneration Committee and on behalf of the Board, I am pleased to present our 2023 Remuneration Report.

The report is split into:
- Remuneration at a glance: highlighting how executive pay, simply and transparently, incentivises delivery of our strategy and promotion of our values – pages 185 to 188
- Our new Directors' Remuneration Policy that will be put to shareholders at our 2023 AGM – pages 189 to 196
- Annual Report on Directors' remuneration explaining how our policy aligns with our objectives and strategy including the implementation of pay for 2023/24 – pages 197 to 211

We as a Committee are highly conscious of our role in underpinning the Company's ability to develop long-term value for all stakeholders and none more so than at a time of significant economic uncertainty. The Committee continues to be guided by its key principles which are detailed on page 180.

Business performance
This year has seen market volatility persist with increases in interest rates against a backdrop of slow global growth and the ongoing conflict in Ukraine. The increases of interest rates has affected most real estate markets globally resulting in higher yields and correspondingly lower values. This economic environment is a challenge for the real estate sector and only agile businesses which continue to evolve and provide excellent operational performance will succeed.

Despite these challenges facing the market, Workspace has made good progress against its strategic priorities and key performance indicators. A strong trading performance during the year resulted in a 29% increase in trading profit alongside a 34% increase in net rental income. This has been fuelled by resilient levels of customer demand, as our flexible offer is an increasingly attractive option for successful innovative businesses in London's SME community. The increased interest rates, in the case of Workspace, have therefore been largely offset by our improved ability to drive higher levels of occupation through operational excellence.

The integration of McKay has also been a focus for Workspace over the year. We have successfully completed the operational integration of the McKay portfolio. We continue to make progress in our plan to add value to the portfolio by adapting the former McKay buildings to fit our strategy, rolling out our flexible lease offer. We have also now disposed of the majority of the non-core McKay assets. Initial delays did however mean the sales were a significant challenge for the management team, against the negative backdrop of rising interest rates and reduced investor confidence.

Notwithstanding the above, we remain mindful that the negative valuation change has resulted in a falling EPRA NAV per share of 6.2% for shareholders. We are aware of the challenges our customers and business partners are facing in the current economic environment. Therefore, we must remain focused on continuously offering good value and great service.

The experience of our stakeholders
We as a Committee actively considered various aspects of the wider context in reviewing outcomes for the 2022/23 remuneration of our Executive Directors, including the experience of all the Company's stakeholders during the year, such as our employees, customers and suppliers.

REMUNERATION CONTINUED
REMUNERATION COMMITTEE CHAIR'S LETTER CONTINUED

We remained mindful of the pressures and challenges faced by many of our employees in the current economic climate. As part of this, the Company determined that our 2023/24 staff salaries would increase by 6%, with a minimum uplift of £3,000 for staff earning below £50,000, as well as that payment being accelerated to April. More information about other benefits that are offered to employees can be found on page 198.

This year we also published our inaugural gender pay gap report which can be found on our website. The Board and the Committee are fully committed to effectively promoting diversity throughout the business as an integral part of our corporate culture and purpose. We are fully aware that a diverse workforce that brings an appropriate balance of skills, experience and knowledge, as well as fresh perspectives, enriches our business and contributes to our long-term success.

A summary of how the remuneration outcomes align with the experience of our other stakeholders is set on page 184.

Remuneration outcomes in 2022/23
After very careful consideration, and taking into account all relevant factors as described and detailed throughout this Annual Report, the Committee took the following decisions in respect of remuneration for the Executive Directors:

Base salary
Executive Directors will receive a base salary increase of 3% which is below the level awarded to the wider workforce (as set out above), and this will take effect from 1 April 2023.

Annual bonus 2022/23
Despite the challenges facing the market, it has been a productive year across the Company. We delivered a strong trading performance in the year leading to above target outcomes under this measure of the bonus. With ESG at the top of the Company's agenda, we have made real progress against a number of objectives set in this area.
We are also pleased to report various achievements under our strategic financial and operational efficiency metrics, including the delivery of integration cost savings from the McKay acquisition and successful integration of McKay's staff and processes. This detail is set out on page 204.

As a result, the formulaic outcome under the bonus was 89% of maximum (106.4% of salary).

The Committee assessed the outcome in the context of ensuring it is reflective of corporate performance as well as the experience and expectation of shareholders. The Committee has decided to use its discretion to apply a reduction to the overall bonus outturn for the CEO of 20% of salary. This results in a bonus outcome of 72% of maximum (86.4% of salary) for the CEO.

This equates to £448,589 for Graham Clemett and £380,167 for Dave Benson. Of the bonus award, 33% will be deferred in shares for three years under the Deferred Bonus Plan.

Vesting of 2020 Long Term Incentive Plan
The LTIP awards granted to Graham Clemett and Dave Benson in 2020 were subject to performance conditions measured over the three financial years from 1 April 2020 to 31 March 2023. The vesting of 50% of the awards was subject to Total Shareholder Return (TSR) performance relative to FTSE 350 real estate companies (excluding agencies), with the remaining 50% subject to Total Property Return (TPR) versus the IPD Benchmark.

Having tested the performance conditions, TPR performance was above upper quartile, meaning this element vested in full. Therefore, the overall formulaic outcome is 50%.

SUMMARY OF EXECUTIVE DIRECTORS' TOTAL REMUNERATION
The tables below set out a single figure for the total remuneration received by each Executive Board Director for the year ended 31 March 2023. The full table can be found on page 200.

GRAHAM CLEMETT
Chief Executive Officer

		2022/23 £000
FIXED PAY	BASE SALARY	519.2
	PENSION[1]	51.9
	BENEFITS[2]	22.5
	TOTAL FIXED	593.6
VARIABLE PAY	ANNUAL BONUS[3]	448.6
	LTIP[4,5]	391.1
	OTHER – SAYE, SIP	0
	TOTAL VARIABLE	839.7
TOTAL		1,433.3
OF WHICH SHARE PRICE GROWTH		£0

DAVE BENSON
Chief Financial Officer

		2022/23 £000
FIXED PAY	BASE SALARY	357.3
	PENSION[1]	35.2
	BENEFITS[2]	0
	TOTAL FIXED	392.5
VARIABLE PAY	ANNUAL BONUS[3]	380.2
	LTIP[4,5]	269.1
	OTHER – SAYE, SIP	0
	TOTAL VARIABLE	649.3
TOTAL		1,041.8
OF WHICH SHARE PRICE GROWTH		£0

1. Pension: During 2022/23 each of Messrs Clemett and Benson received a cash allowance in lieu of pension contribution.
2. Benefits: Taxable value of benefits received in the year by Executive Directors includes a car allowance, private health insurance and death in service cover.
3. Annual bonus: This is the total bonus earned in respect of performance during the relevant year. For 2022/23, the Committee set a minimum deferral requirement of 33% of the bonus earned. For 2022/23, this deferral was equivalent to £148,034 for Mr Clemett and £125,455 for Mr Benson.
4. None of the LTIP single figure is attributable to share price growth.
5. The 2022/23 figure includes the estimated value of 50% of the 2020 LTIP shares that vested based on performance to 31 March 2023. The share price used is the three-month average to 31 March 2023 of £4.88. This will be updated in next year's report to reflect the share price on the date of vesting. As allowable under the relevant plan rules and approved Policy, the Committee determined that dividend equivalents are payable under the 2020 LTIP award – this figure therefore includes the value of dividend equivalents accrued on the shares that are vesting over the relevant performance period.

REMUNERATION CONTINUED
REMUNERATION COMMITTEE CHAIR'S LETTER CONTINUED

This equates to a total of £391,084 for Graham Clemett and £269,114 for Dave Benson (these figures include dividend equivalents). The net vested shares will be subject to a two-year holding period.

The Committee considered that the LTIP performance outturns were fair and reasonable relative to the financial performance of the business and also stakeholder experience.

As disclosed in our 2020 Directors' Remuneration Report, the Committee was mindful of the context prevailing on grant of the 2020 LTIP awards. We concluded that the awards would be granted on the normal timetable but committed to remaining mindful of guarding against windfall gains as a result of share price movements over the period. Taking into consideration a number of factors, including the current share price compared to that at the time of the grant and share price movements over the period, the Committee has concluded that participants will not benefit from a windfall gain on the 2020 LTIP awards and therefore has determined that no adjustment is required.

Proposed changes to the Directors' Remuneration Policy
Our current Directors' Remuneration Policy was approved by shareholders at our 2020 AGM with a vote in favour of 99.54%. In line with the regulatory timeline for Policy reviews, we will be seeking shareholder approval for a new Policy at our AGM in July this year.

Having carried out a detailed review, the Remuneration Committee believes that whilst our current Policy has worked well for us and our stakeholders and remains strategically aligned, the review provides us an opportunity to further enhance this alignment with limited change in a couple of areas.

As part of the Policy review, the Committee completed a comprehensive programme of shareholder engagement to ensure their views were reflected in the new Policy and I would like to thank them for their highly valued time. I outline a summary of the key changes here, and the full Policy is on pages 189 to 196.

Maximum annual bonus opportunity for the CEO
The outcome of our Policy review this year determined that, whilst the measures and structure of our annual bonus Policy remain fit for purpose, the current opportunity for the CEO is materially behind that of companies within the FTSE 250 and the FTSE 350 real estate sector.

Whilst the Committee does not solely base the remuneration of Workspace on the comparison with its peers, it is essential that the CEO package remains competitive in the context of a complex and growing business such as Workspace. As such, we are proposing to increase the maximum bonus opportunity for the CEO from 120% to 150% of salary.

This change enhances the portion of the CEO's total remuneration that is subject to stretching performance targets, ensuring Workspace rewards for strong business performance.

The CFO's maximum bonus opportunity will remain at 120% of salary.

The current annual bonus deferral of 33% of the award into shares for three years will be retained, which alongside the CEO's shareholding requirement of 200% of salary, ensures full alignment with the experience of shareholders.

LTIP performance measures
For the past five years, awards granted under the LTIP have been subject to TSR and TPR performance measures with equal weighting. Following careful consideration, we are proposing to remove TPR from the LTIP and introduce three new measures to better align our LTIP with our strategic priorities. No changes are proposed to the existing TSR measure.

The proposed LTIP measures and weightings for the 2023 LTIP grant are:
- TSR relative to FTSE 350 Real Estate companies (excluding agencies) (25%)
- Earnings per Share ('EPS') growth (25%)
- Total Accounting Return ('TAR') (25%)
- Environmental, Social and Governance ('ESG') metrics (25%)

The combination of these measures better reflects the alignment with strategy and purpose.

EPS growth is an important headline measure of Workspace's financial performance, with outcomes better aligned to our success in active portfolio management and investment. Including TAR as a measure in our LTIP ensures we reward the creation of value for shareholders in the form of dividends paid and growth in Net Asset Value. Incorporating ESG strongly aligns to the sustainability pillar of our strategy, which includes focus on creating sustainable environments and achieving net zero by 2030. Full details on the targets for the 2023 LTIP grant can be found on page 207.

The Committee determined that 2023 LTIP awards would be granted at the normal level of 200% of salary for the CEO and CFO. When making this decision, the Committee was mindful of our share price performance over the year, particularly since awards were last granted, and determined that at the end of the performance period, careful consideration will be given as to whether any windfall gains have arisen from these awards. Further to this, as with previous awards, a performance underpin will apply to the awards which allows the Committee to reduce vesting should the Committee believe that the outturn is inconsistent with the overall performance of the business.

No other changes are proposed to our Policy which is set out on pages 189 to 196. A full summary of the implementation of Policy, including annual bonus measures for the 2023/24 financial year, is set out on page 206.

Changes to below Board remuneration
Although the remuneration of below Board employees does not fall in the remit of the Policy, the Committee believes it is important to communicate the proposed changes as part of our open dialogue with shareholders. It is a priority of the Committee to ensure that employees below Board are rewarded appropriately for their continued contributions to the business, incentivised to remain with Workspace, and are fully aligned to the experience of our shareholders. We are therefore proposing to grant restricted share awards ('RSAs') below Board in place of the performance based LTIP structure. Executive Directors will not receive RSAs.

Engagement with our shareholders
We are grateful for the feedback and support we receive from shareholders, and believe that regular engagement with our stakeholders is key to our commitment to achieving the highest standards of corporate governance and integrity. As I mentioned above, in line with this, the Committee consulted with our largest investors ahead of the renewal of our Policy at our 2023 AGM. I am pleased to say that the shareholders that engaged with us appreciated our approach.

I look forward to your continued engagement and I hope you will join the Board in supporting our Directors' Remuneration Report and Directors' Remuneration Policy at the upcoming 2023 AGM.

Lesley-Ann Nash

Lesley-Ann Nash
Chair of the Remuneration Committee
6 June 2023

REMUNERATION CONTINUED

Consideration of the experience of our stakeholders

OUR PURPOSE, STRATEGY AND STAKEHOLDERS

Our people
Mindful of the challenging economic environment faced by our employees, the Committee oversaw the decision to award salary increases of 6% with a minimum uplift of £3,000 to those earning below £50,000. The introduction of the restricted share award for senior employees below board level ensures these individuals can share directly in the success of Workspace and are fully aligned with shareholders' experience.

Employee engagement and wellbeing are reflected in our sustainability objectives as part of our Executive Directors' bonuses. The Committee set objectives on employee wellbeing initiatives, achieved through the roll-out of a series of successful events.

Stakeholder experiences in 2023
Pages 181 and 182

Our investors
We believe in an open dialogue with investors. As part of our Directors' Remuneration Policy review, the Committee consulted with major shareholders and investor bodies, receiving helpful and positive feedback.

We ensure that shareholders' experience is reflected in remuneration outcomes as demonstrated by our exercise of discretion to the overall bonus outturn for the CEO this year.

During the year, the Committee reviewed the LTIP performance measures to ensure these continue to align to our strategic priorities. Subsequently, the Committee approved the introduction of an EPS growth measure for the 2023 LTIP grant. EPS is an important headline measure of Workspace's financial performance and profitability. The existing relative TSR condition remains a performance measure for the 2023 LTIP grant and a key measure in ensuring outcomes from the LTIP align with the experience of our shareholders.

Our partners and suppliers
We work with a broad range of long-term partners and these relationships are governed by stringent ethical and sustainability standards. As an accredited Living Wage employer ourselves, we are committed to paying the Real London Living Wage to 100% of our suppliers and partners working on Workspace premises.

Our communities
We create a flatter, fairer London: by providing high-quality, affordable space, we bring employment into the local areas and help create community hubs. We strongly believe in giving something back to the communities where we have a presence, which is why we offer employment support to disadvantaged young people.

As part of our annual bonus sustainability metrics, our InspiresMe programme was launched to local schools, colleges and youth organisations where students benefitted from career sessions and work experience.

The environment
Sustainability is at the heart of our strategy and this is reflected in incentives for our Executive Directors. Whilst sustainability objectives are part of our annual bonus, during the year the Committee discussed and approved the inclusion of ESG metrics within the LTIP for the 2023 grant. The measures include key objectives which directly support our strategy in focusing on creating sustainable environments and achieving net zero by 2030.

Our customers
Our customers are at the heart of our business and this is reflected in our strategy, with one of our three strategic pillars relating to customer-led growth. Customer satisfaction is a measure within our annual bonus for our Executive Directors and the Committee was satisfied that the bonus outcomes for the year accurately reflected the experience of our customers at Workspace.

REMUNERATION CONTINUED

Remuneration at a glance

All staff in the Company are eligible to participate in the Company's annual bonus plan, all-employee share schemes, pension scheme, life assurance arrangements and medical insurance benefits.

While the Executive Directors participate in the Company's LTIP, the rest of the Executive Committee and some senior employees receive the Company's new Restricted Share Awards ('RSA'). Executive Directors and Executive Committee members are also required to adhere to the Company's shareholding guidelines.

When making remuneration decisions for the Executive Directors, the Committee considers pay and employment conditions elsewhere in the Group. The Committee receives regular updates from the Executive Directors on employee feedback. The Committee also monitors bonus payout and share award data.

In respect of share ownership we operate the following:

LTIP:
Reinforces a strong performance culture at more senior levels and delivery of long-term sector outperformance.

Restricted Share Awards:
Supports retention and motivation by providing greater line of sight over outcomes and fully aligns participants to shareholders' experience.

SAYE and SIP:
Provides all employees with the opportunity to become shareholders of the Company.

WORKSPACE'S APPROACH TO REMUNERATION AND HOW WE INCENTIVISE AT ALL LEVELS WITHIN THE COMPANY

ELEMENTS OF PAY AT WORKSPACE

ELIGIBILITY WITHIN WORKSPACE	BASE SALARY	PENSION	BENEFITS	ANNUAL BONUS	SHARE OWNERSHIP
	Salaries are set to reflect market value of the role and aid recruitment and retention.	Employees are eligible for a 2:1 match on employee pension contributions of 3% or 5% of salary.	Employees receive a combination of benefits relevant for their role including life assurance arrangements and medical insurance benefits.	Opportunities and performance conditions are tailored to reflect an individual's role and responsibilities.	Share ownership enables all employees to share in the long-term success of the Group and aligns them with shareholder interests.
Executive Directors 2	✓	✓	✓	✓	✓ LTIP SAYE and SIP
Executive Committee 6	✓	✓	✓	✓	✓ Restricted share awards SAYE and SIP
Other senior employees 65	✓	✓	✓	✓	✓ Restricted share awards SAYE and SIP
Rest of employees 220	✓	✓	✓	✓	✓ SAYE and SIP

REMUNERATION CONTINUED
REMUNERATION AT A GLANCE CONTINUED

How our variable pay aligns to our strategic pillars

- In executing our strategy we aim to create value and positive outcomes for our shareholders and all other stakeholders.
- We frequently consider the performance measures we use for our incentives to check that they support the delivery of our strategy.

OUR THREE STRATEGIC PILLARS:

- Driving customer-led growth
- Delivering operational excellence
- Being sustainable

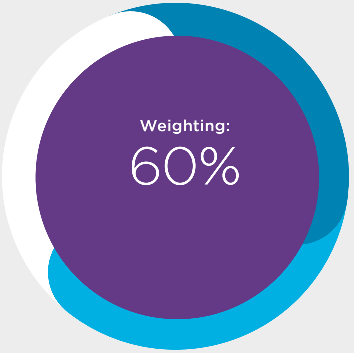
ANNUAL BONUS

The component measures provide a good balance of reward against the three pillars of our strategy which are the foundations of Workspace's future growth.

Measures shown as % of award
Total: 100%

2023/24 ANNUAL BONUS AND LINK TO STRATEGY

Measure:
Financial objectives (Trading profit after interest (50%), Strategic financial (10%))



Measure:
Sustainability

Measure:
Operational efficiency

Measure:
Customer satisfaction

LTIP

The balance of the measures is well aligned to our strategy of driving income growth and enhancing shareholder value over the longer term whilst always acting in a sustainable way.

Measures shown as % of award
Total: 100%

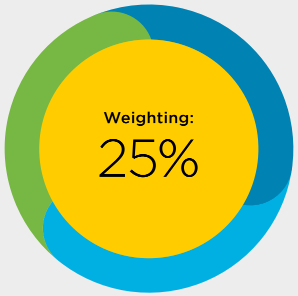
THE 2022 LTIP MEASURES WERE AS FOLLOWS

Measure and % weighting	Link to strategy
50%: Total Shareholder Return (TSR) relative to FTSE 350 Real Estate companies (excluding agencies)	
50%: Total Property Return (TPR) versus IPD benchmark	

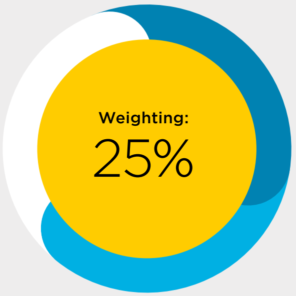
2023 LTIP AND LINK TO STRATEGY

We have amended the measures for 2023/24, as we believe there is an opportunity to better align our LTIP with our strategy.

Measure:
Total Shareholder Return (TSR) relative to FTSE 350 Real Estate companies (excluding agencies)

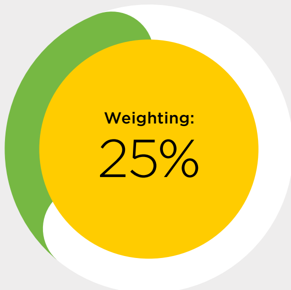


Measure:
Total Accounting Return (TAR)



Measure:
Earnings Per Share (EPS) Growth

Measure:
Environmental, Social and Governance (ESG) metrics



REMUNERATION CONTINUED
REMUNERATION AT A GLANCE CONTINUED

Summary of Executive Directors' Total Remuneration

Graham Clemett
Chief Executive Officer

FIXED COMPONENTS OF EXECUTIVE PAY	£000
BASE SALARY	519.2
PENSION	51.9
BENEFITS	22.5
TOTAL FIXED	**593.6**

VARIABLE COMPONENTS OF EXECUTIVE PAY	£000
ANNUAL BONUS	448.6
LTIP	391.1
OTHER – SAYE, SIP	0
TOTAL VARIABLE	**839.7**
SINGLE FIGURE FOR 2022/23	**1,433.3**

ANNUAL BONUS
OUTCOMES UNDER THE 2022/23 ANNUAL BONUS

Measure:	Threshold (0% payable)	Maximum (100% payable)	Actual	Outcome (% of salary)	Maximum outcome	CEO actual £000
TRADING PROFIT AFTER INTEREST	£57.3m	£62.3m	Actual: £61.4m[1]	51.0%	60%	264.8
STRATEGIC FINANCIAL OBJECTIVES	0%	100%	Actual: 75%	9.0%	12%	46.7
SUSTAINABILITY OBJECTIVES	0%	100%	Actual: 100%	24%	24%	124.6
OPERATIONAL EFFICIENCY	0%	100%	Actual: 92.5%	11.1%	12%	57.6
CUSTOMER SATISFACTION	72%	80%	Actual: 84%[2]	11.3%	12%	58.6
FORMULAIC OUTTURN				**106.4%**	120%	552.4
DISCRETIONARY REDUCTION APPLIED TO OUTTURN OF 20% OF SALARY				**86.4%**		448.6

1. This excludes the impact of the McKay acquisition.
2. With adjustment, see page 201.

LTIP
OUTCOMES UNDER THE 2020 LTIP PERFORMANCE MEASURES OVER THE PERIOD 1 APRIL 2020 TO 31 MARCH 2023

Measure:	Threshold (20% payable)	Maximum (100% payable)	Actual	Formulaic outcome (% of award)	Maximum outcome	CEO actual £000
TOTAL SHAREHOLDER RETURN (TSR) RELATIVE TO FTSE 350 REAL ESTATE COMPANIES (EXCLUDING AGENCIES)	MEDIAN	UPPER QUARTILE	Actual: 5th percentile	0%	50%	£340.7 OF WHICH SHARE PRICE: £NIL
TOTAL PROPERTY RETURN (TPR) VERSUS IPD	MEDIAN	UPPER QUARTILE	Actual: 77th percentile	50%	50%	£50.4 DIVIDEND EQUIVALENT:
TOTAL				**50%**	100%	£391.1

REMUNERATION CONTINUED
REMUNERATION AT A GLANCE CONTINUED

Summary of Executive Directors' Total Remuneration

Dave Benson
Chief Financial Officer

FIXED COMPONENTS OF EXECUTIVE PAY	£000
BASE SALARY	357.3
PENSION	35.2
BENEFITS	0
TOTAL FIXED	**392.5**

VARIABLE COMPONENTS OF EXECUTIVE PAY	£000
ANNUAL BONUS	380.2
LTIP	269.1
OTHER – SAYE, SIP	0
TOTAL VARIABLE	**649.3**
SINGLE FIGURE FOR 2022/23	**1,041.8**

ANNUAL BONUS
OUTCOMES UNDER THE 2022/23 ANNUAL BONUS

Measure:	Threshold (0% payable)	Maximum (100% payable)	Actual	Formulaic outcome (% of salary)	Maximum (% of salary)	CFO actual £000
TRADING PROFIT AFTER INTEREST	£57.3m	£62.3m	Actual: £61.4m[1]	51.0%	60%	182.2
STRATEGIC FINANCIAL OBJECTIVES	0%	100%	Actual: 75%	9.0%	12%	32.2
SUSTAINABILITY OBJECTIVES	0%	100%	Actual: 100%	24%	24%	85.8
OPERATIONAL EFFICIENCY	0%	100%	Actual: 92.5%	11.1%	12%	39.7
CUSTOMER SATISFACTION	72%	80%	Actual: 84%[2]	11.3%	12%	40.3
BONUS OUTTURN				**106.4%**	120%	380.2

1. This excludes the impact of the McKay acquisition.
2. With adjustment, see page 201.

LTIP
OUTCOMES UNDER THE 2020 LTIP PERFORMANCE MEASURES OVER THE PERIOD 1 APRIL 2020 TO 31 MARCH 2023

Measure:	Threshold (20% payable)	Maximum (100% payable)	Actual	Formulaic outcome (% of award)	Maximum (% of award)	CFO actual £000
TOTAL SHAREHOLDER RETURN (TSR) RELATIVE TO FTSE 350 REAL ESTATE COMPANIES (EXCLUDING AGENCIES)	MEDIAN	UPPER QUARTILE	Actual: 5th percentile	0%	50%	234.5 OF WHICH SHARE PRICE: £NIL
TOTAL PROPERTY RETURN (TPR) VERSUS IPD	MEDIAN	UPPER QUARTILE	Actual: 77th percentile	50%	50%	34.7 DIVIDEND EQUIVALENT:
TOTAL				**50%**	100%	269.1

REMUNERATION CONTINUED

This section sets out the Directors' Remuneration Policy and Annual Report on Remuneration. A binding shareholder resolution to approve the Directors' Remuneration Policy (pages 190 to 196) will be put forward at the 2023 Annual General Meeting ('AGM') of the Company on 6 July 2023.

REMUNERATION CONTINUED

Our new Remuneration Policy

This section sets out the Directors' Remuneration Policy. A binding shareholder resolution to approve this section will be proposed at the 2023 Annual General Meeting ('AGM') of the Company on 6 July 2023. The Policy will be effective from the 2023 AGM subject to shareholder approval and will be available to view at workspace.co.uk/investors in the corporate governance section.

CONSIDERATION OF SHAREHOLDER VIEWS
The Committee values ongoing dialogue with shareholders and welcomes feedback on Directors' remuneration. As part of the Policy review, the Committee directly consulted with major shareholders. A letter setting out our proposals was shared with investors reflecting over two-thirds of our issued share capital, as well as with investor bodies, including ISS, Glass Lewis and the Investment Association.

Through this process, the Committee responded to questions raised and held meetings where requested to further clarify the proposals.

We were grateful for the feedback received and pleased that this was positive overall.

REMUNERATION POLICY TABLE
The table below describes the Policy in relation to the components of remuneration for Executive Directors.

FIXED COMPONENTS OF EXECUTIVE PAY

PURPOSE AND LINK TO STRATEGY						OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS	CHANGES FROM PREVIOUS POLICY
BASE SALARY To reflect market value of the role and an individual's experience, performance and contribution.	2023/24	2024/25	2025/26	2026/27	2027/28	Salaries are normally reviewed annually. Salary levels take account of: – Role, performance and experience. – Business performance and the external economic environment. – Salary levels for similar roles at relevant comparators. – Salary increases across the Group.	Increases are applied in line with the outcome of the review. There is no prescribed maximum. Increases for Executive Board Directors will typically be in line with those of the wider workforce.	Both Company and individual performance are considered when setting Executive Director base salaries.	None.
PENSION To provide market competitive pensions.	2023/24	2024/25	2025/26	2026/27	2027/28	Directors participate in a defined contribution pension scheme or may receive a cash allowance in lieu of pension contribution.	Up to 10% of salary. For individuals with less than a year's service with Workspace, this will be 6% of salary.	None.	None.
BENEFITS To provide market competitive benefits.	2023/24	2024/25	2025/26	2026/27	2027/28	Benefits typically include car allowance, private health insurance, and death in service cover. Where appropriate, other benefits may be offered including, but not limited to, allowances for relocation. In addition, Directors are eligible to participate in all-employee share plans, currently the SAYE and Share Incentive Plan.	Benefits may vary by role and individual circumstance, and are reviewed periodically. There is no overall maximum. Include car allowance, private health insurance and other benefits.	None.	None.

REMUNERATION CONTINUED

OUR NEW REMUNERATION POLICY CONTINUED

VARIABLE COMPONENTS OF EXECUTIVE PAY

PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS	CHANGES FROM PREVIOUS POLICY
ANNUAL BONUS To reinforce and reward delivery of annual strategic business priorities, based on performance measures relating to both Group and individual performance. Bonus deferral provides alignment with shareholder interests. 2023/24 2024/25 2025/26 2026/27 2027/28	A portion of the annual bonus is deferred into shares for a period of three years. The deferral is 33% of bonus earned. Dividend equivalents may be accrued on deferred shares. The Committee may apply malus and clawback in circumstances of gross misconduct, material misstatement of the Group's results, an error in calculation, serious reputational damage, and corporate failure up to the end of the deferral period.	The maximum bonus potential for Executive Board Directors is as follows: CEO: 150% of salary p.a. CFO: 120% of salary p.a.	Performance is measured relative to financial, operational, ESG, strategic and individual objectives in the year aligned with the Company's strategic plan. Performance measures and weightings are reviewed each year to ensure they remain appropriate and reinforce the business strategy. At least 60% of the total bonus will be based on financial measures. Bonus awards are at the Committee's discretion and the Committee will consider the Company's performance in the round. The Committee may override the formulaic bonus outcome within the limits of the plan where it believes the outcome is not reflective of performance, to ensure fairness to both shareholders and participants. The bonus pays out on a straight-line basis from threshold to 100% at maximum performance.	The maximum bonus potential for the CEO is now 150% of salary, the maximum bonus potential for the CFO remains at 120% of salary.
LONG TERM INCENTIVE PLAN (LTIP) To reward and align to the delivery of sustained long-term performance and to align the interests of participants with those of shareholders 2023/24 2024/25 2025/26 2026/27 2027/28	The Committee may grant annual awards of Performance Shares which vest after three years, subject to performance conditions. Vested shares are subject to a further two-year holding period. The Committee has discretion to apply malus and clawback to awards (circumstances as listed in the Annual Bonus row above) up to the end of the holding period. Dividend equivalents may be accrued on shares in respect of the performance and holding period.	Normal maximum award of up to 200% of salary p.a. An award of 300% of salary p.a. may be made in exceptional circumstances.	Performance share plan awards will be based on a combination of financial, share price, ESG and strategic measures aligned with the Company's strategic plan. For 2023 awards the performance measures will be: - Total Shareholder Return (TSR) relative to FTSE 350 Real Estate companies (excluding agencies) (25%) - Earnings Per Share (EPS) Growth (25%) - Total Accounting Return (TAR) (25%) - Environmental, Social and Governance (ESG) (25%) A performance underpin will apply which allows the Committee to reduce vesting if performance is inconsistent with the overall performance of the business. For threshold performance, vesting is typically 20% of maximum. The Committee may, in the context of the underlying business strategy, use different measures and/or vary the weightings of the measures. The Committee would consult with major shareholders prior to making any significant changes.	None.

REMUNERATION CONTINUED
OUR NEW REMUNERATION POLICY CONTINUED

Notes to the Remuneration Policy table
Share awards will be operated in accordance with the rules of the relevant plan. In accordance with those rules, the Committee has discretion in the following areas:
- In the event of a variation of share capital or a demerger, delisting, special dividend, rights issue or other similar event which may, in the Committee's opinion, affect the current or future value of shares, the number of shares subject to an award and/or any performance condition attached to awards, may be adjusted
- The Committee may determine that awards may be settled in cash
- The Committee may determine the basis on which dividends will be calculated which may include notional reinvestment. The Committee may increase the time horizons for deferral or holding periods

REMUNERATION POLICY TABLE CONTINUED

PURPOSE AND LINK TO STRATEGY	2023/24	2024/25	2025/26	2026/27	2027/28	OPERATION	CHANGES FROM PREVIOUS POLICY
SHAREHOLDING REQUIREMENT						Shareholding guideline for Executive Board Directors of 200% of salary. Post-cessation shareholding requirement of 200% of salary for two years post-departure. In the event a leaver has not met the relevant shareholding requirement at the point of cessation of employment, they would be required to retain their full pre-cessation shareholding for the two-year period.	None.

NON-EXECUTIVE DIRECTORS' REMUNERATION

PURPOSE AND LINK TO STRATEGY	2023/24	2024/25	2025/26	2026/27	2027/28	OPERATION		CHANGES FROM PREVIOUS POLICY
FEES To reflect the time commitment in performing the duties and responsibilities of the role.						The Chair receives an annual fee. Non-Executive Directors receive an annual base fee. Additional fees are paid to Non-Executive Directors for additional responsibilities such as chairing a Board Committee. Fees are reviewed from time to time, taking into account time commitment, responsibilities and fees paid by companies of a similar size and complexity.	Expenses incurred in the performance of non-executive duties for the Company may be reimbursed or paid for directly by the Company, including any tax due on the expenses. Non-Executive Directors do not normally receive any benefits, however these may be provided in the future if in the view of the Board this was considered appropriate. Total fees paid to Non-Executive Directors will remain within the limit stated in the Articles of Association.	None.

REMUNERATION CONTINUED
OUR NEW REMUNERATION POLICY CONTINUED

PERFORMANCE MEASURES AND TARGETS

As part of the review of the Policy, the Committee gave careful consideration to performance measures and targets for incentives to ensure that they are aligned to the Company's strategy and to performance for our shareholders. To that end, no changes to the annual bonus measures are proposed at this stage.

The annual bonus measures are intended to provide a good balance of rewarding operational excellence, customer relationships and building deep market knowledge which are the foundations of the Company's future growth, whilst ensuring a greater focus on sustainability.

To better align with Workspace's strategy, the performance measures for the 2023 LTIP award will be:
- Total Shareholder Return (TSR) relative to FTSE 350 Real Estate companies excluding agencies (25%)
- Earnings Per Share (EPS) Growth (25%)
- Total Accounting Return (TAR) (25%)
- Environmental, Social and Governance (ESG) (25%)

The Committee may, in the context of the underlying business strategy, use different performance measures and/or vary the weightings of the measures. Major shareholders would be consulted prior to any significant changes.

The Committee will set Group financial targets for the annual bonus with reference to the prior year and forward-looking business forecasts, ensuring the levels of performance required are appropriately challenging.

The measurement of performance against performance targets is at the Committee's discretion, which may include appropriate adjustments to financial or non-financial elements and/or consideration of overall performance in the round.

Performance conditions and targets may be varied if an event occurs or circumstances arise which cause the Committee to determine that they have ceased to be appropriate. If they are varied, they must, in the opinion of the Committee, be fair, reasonable and materially no less difficult than the original condition when set.

RECRUITMENT AND PROMOTION POLICY

The Committee will appoint new Executive Board Directors with a package that is in line with the Remuneration Policy in place and agreed by shareholders at the time.

Component	Approach
BASE SALARY	The base salaries of new appointees will be determined by reference to the individual's role and responsibilities, experience and skills, relevant market data, internal relativities and their current basic salary. Base salary may be higher or lower than the previous incumbent. Salaries may be set at an initially lower level with the intention of increasing salary at a higher than usual rate as the executive gains experience in the role.
PENSION	New appointees will be eligible to participate in the Group's defined contribution pension plan or receive a cash alternative, in line with the Policy.
BENEFITS	New appointees will be eligible to receive benefits in line with the Policy, including relocation benefits if appropriate (relocation benefits are subject to a maximum time limit of two years).
ANNUAL BONUS	The structure described in the Policy table will normally apply to new appointees with the relevant maximum being pro-rated to reflect the proportion of the year served. The Committee retains the flexibility to determine that for the first year of appointment any annual incentive award will be subject to such terms as it may determine.
LTIP	New appointees will be eligible for awards under the LTIP which will normally be on the same terms as other executives, as described in the Policy table.

The maximum aggregate value of incentives (excluding buyouts) on appointment will be in line with the aggregate maximums in the Policy table.

REMUNERATION CONTINUED
OUR NEW REMUNERATION POLICY CONTINUED

RECRUITMENT AND PROMOTION POLICY CONTINUED

To facilitate recruitment the Committee may need to 'buy out' remuneration forfeited on joining the Company. This will be considered on a case-by-case basis and may comprise cash or shares. In general:

- If such remuneration was in the form of shares, compensation would be in the Company's shares
- If remuneration was subject to achievement of performance conditions, compensation would normally be subject to performance
- The timing of any compensation will, where practicable, match the vesting schedule of the remuneration forfeited

The over-riding principle would be that the value of any replacement buy out awards should be no more than the commercial value of awards which have been forfeited. For any buyout award, the leaver provisions may be determined at the time of the award.

The approach in cases of appointing a new Executive Board Director by way of internal promotion will be consistent with the policy for external appointees detailed above. Where such an individual has contractual commitments made prior to their promotion to Executive Board Director level, the Company will continue to honour these arrangements. Similarly, if an Executive Board Director is appointed following a merger or an acquisition of a company by Workspace, legacy terms and conditions may be honoured.

For interim positions a cash supplement may be paid rather than salary (for example a Non-Executive Director taking on an executive function on a short-term basis).

TERMINATION POLICY

Payments of basic salary, benefits and pension made up to the termination date are in line with contractual notice periods. Payments in lieu of notice are limited to the Executive Board Director's basic salary for the unexpired portion of the notice period. A payment may be made in lieu of unused holiday entitlement. The Company may make phased payments which are paid in monthly instalments and subject to mitigation.

The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the 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 a compromise or settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payment may include but is not limited to paying reasonable relocation costs, any reasonable level of fees for outplacement assistance and/or the Director's legal or professional advice fees in connection with his cessation of office or employment.

In the event that a participant ceases to be an employee of Workspace, treatment of outstanding awards under the Group's incentive plans will be determined based on the relevant plan rules.

Component	Approach
ANNUAL BONUS	There is no automatic entitlement to an annual bonus. The Committee retains discretion to award bonuses for leavers taking account of the circumstances of departure. Leavers during the plan year normally lose any entitlement to bonus unless the individual is considered a 'good leaver'[1]. Good leavers are eligible for an award to the extent that performance conditions have been satisfied and pro-rated for the proportion of the financial year served, with Committee discretion to treat otherwise.
DEFERRED BONUS SHARES	Deferred bonus shares normally lapse unless the individual is considered a 'good leaver'[1], in which case awards normally continue and are released at the usual time, although the Committee has the discretion to allow earlier release. On death, awards typically vest immediately.
LTIP	Under the LTIP, unvested shares normally lapse unless the individual is considered a 'good leaver'[1], in which case awards are normally tested for performance over the full performance period and pro-rated for time based on the proportion of the vesting period served, with Committee discretion to treat otherwise. On death, awards will typically vest immediately subject to the satisfaction of performance conditions as determined by the Committee. LTIP awards which are subject to an additional holding period will typically be retained and released at either (a) the end of the holding period; or (b) two years from cessation – whichever is soonest, although the Committee has the discretion to allow earlier release.
ALL-EMPLOYEE PLANS	For all-employee HMRC registered plans such as SAYE and SIP, leavers will be treated in accordance with the approved rules of these plans.

1. A good leaver is defined as an employee who ceases to hold employment during the plan year by reason of: injury, ill-health or disability proved to the satisfaction of the Committee; retirement with the agreement of the Group Company by which he is employed; the participant's employing Company ceasing to be a Group Company; the business or part of the business to which the participant's employment relates being transferred to a person who is not a Group Company; or any other reason which the Committee in its absolute discretion so permits.

REMUNERATION CONTINUED
OUR NEW REMUNERATION POLICY CONTINUED

TREATMENT OF CORPORATE EVENTS

In the event of a change of control or winding up of the Company, the LTIP awards will vest based on the extent to which the Committee determines that the performance conditions have been or would have been met. Pro-rating for service in the vesting period will apply unless the Committee decides otherwise. Outstanding deferred bonus awards will vest in full as soon as practicable in such circumstances. In the event of a variation of share capital, demerger, special dividend or any other transaction which will materially impact the value of shares the Committee may, at its discretion, allow deferred bonus and LTIP awards to vest on the same basis as for a change of control described above. Alternatively, an adjustment may be made to the number of shares if considered appropriate.

CONSIDERATION OF EMPLOYMENT CONDITIONS ELSEWHERE IN THE COMPANY

When setting remuneration for Executive Directors the Committee takes into account contextual information about pay and conditions within the Group, including salary increases and bonus awards for all employees.

The Committee members receive regular updates from the Executive Directors in relation to employee feedback, and on pay and employment conditions elsewhere in the Company. Our Chair, Stephen Hubbard, is our designated Non-Executive Director responsible for overseeing employee engagement. During the last financial year, employees were not formally consulted on the design of the Executive Directors' Policy but were informed of the Company's performance and key remuneration decisions.

We are committed to sharing business success across the organisation with all employees participating in a short-term incentive plan. At more senior levels, remuneration is more long term and larger proportions are dependent on both Group and individual performance and paid in the form of shares. We operate both an SAYE and a SIP open to all employees. The illustration on page 185 provides an overview of remuneration throughout Workspace and the way in which our share incentive plans cascade through the organisation.

LEGACY COMMITMENTS

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed: (i) before 16 July 2014 (the date the Company's first shareholder-approved Directors' Remuneration Policy came into effect); (ii) before the Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes 'payments' include the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

MINOR AMENDMENTS

The Committee may make minor amendments to the Policy (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval.

REMUNERATION CONTINUED
OUR NEW REMUNERATION POLICY CONTINUED

Possible payouts under policy

Based on our proposed Remuneration Policy, we set out below scenarios for the potential remuneration to be earned by our Executive Directors under the Policy for various performance assumptions. In line with the Companies (Miscellaneous Reporting) Regulations 2018, we have included the impact of a potential scenario of a 50% share price appreciation on the LTIP.

A high proportion of the Executive Board Directors' packages are made up of shares, supporting the alignment of executive pay with the interests of our shareholders. The increased value in remuneration from share price appreciation is beneficial for both Executive Directors and shareholders.

SINGLE FIGURE SCENARIOS
Graham Clemett, CEO

Base salary
Salary as at 1 April 2023.

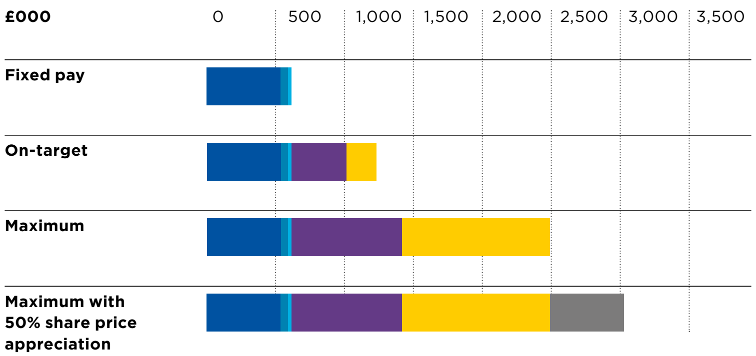
+ Pension
Current contribution rate of 10% of salary.

+ Benefits
As provided in the single figure table on page 200.

+ Annual bonus
Minimum – no bonus payable;
On-target – 50% of maximum potential bonus;
Maximum – maximum potential bonus.

+ LTIP
Minimum – no LTIP vesting;
On-target – 20% of maximum (threshold vesting);
Maximum – maximum LTIP vesting.

+ Share price growth
Impact of 50% share price appreciation over three years (on the LTIP).



SINGLE FIGURE SCENARIOS
Dave Benson, CFO

Base salary
Salary as at 1 April 2023.

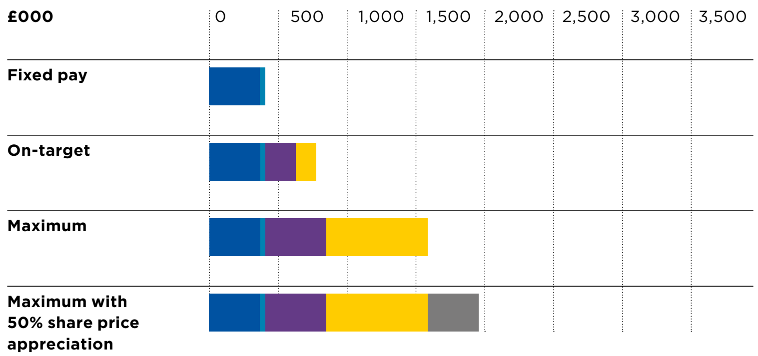
+ Pension
Current contribution rate of 10% of salary.

+ Benefits
As provided in the single figure table on page 200.

+ Annual bonus
Minimum – no bonus payable;
On-target – 50% of maximum potential bonus;
Maximum – maximum potential bonus.

+ LTIP
Minimum – no LTIP vesting;
On-target – 20% of maximum (threshold vesting);
Maximum – maximum LTIP vesting.

+ Share price growth
Impact of 50% share price appreciation over three years (on the LTIP).



REMUNERATION CONTINUED

Annual report on remuneration

This section sets out the Annual Report on Remuneration. An advisory shareholder resolution to approve this section, together with the Chair's statement on pages 180 to 183 will be put forward at the 2023 AGM of the Company on 6 July 2023.

WHAT WE PAID OUR DIRECTORS IN 2022/23

TOTAL TARGET COMPENSATION COMPARED TO OUR PEERS

Chart A below shows the relative position of target total compensation for our Executive Directors compared to our peers. When we set the target total compensation for the Executive Directors, one of the factors the Committee considers is the competitive market for our Executive Directors, which we believe is the FTSE 250 and FTSE 350 Real Estate companies, and the size of the Company compared to these peers. The Committee has been pleased to report above target-performance against market benchmark has been achieved over recent years.

CHART A (I) — GRAHAM CLEMETT
CHIEF EXECUTIVE OFFICER

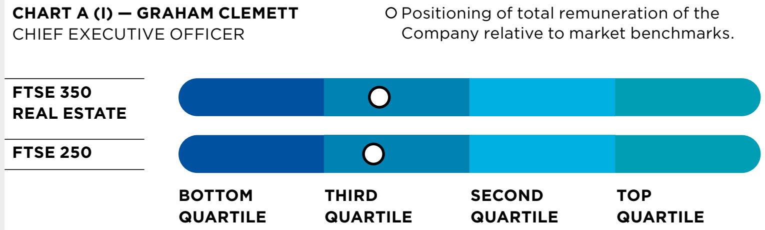
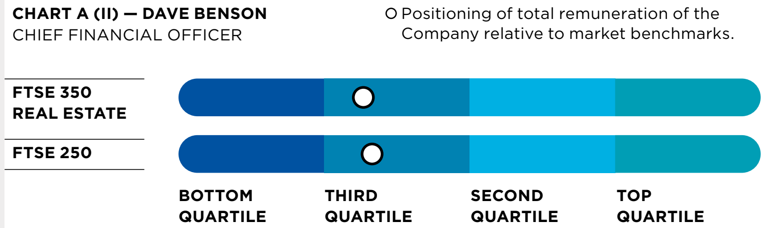


CHART A (II) — DAVE BENSON
CHIEF FINANCIAL OFFICER

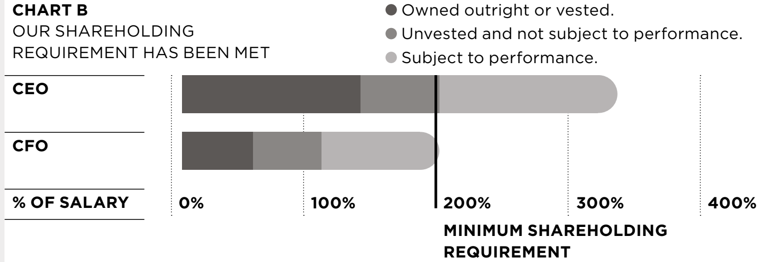


OUR SHAREHOLDING REQUIREMENTS (AUDITED)

Our Executive Directors are encouraged to hold a high number of shares in order to align their interests to those of the shareholders, and to encourage a long-term view of the sustainable performance of the Company. As such, our Directors are impacted by the share price over the year in the same way as our shareholders.

Chart B below shows that, in the year, the CEO met his minimum shareholding requirements. The CFO joined in April 2020 and is building his shareholding.

CHART B
OUR SHAREHOLDING REQUIREMENT HAS BEEN MET



1. All shares that are either unvested and not subject to performance or subject to performance have been included on a net of tax basis (i.e. at a 50% discount).
2. This is based on a share price of £5.2854 being the average share price over the year to 31 March 2023 and salaries of £519,200 and £357,300 for Graham Clemett and Dave Benson respectively.

OVERALL LINK TO REMUNERATION AND EQUITY OF THE EXECUTIVE DIRECTORS

Table A below sets out the single figure for 2022/23, the number of shares held by the Director at the beginning and end of the financial year, and the impact on the value of these shares taking the opening price and closing price for the year.

TABLE A

	Graham Clemett	Dave Benson
2022/23 single figure (£000)	1,433.3	1,041.8
Shares held at start of year	135,311	20,085
Shares held at end of year	141,930	39,765
Value of shares at start of year (£000)[1]	926.9	137.6
Value of shares at end of year (£000)[2]	620.2	173.8
Difference (£000)	(306.7)	36.2

1. Based on a closing share price on 31 March 2022 of £6.85.
2. Based on a closing share price on 31 March 2023 of £4.37.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

OUR APPROACH TO FAIRNESS AND WIDER WORKFORCE CONSIDERATIONS

When making remuneration decisions for the Executive Board Directors, the Committee considers pay, policies and practices elsewhere in the Group.

We receive regular updates from the Executive Board Directors, and we monitor bonus payout and share award data.

In this section, we provide context to our Executive Board Director remuneration by explaining our employee policies and our approach to fairness, as well as the ratio of CEO pay to that of the wider workforce.

Communication and engagement with employees
The Board is committed to an open dialogue with our employees over various decisions. Our Chair, Stephen Hubbard, is our designated Non-Executive Director responsible for overseeing employee engagement. During the last financial year, employees have been informed about activities, performance and the Company's response to the increased cost of living through staff briefings held by the CEO and other members of the Executive team. Mr Hubbard also held three informal staff events during the year. Employees are kept informed about activities and performance not only through these briefings but also by the circulation of corporate announcements and other relevant information to all staff, supplemented by updates on the intranet.

Share schemes
Share schemes are a long-established and successful part of our total reward package, encouraging and supporting employee share ownership. In particular, all employees are invited to participate in the Company's Savings Related Share Option Scheme and the Share Incentive Plan.

Equal opportunities
Workspace is committed to an active Equal Opportunities Policy from recruitment and selection, through training and development and in performance reviews and promotion. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit. We consider the needs of all employees, customers and the community.

We use everyone's talents and abilities, and we value diversity. The Company aims to make our promotion and recruitment practices fair and objective. We encourage continuous development and training, as well as the provision of equal opportunities and career development for employees. Further details of this are shown on pages 148 to 154.

Retirement benefits
The Company provides pension benefits for the majority of its employees. The Company's commitment to pension contributions, consistent with last year, ranges from 6% to 10% of an employee's salary. The pension scheme is open to every employee in accordance with the new Government auto-enrolment rules.

THE YEAR ON YEAR CHANGE IN OUR DIRECTORS' REMUNERATION

The table below sets out the changes year on year between our Director pay and average employee pay. As per our Policy, salary increases applied to Executive Directors will typically be in line with those of the wider workforce.

Table B below shows the percentage change in Director remuneration, comprising salary, taxable benefits and annual bonus, and comparable data for the average of employees within the Company. The comparator group is based on all employees (excluding the CEO, CFO and Non-Executive Directors), normalised for joiners and leavers during the year. The average number of people employed by the Company during the year was 291 (2022: 249). All employees are eligible for consideration for an annual bonus.

TABLE B

	2023			2022			2021		
Director	Salary/ fees	Taxable benefits	Annual variable	Salary/ fees	Taxable benefits	Annual variable	Salary/ fees	Taxable benefits	Annual variable
Executive Directors									
Graham Clemett	3%	4%	-11%	2%	1%	157%	9%	-15%	-54%
Dave Benson	3%	n/a	10%	2%	n/a	157%	n/a	n/a	n/a
Non-Executive Directors									
Stephen Hubbard	6%	n/a	–	24%	n/a	–	198%	n/a	–
Damon Russell[1]	-65%	n/a	–	10%	n/a	–	10%	n/a	–
Rosie Shapland	31%	n/a	–	194%	n/a	–	n/a	n/a	–
Lesley-Ann Nash	15%	n/a	–	345%	n/a	–	n/a	n/a	–
Duncan Owen[2]	73%	n/a	–	n/a	n/a	–	n/a	n/a	–
Nick Mackenzie[2]	491%	n/a	–	n/a	n/a	–	n/a	n/a	–
Manju Malhotra[2]	491%	n/a	–	n/a	n/a	–	n/a	n/a	–
All other employees	19%	-4%	-11%	5%	-24%	58%	5%	-5%	-5%

1. Damon Russell stepped down from the Board on 22 July 2022, therefore the above information reflects his time in role.
2. Duncan Owen joined the Board in July 2021 with both Nick Mackenzie and Manju Malhotra joining the Board in January 2022, and therefore were paid a partial fee in the prior year.
3. This increase is a result of the acquisition of McKay Securities and the inclusion of these employees in the figures for 2023.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

PAY COMPARISONS

Chart C shows the single figure of remuneration for our CEO over time, and the pay of our average employee, each rebased to 2013. We have also included our TSR performance over this period.

- FTSE 350 Real Estate Supersector Index
- FTSE 250 Index
- Workspace Group PLC TSR
- CEO single figure

CHART C

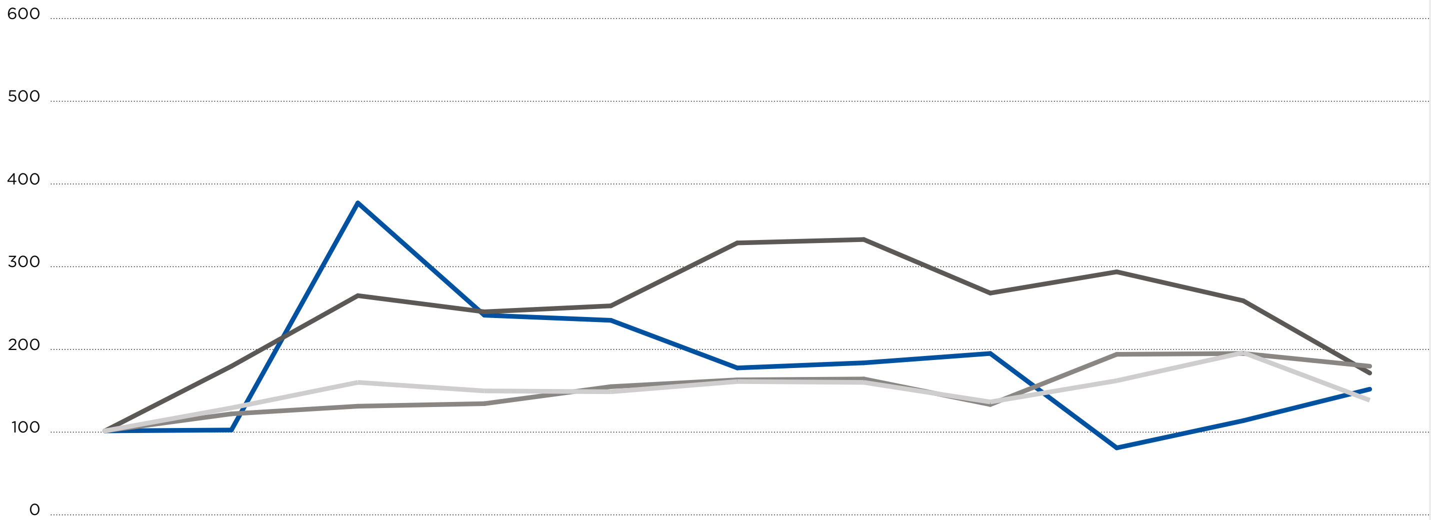


TABLE C

CEO single figure of total remuneration £000		31 Mar 2014	31 Mar 2015	31 Mar 2016	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	31 Mar 2021	31 Mar 2022	31 Mar 2023
Graham Clemett[1]		–	–	–	–	–	–	1,349.9	764.4	1,080.0	1,433.3
Jamie Hopkins[2]		966.9	3,533.1	2,262.7	2,205.6	1,674.2	1,728.2	490.9	–	–	–
Annual bonus payout											
Graham Clemett (% of maximum opportunity)		–	–	–	–	–	–	78%	33%	83%	72%
Jamie Hopkins (% of maximum opportunity)		97.8%	97.2%	95.3%	100%	100%	95.8%	–	–	–	-
LTIP vesting											
Graham Clemett (% of maximum opportunity)		–	–	–	–	–	–	87.24%	0%	0%	50%
Jamie Hopkins (% of maximum opportunity)		–	100%	100%	88.7%	62.7%	50.7%	87.24%	–	–	–
Ratio of single total remuneration figure shown to employees as a whole	to employee lower quartile[3]	–	–	–	–	–	53x	47x	23x	32x	43x
	to employee median	34x	128x	79x	72x	48x	33x	43x	15x	23x	29x
	to employee upper quartile[3]	–	–	–	–	–	23x	23x	11x	15x	20x

1. Mr Clemett assumed the role of Interim CEO on 1 June 2019 and was appointed CEO on 24 September 2019.
2. Mr Hopkins was appointed as an Executive Director on 12 March 2012 and stepped down from the Board on 31 May 2019.
3. See next page for details on calculation.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

PAY COMPARISONS CONTINUED

Chief Executive's Pay Ratio
The table below compares the single total figure of remuneration for the CEO with that of the Group employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile) of its employee population.

Despite voluntarily disclosing the ratio of CEO pay to workforce pay in previous years (see page 199, this is the first year in which Workspace meets the requirement regarding employee numbers as per the Companies (Miscellaneous Reporting) Regulations 2018.

Year	Methodology	25th percentile ratio	50th percentile ratio	75th percentile ratio
2023	Option A	43:1	29:1	20:1

Option A, as set out under the reporting regulations, was used to calculate remuneration for 2023, as well as 2022 and 2021.

The UK employees included are those employed on 31 March 2023 and remuneration figures are determined with reference to the financial year ending on 31 March 2023.

We have chosen Option A as we believe that it is the most robust methodology for calculating these figures. The value of each employee's total pay and benefits was calculated using the single figure methodology consistent with the CEO, with the exception of the annual bonus, which was calculated using 2021/22 financial year bonuses (which were paid during 2022/23) as the individual 2022/23 financial year bonus information was not available at the last practical date before the finalisation of this report. For employees who joined during the 2022/23 financial year (82 employees), we've included their bonus as nil as they were not entitled to receive a 2021/22 financial year bonus. This means that the ratios are higher than if we were able to include a bonus amount for these employees. No elements of pay have been omitted. Where required, remuneration was approximately adjusted to be full-time and full-year equivalent basis based on the employee's average full-time equivalent hours for the year and the proportion of the year they were employed. No other adjustments were made.

The table below sets out the salary and total pay and benefits of the employee at the lower quartile, median and upper quartile for the 2022/23 financial year.

	25th percentile	50th percentile	75th percentile
Salary	£28,300	£41,200	£58,500
Total pay and benefits	£33,286	£48,886	£73,350

There is significant volatility in this ratio, caused by the following:
- Our CEO pay was made up of a higher proportion of incentive pay than that of our employees, in line with shareholder expectations. This introduces a higher degree of variability in his pay each year versus that of our employees
- Long-term incentives, which make up a significant proportion of our CEO's pay, are provided in shares, and their value on vesting, included in his single figure, reflects the movement in share price over the three years prior to vesting. This outcome can add significant volatility to the CEO's pay and this is reflected in the ratio

For these reasons, we believe the median pay ratio this year is consistent with pay, reward and progression policies for UK colleagues.

SINGLE FIGURE OF EXECUTIVE DIRECTORS (AUDITED)

The illustrations below set out a single figure for the total remuneration received by each Executive Board Director for the year ended 31 March 2023 and the prior year.

	Graham Clemett, CEO 2022/23 £000	Graham Clemett, CEO 2021/22 £000	Dave Benson, CFO 2022/23 £000	Dave Benson, CFO 2021/22 £000
Fixed pay				
Base salary	519.2	504.0	357.3	346.8
Pension[1]	51.9	50.4	35.2	30.8
Benefits[2]	22.5	21.6	0	0
Total fixed	593.6	576.0	392.5	377.6
Variable pay				
Annual bonus[3]	448.6	502.0	380.2	345.4
LTIP[5]	391.1	0	269.1	–
Other – SAYE, SIP[4]	0	2.0	0	2.0
Total variable	839.7	504.0	649.3	347.4
Total	1,433.3	1,080.0	1,041.8	725.0
Of which share price growth	0	0	0	0

1. Pension: During 2022/23 each of Messrs Clemett and Benson received a cash allowance in lieu of pension contribution.
2. Benefits: Taxable value of benefits received in the year by Executive Directors includes a car allowance, private health insurance and death in service cover.
3. Annual bonus: This is the total bonus earned in respect of performance during the relevant year. For 2021/22 and 2022/23, the Committee set a minimum deferral requirement of 33% of the bonus earned. For 2022/23, this deferral was equivalent to £148,034 for Mr Clemett and £125,455 for Mr Benson.
4. SIP awards granted in September 2021. See page 211 for details.
5. The 2022/23 figure includes the estimated value of 50% of the 2020 LTIP shares that vested based on performance to 31 March 2023. The share price used is the three-month average to 31 March 2023 of £4.88. This will be updated in next year's report to reflect the share price on the date of vesting. As allowable under the relevant plan rules and approved Policy, the Committee determine that dividend equivalents are payable under the 2020 LTIP award – this figure includes accrued dividends on vested shares.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

Annual bonus payout in respect of 2022/23 (Audited)

For 2022/23 the maximum bonus opportunity for the Executive Directors was 120% of salary. Payouts are subject to the assessment of performance against stretching financial, strategic and business performance targets, and are calculated on a straight-line basis from 0% at threshold to 100% at maximum performance. Both Graham Clemett and Dave Benson are required to defer 33% of their bonus into Company shares for three years. The targets are set based on our budgeting process, which takes account of market expectations, planned acquisitions and disposals of assets, and aspirations around Company growth.

The performance measures, targets and outcomes for each measure are shown to the right.

ANNUAL BONUS PAYOUT IN RESPECT OF 2022/23

ANNUAL BONUS
OUTCOMES UNDER THE 2022/23 ANNUAL BONUS

Measure:	Threshold (0% payable)	Maximum (100% payable)	Actual	Formulaic outcome	Opportunity as a % of salary
TRADING PROFIT AFTER INTEREST	£57.3m	£62.3m	£61.4m[1]	51.0%	60%
STRATEGIC FINANCIAL OBJECTIVES	0%	100%	75%	9.0%	12%
SUSTAINABILITY OBJECTIVES	0%	100%	100%	24%	24%
OPERATIONAL EFFICIENCY	0%	100%	92.5%	11.1%	12%
CUSTOMER SATISFACTION	72%	80%	84% of this element[2]	11.3%	12%
TOTAL				106.4%	120%

OUTCOME (£000) GRAHAM CLEMETT, CEO	FORMULAIC OUTTURN	£552.4		
	DISCRETIONARY REDUCTION APPLIED TO OUTTURN OF 20% OF SALARY			
	BONUS OUTTURN	£448.6	86.4% TOTAL BONUS	£148.0 OF WHICH IS DEFERRED BONUS
OUTCOME (£000) DAVE BENSON, CFO	BONUS OUTTURN	£380.2	106.4% TOTAL BONUS	£125.5 OF WHICH IS DEFERRED BONUS

1. This excludes the impact of the McKay acquisition.
2. The overall outcome was reduced as there was a 0.6% increase in the number of disagree/strongly disagree categories.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

Strategic financial, operational efficiency and sustainability objectives 2022/23

A summary of the strategic financial, operational efficiency and sustainability objectives is shown to the right. Full details for each performance measure are set out on pages 203 and 204.

STRATEGIC FINANCIAL, OPERATIONAL EFFICIENCY, SUSTAINABILITY OBJECTIVES (AUDITED)

1 Strategic financial objectives

Activity
- Disposal of non-core assets
- Delivery of integration cost savings from McKay acquisition
- Complete debt refinancing post McKay acquisition
- Continue to build Workspace brand profile

Opportunity 12%
Outcome 9%

Page 203

2 Operational efficiency objectives

Activity
- Integration of McKay staff and processes
- Roll-out of new finance system
- New customer complaints policy and process
- Continued roll-out of Workspace Inclusive offer

Opportunity 12%
Outcome 11.1%

Page 203

3 Sustainability objectives

Activity
- Progress our pathway to net zero carbon by 2030
- All lettable units to be A and B rated by 2030
- Improve customer advocacy of our sustainable credentials
- Launch our new InspiresMe programme to local schools, colleges and youth organisations
- Employee and customer well-being initiatives

Opportunity 24%
Outcome 24%

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REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

STRATEGIC FINANCIAL OBJECTIVES – OUTCOME 9%/12%

1

	Target	Achievement
Disposal of non-core assets	– Sale of McKay industrial portfolio	– Exchanged for sale of 5 of the 9 non-core industrial assets on 16 May 2023 for £82m
	– Sale of other McKay non-core assets	– Disposal of Newbury medical centre for £7m in July 2022
	– Sale of Riverside residential scheme	– Sale of Riverside residential scheme completed for £54m in March 2023
Delivery of integration cost savings from McKay acquisition	– 50% reduction in McKay corporate costs by exit 22/23	– Costs reduced from £6.4m p.a. prior to acquisition to £0.9m p.a. based on average cost in Q4 (80% reduction)
Complete debt refinancing post McKay acquisition	– Rollover of Aviva debt facility	– Completed transfer of Aviva facility in September 2022 avoiding £13m break cost
	– Replacement of short-term acquisition facilities with long-term debt	– Acquisition facility replaced by £135m of McKay revolver facilities transferred to Workspace on same terms as existing facilities with maturity subsequently extended to April 2025
Continue to build Workspace brand profile	– Raise brand awareness by 2% (average awareness in 21/22 of 11%)	– Now reached 14% average spontaneous brand awareness (based on Opinium brand research)

OPERATIONAL EFFICIENCY OBJECTIVES – OUTCOME 11.1%/12%

2

	Target	Achievement
Integration of McKay staff and processes	– Completed successfully by December 22	– Integration completed in November 2022
Roll-out of new finance system	– Completed successfully by April 23	– System design, build, data load and testing substantially complete with end-user training under way by the end of April 2023.
		– System went live on 16 May 2023.
New customer complaints policy and process	– Roll-out new policy and process across Company by December 22	– Processes established and customer feedback portal launched 13 December 2022 – 56 cases raised to date
		– Monthly reporting in place with resolution of cases being monitored to ensure SLA's being met
Continued roll-out of Workspace inclusive offer	– Roll-out to further 10 centres by March 23	– This has been rolled out to 9 out of 10 of the remaining centres in scope of the Workspace Inclusive Offer
		– The only exception is Canalot Studios which is undergoing refurbishment where the required Wi-Fi roll-out will be installed as part of the building upgrade

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

SUSTAINABILITY OBJECTIVES – OUTCOME: 24%/24%

3

	Target	Achievement
Progress of our pathway to net zero carbon by 2030	– Reduce energy intensity across the portfolio by 5%	– 5% reduction in energy intensity
	– Reduce scope 1 emissions (gas) per sq. ft. by 5%	– 27% reduction in gas consumption (subject to minor adjustment for emissions from refrigerant leaks)
All lettable units to be A and B rated by 2030	– Eliminate all F and G rated units	– No F, G or unrated units remaining
	– Increase the percentage of A and B rated area in the portfolio by 10%	– 12% of floor area upgraded to EPC A/B
Improve customer advocacy of our sustainable credentials	– Improve our 'agree and strongly agree' customers satisfaction score to 70% (currently 66%)	– The percentage of customers who agree or strongly agree that Workspace is a socially and environmentally responsible business has increased from 66% to 70.5% Source: Workspace 2023 customer survey
Launch our new InspiresMe programme to local schools, colleges and youth organisations	– Successful roll-out at four centres	– Achieved roll-out of InspiresMe at five pilot centres: Kennington Park, Brickfields, Cargo Works, The Chocolate Factory and Mare Street
		– 182 students benefitted from CV workshops, career sessions and 20 students were hosted for work experience
		– The responses from school partners and customers were extremely positive with 100% of the schools who took part agreeing they were keen to continue with this initiative next year
Employee and customer well-being initiatives	– Continued roll-out of a variety of wellbeing events, both virtual and physical	**Employees** – 23 employee wellbeing and mental health events delivered with 600 attendees at these sessions
		– Over 160 employees utilised our wellbeing cashback programme (Healthshield) with claim back of circa £28,000
		– We received an average score from the recent annual employee survey of 75% on employee wellbeing across six wellbeing questions
		Customers – Our central events team hosted 71 events of which 50 were wellbeing focused. This includes Paws in Work, cocktail master-classes, Leafage terrarium building, yoga classes, art for wellbeing initiatives, and were attended by 1,600 customers
		– In addition centre teams hosted 37 wellbeing themed events

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

LTIP AWARD VESTING IN RESPECT OF 2022/23 (AUDITED)

The 2020 LTIP awards measured performance over the period 1 April 2020 to 31 March 2023. Details of the performance targets and achievement against them are set out below.

On this basis, 50% of the 2020 LTIP will vest.

The 2021 LTIP awards are based on the same targets and weightings as the 2020 LTIP award shown below, measured over the period 1 April 2021 to 31 March 2024.

TABLE D

Measure	Threshold (20% payable)	Maximum (100% payable)	Actual	Formulaic outcome (% of award)
TOTAL SHAREHOLDER RETURN (TSR) RELATIVE TO FTSE 350 REAL ESTATE COMPANIES (EXCLUDING AGENCIES)	MEDIAN	UPPER QUARTILE	5th PERCENTILE	0%/50%
TOTAL PROPERTY RETURN (TPR) VERSUS IPD	MEDIAN	UPPER QUARTILE	77th PERCENTILE	50%/50%
LTIP (% MAXIMUM) VESTING				50%/100%
			CEO	CFO
NUMBER OF SHARES VESTING (AUDITED)			69,819	48,044

LTIP AWARDS MADE DURING THE 2022/23 FINANCIAL YEAR (AUDITED)

Under the current Policy conditional share awards under the LTIP are granted to a maximum of 200% of salary. Awards under the 2022 LTIP are subject to the performance conditions detailed in Table E below measured over the period 1 April 2022 to 31 March 2025.

TABLE E

	Relative TSR vs. sector group[1] (50% of the award)	Total Property Return versus London IPD index (50% of the award)
Threshold[3] (20% vesting)	Median	Median
Maximum[3] (100% vesting)	Upper Quartile	Upper Quartile

1. The comparator group for the 2022 LTIP cycle is FTSE 350 Real Estate companies excluding agencies.
2. For any shares to vest on relative TSR, the Company's TSR outcome must exceed the median TSR of the comparator group over the performance period.
3. There is straight-line vesting between the 'Threshold' and 'Maximum' performance levels.

The following awards were granted during the year under the 2022 LTIP:

			Performance share award		
				Face value	
Director	Date of grant	Market price at date of award[1]	Number of shares	£	% of salary
Graham Clemett	24 June 2022	£6.2800	165,350	1,038,398	200%
Dave Benson	24 June 2022	£6.2800	113,789	714,594	200%

1. The share price for calculating the levels of awards was £6.2800, the average mid-market closing price over the three dealing days 21, 22 and 23 June 2022, in accordance with the LTIP rules.

Deferred shares were granted (as conditional share awards) under the 2021/22 bonus of 25,380 shares to Mr Clemett and 17,463 shares to Mr Benson (33% of bonus awarded) on 27 June 2022. The share price on the date of grant was £6.475 which represented the average mid-market closing price.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

How we will apply the policy in 2023/24

As explained in the Remuneration Committee Chair's letter, we are seeking shareholder approval for a new Directors' Remuneration Policy at the AGM on 6 July 2023. On the basis that it is approved by shareholders, it will be implemented as set out below.

BASE SALARY

The Executive Directors will be awarded a 3% salary increase which is below the average applied to the wider workforce.
Salaries will be as follows:

CEO	CFO
£534,800	£368,100

PENSION

In line with the proposed Policy set out in this report, the Executive Directors will receive a contribution to a defined contribution plan or a cash allowance in lieu of contribution of 10% of salary respectively.

ANNUAL BONUS

As per the proposed Policy, there is a change to the CEO's annual bonus maximum potential in 2023/24 and this will be 150% of salary. There is no change to the CFO's annual bonus maximum potential in 2023/24, and this will continue to be 120% of salary.

33% of the total bonus paid will be deferred into shares for three years. Dividend equivalents may be accrued on deferred shares.

Whilst we believe that disclosing the exact performance conditions and targets for all measures would not be in the best interests of shareholders, we remain committed to best practice disclosure. We therefore set out to the right some examples of the objectives that the Committee will consider in respect of evaluating the strategic financial and operational efficiency and sustainability objectives. Full disclosure on the targets, performance achieved and resulting bonus payouts for 2023/24 will be provided in next year's report.

Operational efficiency objectives will include elements which optimise value and service such as centre and asset management. Strategic financial targets will cover key drivers of our commercial success including capital management and brand awareness. ESG metrics will align to our core sustainability focus including the reduction in energy intensity and an increase in social value impact.

Full disclosure on the targets, performance achieved and resulting bonus payouts for 2023/24 will be provided in next year's report.

2023/24 ANNUAL BONUS AND LINK TO STRATEGY

Measure:
Financial objectives (Trading profit after interest (50%), Strategic financial (10%))

Measure:
Sustainability

Measure:
Operational efficiency

Measure:
Customer satisfaction

LINK TO STRATEGY

- Driving customer-led growth
- Delivering operational excellence
- Being sustainable

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

HOW WE WILL APPLY THE POLICY IN 2023/24

LONG-TERM INCENTIVE PLAN (LTIP)

Following careful consideration, we have decided to amend the performance measures of the 2023 LTIP, to better align with Workspace's strategy.

Maximum award 200% of salary. The performance measures and targets for the four elements are as follows:

	Total Shareholder Return relative to FTSE 350 Real Estate companies (excluding agencies)	Earnings Per Share (EPS) Growth	Total Accounting Return (TAR)	Environmental, Social and Governance (ESG)
Weighting (% of award)	**25%**	**25%**	**25%**	**25%**
Threshold (20% vesting)	Median	5% p.a.	4.5% p.a.	See below
Maximum (100% vesting)	Upper Quartile	10% p.a.	10% p.a.	See below

A holding period of two years will apply to any net vested shares under the LTIP.

To allow any payouts to be fully reflective of underlying performance, the LTIP underpin allows the Committee to reduce vesting should the Committee believe that the performance is inconsistent with the overall performance of the business.

ESG LTIP THREE YEAR TARGETS

Environmental, social and governance (ESG)	Threshold (20% vesting)	Maximum (100% vesting)	Weighting
Reduction in scope 1 gas emissions	15%	20%	50%
Increase in percentage of EPC A or B rated space	20%	27%	50%

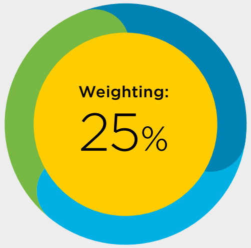
NON-EXECUTIVE DIRECTOR FEES

The fees for Non-Executive Directors are reviewed and agreed annually. The fees, which are effective from 1 April 2023, are set out in the table below.

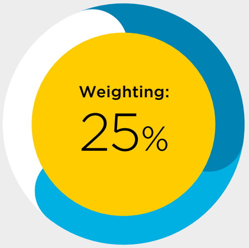
	2023/24 fee	2022/23 fee	% change
Chair	£200,000	£200,000	0%
NED base fee	£55,000	£55,000	0%
Chair of Audit Committee fee	£10,800	£10,800	0%
Chair of Remuneration Committee fee	£10,800	£10,800	0%
Chair of ESG Committee fee	£10,800	£10,800	0%
Senior Independent Director fee	£10,800	£10,800	0%

2023 PERFORMANCE MEASURES AND LINK TO STRATEGY

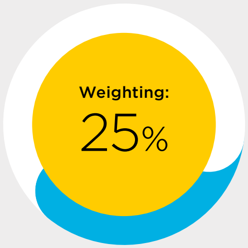
Measure:
Total Shareholder Return (TSR) relative to FTSE 350 Real Estate companies (excluding agencies)



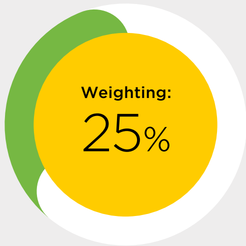
Measure:
Total Accounting Return (TAR)



Measure:
Earnings Per Share (EPS) Growth



Measure:
Environmental, Social and Governance (ESG) metrics



LINK TO STRATEGY

- Driving customer-led growth
- Delivering operational excellence
- Being sustainable

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

SINGLE FIGURE FOR NON-EXECUTIVE DIRECTORS (AUDITED)

Table F below sets out a single figure for the total remuneration received by each Non-Executive Director for the year ended 31 March 2023 and the prior year:

TABLE F

Non-Executive Director	Stephen Hubbard 2022/23 £000	Stephen Hubbard 2021/22 £000	Damon Russell 2022/23 £000	Damon Russell 2021/22 £000	Duncan Owen 2022/23 £000	Duncan Owen 2021/22 £000	Rosie Shapland 2022/23 £000	Rosie Shapland 2021/22 £000	Lesley-Ann Nash 2022/23 £000	Lesley-Ann Nash 2021/22 £000	Manju Malhotra 2022/23 £000	Manju Malhotra 2021/22 £000	Nick Mackenzie 2022/23 £000	Nick Mackenzie 2021/22 £000
Base fee	200.0	188.0	19.2	51.0	55.0	35.4	55.0	51.0	55.0	51.0	55.0	9.3	55.0	9.3
Additional fees	–	–	2.7	10.8	6.3	–	21.6	7.6	10.8	6.3	–	–	–	–
Total	200.0	188.0	21.9	61.8	61.3	35.4	76.6	58.6	65.8	57.3	55.0	9.3	55.0	9.3

1. Expenses incurred by Non-Executive Directors represent the cost to the Group, being gross of taxation. In 2022/23 Nick Mackenzie was reimbursed for out of pocket expenses incurred in attending meetings, in connection with the discharge of his duties of £1,111.70.
2. Additional fees were paid during the year to Non-Executive Directors serving as Chairs of the Remuneration, Audit and ESG Committees. An additional fee is also paid to the Senior Independent Non-Executive Director.

SHARE OWNERSHIP AND SHARE INTERESTS (AUDITED)

The table below shows the interests of the Directors and connected persons in shares (owned outright or vested). There have been no changes in the interests in the period between 31 March 2023 and 6 June 2023.

TABLE G

	31 March 2023	31 March 2022
Chair		
Stephen Hubbard	41,500	23,640
Executive Directors		
Graham Clemett	141,930	135,311
Dave Benson	39,765	20,085
Non-Executive Directors		
Rosie Shapland	Nil	Nil
Lesley-Ann Nash	Nil	Nil
Nick Mackenzie	12,400	Nil
Manju Malhotra	Nil	Nil
Duncan Owen	9,410	5,560
Past Directors		
Damon Russell[1]	See note	Nil

1. Damon Russell stepped down from the Board on 22 July 2022. As at the date of leaving, Damon Russell did not hold any shares.

Dave Benson, who joined the Company on 1 April 2020, acquired 19,850 shares in September 2020. Mr Benson was subsequently awarded 235 ordinary shares under the Workspace Group PLC Share Incentive Plan and acquired a further 19,680 shares on 1 September 2022.

Table H below shows the Executive Directors' interest in shares.

TABLE H

Executive Director	Type	Owned outright or vested[2]	Unvested and not subject to performance[3]	Subject to performance[4]	Total
Graham Clemett	Shares	141,930	123,143	282,393	547,466
	Market value options[1]	Nil	3,389	Nil	3,389
Dave Benson	Shares	39,765	70,757	194,330	304,852
	Market value options[1]	Nil	5,649	Nil	5,649

1. Market value options include SAYE options outstanding and not yet matured as at 31 March 2023. The exercise price of these was set at 80% (in accordance with HMRC and the plan rules) of the market value of a share at the invitation date. See page 211 for further details.
2. The total shares owned outright or vested.
3. This figure includes the deferred bonus shares awarded in 2020, 2021 and 2022 for Mr Clemett and the deferred bonus shares awarded in 2021 and 2022 for Mr Benson and the number of shares vesting, (gross), pursuant to the 2020 LTIP award.
4. The interest in shares of 282,393 for Mr Clemett consists of LTIP awards made in 2021 and 2022. The interest in shares of 194,330 for Mr Benson consists of LTIP awards made in 2021 and 2022, details of which can be found on page 210 in this report.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

ADDITIONAL INFORMATION

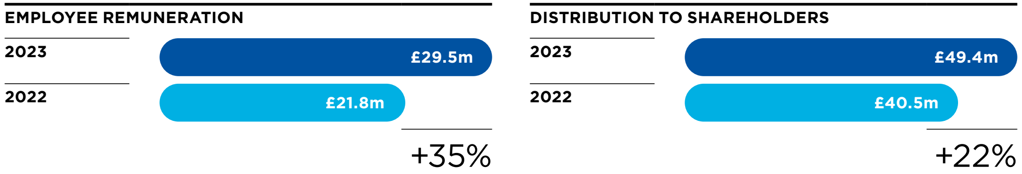
External appointments

It is the Board's policy to allow Executive Directors to take up one Non-Executive position on the board of another company, subject to the prior approval of the Board. Any fee earned in relation to outside appointments is retained by the Executive Director. Mr Clemett was appointed a Non-Executive Director of The Restaurant Group PLC, effective 1 June 2016 and as Senior Independent Director on 6 November 2020. Mr Clemett is paid an annual fee of £69.3k. Mr Benson does not hold any external appointments.

Relative importance of spend on pay

Chart D below shows the Company's actual expenditure on shareholder distributions (including dividends and share buybacks) and total employee pay expenditure for the financial years ended 31 March 2022 and 31 March 2023.

CHART D



The estimated total dividend as reported in the financial statements for the year to 31 March 2023 was £49.4m.

Payments for loss of office (audited)

None.

Payments to past Directors (audited)

None.

Service contracts of Directors serving in the year

Executive Directors are employed under contracts of employment with Workspace Group PLC. The principal terms of the Executive Directors' service contracts are as follows.

			Notice period	
Executive Director	Position	Effective date of contract	From Company	From Director
Graham Clemett	Chief Executive Officer	31 July 2007	12 months	12 months
Dave Benson	Chief Financial Officer	1 April 2020	12 months	12 months

Graham Clemett joined the Company as CFO in July 2007 and was appointed as CEO on 24 September 2019. Mr Clemett served as Interim CEO and CFO from 31 May 2019 until September 2019.

The Chair and Non-Executive Directors have letters of appointment. Dates of the Directors' letters of appointment are set out below:

Name	Date of original appointment (date of reappointment)	Date of appointment/ last reappointment at AGM	Notice period
Stephen Hubbard	16 July 2014 (23 January 2020)	2022	6 months
Rosie Shapland	6 November 2020 (n/a)	2022	3 months
Lesley-Ann Nash	1 January 2021 (n/a)	2022	3 months
Duncan Owen	22 July 2021 (n/a)	2022	3 months
Manju Malhotra	26 January 2022 (n/a)	2022	3 months
Nick Mackenzie	26 January 2022 (n/a)	2022	3 months

The Directors are subject to annual re-election at the AGM. Non-Executive Directors' letters of appointment and Executive Directors' contracts are available to view at the Company's registered office.

Mr Hubbard's reappointment letter dated 23 January 2020 stated that his appointment would be for a period of three years commencing on the conclusion of the 2020 AGM. The AGM was held on 9 July 2020.

Mr Owen, as Chair designate, signed a new letter of appointment dated 27 February 2023 which will take effect from the conclusion of the AGM on 6 July 2023.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

ADDITIONAL INFORMATION CONTINUED

Committee advisers
During the year, PwC LLP acted as independent adviser to the Committee. PwC LLP was appointed by the Committee in 2018 following a selection process. PwC LLP is a founding member of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to Executive remuneration consulting in the UK. The Committee is satisfied that the PwC LLP engagement partner and team, which provide remuneration advice to the Committee, do not have connections with the Group that may impair their objectivity and independence. The fees charged by PwC LLP for the provision of independent advice to the Committee during the year were £113,605 (based on hourly rates). PwC LLP provided no other services during the financial year.

Voting at the Company's AGMs
The table below sets out the results of the most recent shareholder votes on the Policy Report and the advisory vote on the 2021/22 Annual Report on Remuneration at the 2022 AGM on 21 July 2022. The Committee views this level of shareholder support as a strong endorsement of the Company's Policy and its implementation.

	Percentage of votes cast		Number of votes cast		
	For and Discretion	Against	For and Discretion	Against	Withheld[1]
Policy Report (2020 AGM)	99.54	0.46	116,307,019	539,870	1,666
Annual Report on Remuneration (2022 AGM)	98.55	1.45	144,279,654	2,123,283	4,663

1. A withheld vote is not a vote in law and is not counted in the calculation of the proportion of votes cast for and against a resolution.

Share based awards and dilution
The Company's share schemes are funded through a combination of shares purchased in the market and new-issue shares, as appropriate. The Company monitors the number of shares issued under these schemes and their impact on dilution limits. The Company's usage of shares compared to the relevant dilution limits set by the Investment Association in respect of all-share plans (10% in any rolling ten-year period) and Executive share plans (5% in any rolling ten-year period) as at 31 March 2023 is detailed below.

As of 31 March 2023, around 2.3% and 2.0% shares have been, or may be, issued to settle awards made in the previous ten years in connection with all-share schemes and executive share schemes respectively. Awards that are made but then lapse or are forfeited are excluded from the calculations.

	ALL-SHARE PLANS	EXECUTIVE SHARE PLANS
LIMIT	10%	5%
ACTUAL	2.3%	2%

Outstanding LTIP awards
Details of current awards outstanding to Graham Clemett and Dave Benson are detailed below.

Executive Director	At 1 April 2022 Performance[2]	Lapsed during the year Performance	Vested during the year Performance	At 31 March 2023 Performance
Graham Clemett				
18/06/2019	71,814	71,814	–	–
18/06/2020	139,638	–	–	139,638
24/06/2021	117,043	–	–	117,043
24/06/2022	–	–	–	165,350
Dave Benson				
18/06/2020	96,089	–	–	96,089
24/06/2021	80,541	–	–	80,541
24/06/2022	–	–	–	113,789

1. Awards will vest subject to the satisfaction of performance conditions detailed on page 207 over the three-year performance period.
2. LTIP awards made to the Executive Directors. In June 2020, 2021 and 2022 awards were in respect of 200% of salary based on a share price at date of award of £7.0767, £8.6117 and £6.2800 respectively. The 2020 LTIP awards vested at 50%.

REMUNERATION CONTINUED
ANNUAL REPORT ON REMUNERATION CONTINUED

ADDITIONAL INFORMATION CONTINUED

Share options

The following table shows, for the Directors who served during the year, the interests in outstanding awards under the HMRC-approved Savings Related Share Option Plan and SIP Awards.

Executive Director	At 01/04/2022	Granted during the year	Lapsed during the year	Vested in year	At 31/03/2023	Exercise price	Normal exercise date	
							From	To
Graham Clemett	107	–	–	–	107		18.09.18	
	228	–	–	–	228		30.08.20	
	233	–	–	–	233		05.09.22	
	235	–	–		235		29.09.24	
	3,389	–	–	–	3,389	£5.31	01.09.23	01.03.24
Dave Benson	5,649	–	–	–	5,649	£5.31	01.09.25	01.03.26
	235	–	–	–	235		29.09.24	

1. Mr Clemett was granted awards under the Share Incentive Plan on 18 September 2015 (107); 30 August 2017 (228); 5 September 2019 (233) and 29 September 2021 (235).
2. Mr Benson was granted an awards under the Share Incentive Plan on 29 September 2021 (235).

There have been no changes in Directors' interests over options in the period between the balance sheet date and 6 June 2023.

The Directors' Remuneration Report has been approved by the Board of Workspace Group PLC.

By order of the Board

Lesley-Ann Nash
Chair of the Remuneration Committee
6 June 2023