

REMUNERATION

At Workspace, we incentivise our people through competitive remuneration aligned with the experience of our stakeholders and with the Workspace culture. This ensures delivery of our strategy. This report lays out in more detail the approach we have taken in this unprecedented year.

WORKSPACE'S KEY REMUNERATION PRINCIPLES:

- Alignment with our strategy and purpose;
- A focus on performance;
- Transparency and simplicity for the benefit of all stakeholders; and
- Consistency of application.

Complying with the Code Principles	page 168
Chairman's statement	page 169
The work of the Remco	page 172
Remuneration at a glance	page 173
Our Remuneration Policy	page 178
Annual report on remuneration	page 182

Suzi Williams

Chairman of the Remuneration Committee



REMUNERATION CONTINUED

Committee membership

The Committee compromises of Non-Executive Directors and is chaired by Suzi Williams. Details of individual attendance at the meetings held during the year are set out below.

Director	Independent	Number of meetings attended
Suzi Williams (Chairman)	Yes	8/8
Stephen Hubbard	Yes	8/8
Rosie Shapland ¹	Yes	1/1
Lesley-Ann Nash ²	Yes	1/1

- Rosie Shapland was appointed as a Non-Executive Director on 6 November 2020.
- Lesley-Ann Nash was appointed as a Non-Executive Director on 1 January 2021.
- See page 105 for members of the Committee during the year and their attendance at Remuneration Committee meetings.

Complying with the Code Principles

PRINCIPLE P

Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy.

Remuneration Committee ('Remco') seeks to ensure that the policy:

- Is tightly aligned to strategy and to achieving the stretching targets which demonstrate delivery of Workspace's long-term strategy.
- Is based on pay for performance and links to Group performance through variable pay instruments.
- Supports an effective pay for performance culture which allows us to retain, motivate and attract highly skilled Directors, who have a clear purpose and are of the necessary calibre to execute the Company's strategy.
- Promotes the long-term ownership culture by encouraging the acquisition and retention of shares amongst the Executive Directors.
- Achieves a strong alignment between Executive and stakeholder interests.

PRINCIPLE Q

A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.

As we have noted over recent years, four elements – clear communication, trust, transparency and simplicity – are critical to the Remco's commitment to supporting Workspace's ability to deliver strong and consistent long-term value for all shareholders. The last Remuneration Policy was approved by shareholders in July 2020, with 99.5% of shareholders in support. Ahead of this, the Committee built on the foundations of our previously well-received Remuneration Policy, seeking to strengthen our strong and well-respected approach to governance to allow us to reflect the changes in the new Code. Remco focused on the development and refinement of the new Remuneration Policy, as well as the implementation of the current policy. No Director was present for any discussions that related directly to their own remuneration.

PRINCIPLE R

Remuneration policies and practices Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.

As we have noted over recent years, as a Committee, we consider whether to apply discretion when assessing remuneration outcomes for Executive Directors. Before making any pay decisions, we reflect on both the underlying financial and wider business performance of the Company as well as the performance of Executive Board Directors' individual objectives and the demonstration of leadership qualities and adherence to our values. The 2020 Policy provides us with the maximum flexibility in applying any discretion which we may be called upon to exercise in the current times. We stress that Remco has carefully considered all remuneration decisions in the context of the wider environment Covid-19 crisis and will continue to monitor the business conditions and exercise judgement as appropriate.

REMUNERATION CONTINUED

Chairman's
Remuneration
Committee
Letter

2 June 2021

Dear Shareholder

On behalf of the Board, I am pleased to introduce our 2021 Remuneration Report.

'Our focus is on maintaining a remuneration approach that motivates our leadership and supports our strategic objectives, thereby ensuring high performance for all our stakeholders.'

This is my first report to shareholders as Chairman of the Committee, having taken over from Maria Moloney on 1 January 2021. I would like to take this opportunity to thank Maria for her contribution to the Committee across her long tenure and to welcome Rosie Shapland and Lesley-Ann Nash who both joined the Committee during the year.

We were pleased to receive strong support for our remuneration policy at the 2020 AGM, with 99.5% of votes received being in favour. In line with our commitment to maintaining a credible and transparent remuneration framework, we contacted our largest shareholders, representing over 68% of our issued share capital, as part of that policy review.

The following pages set out the detail of how the Committee applied the approved policy, and how we intend to apply it in the coming financial year. It explains the key activities of the Committee and importantly, explains how we have addressed remuneration in these unprecedented times. At all times the Committee was, and continues to be, guided by its key principles detailed on page 167.

The Remuneration Report will be put to an advisory vote at the 2021 AGM, and below I have provided some of the key highlights, as well as important context.

'The business has shown a determined and consistent commitment to supporting our staff, our customers, and our broader stakeholders during Covid-19.'

There can be no doubt that 2020 was an exceptional year with the impact of Covid-19. Rarely has the world seen such widespread disruption to normal patterns of life.

Led by the Board and Executive Committee, Workspace's approach has been to protect the health (including mental health) and financial well being of employees through this period. This is discussed in more detail on page 28. We are proud that no employees were furloughed during this pandemic; pay and bonus arrangements continued to operate as usual and the business did not make use of any Government backed loans. For 2021 we have awarded a 2% pay rise across the business.

Company performance 2020/21
'The Executive Team responded swiftly and decisively to changing economic and operational circumstances as a result of Covid-19.'

Through the challenges of Covid-19, the Company and the Executive Team reacted swiftly and decisively in a fast changing environment, showing pragmatism and strong leadership. In unprecedented conditions, the team at Workspace pulled together and responded as a robust and resilient team, providing support and flexibility to our people and customers throughout the disruption. As we emerge from the crisis, this has positioned the business strongly for recovery.

While the past year has presented its challenges, I am proud of the way our Executive Team and employees have risen to meet those challenges. It is a real demonstration of the strength of the unique Workspace culture, brand and values.

The immediate priority as Covid-19 emerged was to protect the health and safety of our people and customers. This priority of course is ongoing. From a business perspective, we focused on preserving our strong balance sheet, minimising the impact on our operations and ensuring the Company had adequate liquidity.

Whilst in the year to 31 March 2021, net rental income fell 33% to £81.5m, this was partly due to the £19.9m of rent discounts we offered to our customers in the first quarter. This resulted in trading profit after interest of £38.7m. Please refer to page 10 for more details.

Adjusted NAV per share was £9.38. The balance sheet remains in good shape with loan-to-value ratio of 24%. The Board is recommending a final dividend of 17.75p.

REMUNERATION CONTINUED

There has also been tremendous progress in our ESG objectives and Stephen Hubbard, our Company Chairman, discusses this in more detail on page 7 of his report.

Remuneration outcomes in 2020/21

During this challenging year, the Committee felt it important to consider Remuneration within the context of the broader stakeholder and community experience. The Committee took into account share price movements and dividend to shareholders when making decisions on executive pay, and we have been consistently mindful of the impact on our stakeholders more widely at this exceptional time.

Some 76% of the executive directors' remuneration was linked to performance via the annual bonus plan and LTIP, with the metrics used in those plans, as detailed on pages 176 and 177 of this report.

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:

Annual Bonus 2020/21

The Committee considered in depth the outcomes under the annual bonus, noting the significant economic, business and social challenges this year. We did this in the context of a business now seeing a recovery in the share price and growth in customer demand after an extraordinarily difficult period.

To reflect this difficult environment for our customers and stakeholders, the Board determined it would be inappropriate to award the customer satisfaction element of the bonus. The Board noted the substantial financial support provided to Workspace customers during this period as an example of the business Doing the Right Thing. On balance however, the outcome under this measure is deemed to be nil.

The Committee noted that in spite of turbulence, profit outcomes were met. The formulaic outcome under this element of the targets was 100% of maximum.

The Committee agreed that the leadership team maintained focus on key strategic priorities throughout 2020. This included significant progress on our ESG agenda and the issuance of our first green bond. This ensured delivery against the strategic objectives of the bonus such that personal performance objectives were largely met. Formulaic assessment of this element of the bonus was 80% of maximum (more detail is provided on pages 176 to 177).

Finally, the outcome under the relative Total Property Return element was nil.

The formulaic outcome is therefore 66% of maximum (79% of salary) for the Executive Directors.

In determining the appropriateness of the formulaic bonus outcome the Committee considered at length the experience of shareholders over the period. In making the final decisions, it was deemed appropriate to take into account both this and the fall in year on year trading profits. The Committee was also conscious of the need to appropriately recognise the achievements of the management team who have responded in an outstanding way to the challenges of 2020/21, such that the business is strongly placed for post-pandemic opportunities and growth.

Taking all of the above into account, the Committee has used its discretion to apply a 50% reduction to the overall bonus out-turn. This reduction reflects the profit and dividend reduction in the year and acknowledges the broader difficulties experienced by all of our stakeholders at this unprecedented time. This results in a bonus outcome for the Executive Directors of 33% of maximum (39.5% of salary).

Of the bonus award, 33% will be deferred in shares for each of Graham Clemett and Dave Benson, for three years under the Deferred Bonus Plan.

We believe this represents a balanced final position, both reflecting the broad stakeholder experience and acknowledging the extraordinary leadership and achievements of the Workspace team during this most difficult of years.

REMUNERATION CONTINUED**Vesting of 2018 LTIP**

The LTIP award granted to Graham Clemett in 2018 was subject to performance conditions measured over the three financial years to 31 March 2021. The vesting of 50% of this award was subject to Total Shareholder Return (TSR) performance relative to FTSE 350 real estate companies, with the remaining 50% subject to Total Property Return (TPR) versus IPD Benchmark. Having tested the performance conditions, none of the 2018 LTIP will vest.

2021 Remuneration**Base Salary**

Executive Directors will receive a basic salary increase of 2%, in line with the level awarded to the wider workforce, and will take effect on 1 April 2021. This is in line with the Remuneration Policy commitment that salaries will normally only increase in line with the wider workforce.

Bonus

Targets for the annual bonus are set at the beginning of the year. The measures of the bonus for the financial year ended 2021 can be found on page 173.

2021 LTIP

For our 2021 LTIP award, due to be granted in June, the Committee has decided to retain the same performance conditions and targets and to use the share price immediately prior to the date of grant to determine the number of shares awarded. The Committee considered the grant level in the context of share price movements and the risk of windfall gains, but given the limited difference in share price since the last grant, decided that no adjustment was warranted on this basis. As with previous awards, a performance underpin applies to this award which allows the committee to reduce vesting if performance is inconsistent with the overall performance of the business, individual performance or wider considerations.

Employee Remuneration***'Alignment with wider workforce considerations and approach to fairness.'***

In recognition of their hard work in this difficult year, the average salary increase for employees was 2%. In addition, the vast majority of employees also received bonus awards.

Remuneration Committee Evaluation

This year's evaluation was externally facilitated. It was concluded that the Committee continued to operate well, with further details provided on page 146.

Through this report we seek to communicate clearly the importance of a strategic remuneration approach in delivering high performance at Workspace, not just in relation to leadership, but also with regard to broader employee pay and performance. Strong alignment between stakeholders is important to us in delivering a structure that drives long term success for management and shareholders alike. I hope that the following Report provides this clarity and demonstrates our commitment to the highest standards of governance and transparency in this area.

Looking forward

There continues to be a strategic focus on ESG. This year we committed to becoming a net zero carbon business by 2030 and published our pathway to achieving this goal in line with the our approved Science Based Targets and a commitment to drive down emissions of both operational and embodied carbon. We also published a green finance framework during the year and successfully raised £300m through a green bond to support our green projects. We will be looking to integrate our ESG strategy and priorities, more fully, into our variable remuneration framework going forward.

Finally, I want to thank you for your ongoing support in this challenging year.

Suzi Williams

Chair of the Remuneration Committee

REMUNERATION CONTINUED

The work of the Remuneration Committee

We met as a Committee 8 times during the year. We believe it is important that the Committee keeps up-to-date on an ongoing basis during the year to enable timely discussions where business decisions may affect remuneration.

Summary of Committee's activities during the year

Committee governance:

- Received an update on current executive pay environment.
- Considered the incentive operating guidelines for Executive Board Directors.
- Received the results of the internal performance evaluation of the Remuneration Committee.
- Agreed updates to Committee Terms of Reference.
- Approved the Directors' Remuneration Report for 2020/21.
- Reviewed the operation of Policy in 2019/20.
- Received an update on Investment Association principles and other investor body guidelines.

Remuneration framework for employees:

- Received an update on TSR performance for 2018, 2019 and 2020 LTIP awards.
- Review of wider workforce remuneration arrangements and employment conditions throughout the Company to ensure that they support the Company's purpose.
- Received an update from Stephen Hubbard, as the designated Non-Executive Director for Employee Engagement, who, during the year, talked with a wide range of employees to listen to their views on a wide range of matters.

Committee Performance Evaluation

- The external evaluation of the Board and its committees was concluded in March 2021. Further details can be found on page 146. No significant issues were identified.

Executive and senior management remuneration framework:

- Reviewed the shareholding guidelines for Executive Board Directors.
- Executive Directors' remuneration review.
- Annual bonus outcomes for 2019/20.
- Setting of performance metrics and targets for 2020/21.
- Reviewed the vesting criteria for the 2017 LTIP.
- Proposed awards under the 2020 Long Term Incentive Plan.
- Considered the impact of Covid-19 on remuneration outcomes.
- Monitoring and assessing targets for 2020/21.

Support for the Committee

During the year, we sought internal support from the CEO, whose attendance at Committee meetings was by invitation from the Chairman, 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.

REMUNERATION CONTINUED

Remuneration at a glance

We focus our incentives on supporting the right behaviours with all staff working in the best interests of the Company and all stakeholders.

REMUNERATION KEY

- Base salary
- Pension
- Benefits
- Annual bonus
- LTIP

THE FIXED AND VARIABLE COMPONENTS OF WORKSPACE EXECUTIVE REMUNERATION

FIXED COMPONENTS OF EXECUTIVE PAY

Base salary

Reflecting market value of the role and an individual's experience, performance and contribution.

Pension

Market competitive pensions.

Benefits

Market competitive benefits.

VARIABLE COMPONENTS OF EXECUTIVE PAY

Annual bonus

Reinforcing and rewarding delivery of annual strategic business priorities, based on performance measures relating to both Company and individual performance.

	% of salary
Trading profit after interest	60%
Total Property Return (TPR) Versus IPD Benchmark	24%
Customer satisfaction	12%
Personal performance	24%
Total	120%

Long Term Incentive Plan (LTIP)

Rewarding and aligning to the delivery of sustained long-term sector outperformance and aligning the interests of participants with those of shareholders.

	% of award
Total Shareholder Return (TSR), relative to FTSE 350 property companies	50%
Total Property Return (TPR), versus IPD Benchmark	50%
Total	100%

REMUNERATION CONTINUED

REMUNERATION AT A GLANCE CONTINUED

Rewards at all levels

Workspace's key objectives are reflected in remuneration arrangements operating at all levels within the Company.

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

Additionally, all employees participate in an annual bonus plan. All members of the Executive Committee and some senior staff are eligible to participate in the Company's LTIP. During the year, we extended LTIP participation to a wider group of employees to further reinforce the strong performance culture. 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. The diagram to the right demonstrates how Workspace's key objectives are reflected consistently in plans operating at all levels within the Company.

THE FOLLOWING DIAGRAM DEMONSTRATES HOW WORKSPACE'S PLANS OPERATE AT ALL LEVELS WITHIN THE COMPANY.

Number of people this applies to as at 31 March 2021

EXECUTIVE COMMITTEE

Relevant elements of pay:

- Fixed
 - SAYE and SIP
 - Annual bonus
 - LTIP
 - Shareholding guidelines for Executive Directors
- Supports alignment of Executive's interest with shareholders

8

EXECUTIVE COMMITTEE & CERTAIN EMPLOYEES

Relevant elements of pay:

- Fixed
 - SAYE and SIP
 - Annual bonus
 - LTIP
- Reinforces delivery of long-term sector outperformance

45

ALL EMPLOYEES

Relevant elements of pay:

Annual bonus
All employees participate in annual bonuses. Opportunities and performance conditions are tailored to reflect an individual's role and responsibilities.

SAYE and SIP

Encourages employee engagement and reinforces our strong performance culture. Enables all employees to share in the long-term success of the Group and aligns participants with shareholder interests.

Fixed

Salaries are set to reflect market value of the role and aid recruitment and retention. All employees are eligible for a 2:1 match on employee pension contributions of 3% or 5% of salary and receive a combination of benefits relevant for their role.

223

REMUNERATION CONTINUED
REMUNERATION AT A GLANCE CONTINUED

How the variable components of executive remuneration align to our strategy

ANNUAL BONUS

Link to strategy

The component measures provide a good balance of rewarding against the three pillars of our strategy:

- Customer-led growth
- Operational excellence
- Doing the Right Thing

which are the foundations of Workspace's future growth. Some measures support some pillars more than others, as indicated by the pillar or pillars noted under each measure.

Measures shown as % of salary

60%

Trading profit after interest

LINK TO STRATEGY

Customer-led growth
Operational excellence

24%

Personal performance

LINK TO STRATEGY

Doing the Right Thing

24%

Total Property Return (TPR) versus IPD Benchmark

LINK TO STRATEGY

Operational excellence

12%

Customer satisfaction

LINK TO STRATEGY

Customer-led growth

LTIP

Link to strategy

The balance of the two measures is well aligned to our strategy of driving income growth and enhancing shareholder value over the longer term.

Measures shown as % of award

50%

Total Shareholder Return (TSR), relative to FTSE 350 property companies

LINK TO STRATEGY

Customer-led growth
Operational excellence
Doing the Right Thing

50%

50% Total Property Return (TPR), versus IPD Benchmark

LINK TO STRATEGY

Operational excellence

REMUNERATION CONTINUED

REMUNERATION AT A GLANCE CONTINUED

Graham Clemett

CHIEF EXECUTIVE OFFICER

FIXED COMPONENTS OF EXECUTIVE PAY

BASE SALARY:

£494,090

PENSION:

£49,410

BENEFITS:

£21,449

More information on page 178

SINGLE FIGURE
FOR 2020/21 (£000)

£764.4

VARIABLE COMPONENTS OF EXECUTIVE PAY

OUTCOMES UNDER THE 2020/21 ANNUAL BONUS

	THRESHOLD (0% PAYABLE)	MAXIMUM (100% PAYABLE)	FORMULAIC OUTCOME (% OF SALARY)		CEO ACTUAL £000
TRADING PROFIT AFTER INTEREST	£34.6M	£38.6M	60%	60%	£296.4
		ACTUAL: £38.7M			
TOTAL PROPERTY RETURN	BENCHMARK	BENCHMARK +2%	0%	24%	£0
		ACTUAL: BENCHMARK -3.78%			
CUSTOMER SATISFACTION ¹	72%	80%	0%	12%	£0
		ACTUAL: N/A			
PERSONAL PERFORMANCE	0%	MAX: 100%	19%	24%	£93.8
		ACTUAL: 80%			
SUBTOTAL			79%	120%	£390.2
DISCRETIONARY 50% REDUCTION APPLIED TO OUTTURN					£195.1
BONUS OUTTURN					£195.1

OUTCOMES UNDER THE 2018 LTIP PERFORMANCE MEASURES OVER THE PERIOD 1 APRIL 2018 TO 31 MARCH 2021

	THRESHOLD (0% PAYABLE)	MAXIMUM (100% PAYABLE)	OUTCOME (% OF AWARD)	CEO ACTUAL £000	
TOTAL SHAREHOLDER RETURN (TSR) RELATIVE TO FTSE 350 PROPERTY COMPANIES	MEDIAN	UPPER QUARTILE	0%	50%	£0 OF WHICH SHARE PRICE: £NIL
		ACTUAL: 37TH PERCENTILE			
TOTAL PROPERTY RETURN (TPR) VERSUS IPD	MEDIAN	UPPER QUARTILE	0%	50%	£0 DIVIDEND EQUIVALENT OF £NIL
		ACTUAL: 43RD PERCENTILE			
TOTAL			0%	100%	£0

1. Further details can be found on page 170.

REMUNERATION CONTINUED

REMUNERATION AT A GLANCE CONTINUED

Dave Benson

CHIEF FINANCIAL OFFICER

FIXED COMPONENTS OF EXECUTIVE PAY

BASE SALARY:

£340,000

PENSION:

£17,973

BENEFITS:

£0

SINGLE FIGURE
FOR 2020/21 (£000)

£499.8

VARIABLE COMPONENTS OF EXECUTIVE PAY

OUTCOMES UNDER THE 2020/21 ANNUAL BONUS

	THRESHOLD (0% PAYABLE)	MAXIMUM (100% PAYABLE)	FORMULAIC OUTCOME (% OF SALARY)		CFO ACTUAL £000
TRADING PROFIT AFTER INTEREST	£34.6M	£38.6M	60%	60%	£204.0
		ACTUAL: £38.7M			
TOTAL PROPERTY RETURN	BENCHMARK	BENCHMARK +2%	0%	24%	£0
		ACTUAL: BENCHMARK -3.78%			
CUSTOMER SATISFACTION ¹	72%	80%	0%	12%	£0
		ACTUAL: N/A			
PERSONAL PERFORMANCE	0%	MAX: 100%	19%	24%	£64.6
		ACTUAL: 80%			
SUBTOTAL			79%	120%	£268.6
DISCRETIONARY 50% REDUCTION APPLIED TO OUTTURN					£134.3
BONUS OUTTURN					£134.3

1. Further details can be found on page 170.

REMUNERATION CONTINUED

Our Remuneration Policy

In this section we provide a summary of the key elements of the Remuneration Policy for Executive Directors approved by Shareholders at our 2020 AGM on 9 July. In addition, we have set out how the Policy was operated in 2020/21 (which was as intended) and how it is intended to be operated in 2021/22.

You can find the full Policy at www.workspace.co.uk/investors.

REMUNERATION POLICY TABLE

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

FIXED COMPONENTS OF EXECUTIVE PAY

PURPOSE AND LINK TO STRATEGY	OPERATION	OPPORTUNITY	OPERATION IN THE YEAR ENDED 31 MARCH 2021 (2020/21)	OPERATION IN THE YEAR ENDING 31 MARCH 2022 (2021/22)
Base salary To reflect market value of the role and an individual's experience, performance and contribution.	Salaries are normally reviewed annually. Salary levels take account of: <ul style="list-style-type: none"> – 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.	Graham Clemett (CEO) £494,090 Dave Benson (CFO) £340,000	Graham Clemett (CEO) £503,970 (effective 1 April 2021) Dave Benson (CFO) £346,800 (effective 1 April 2021)
Pension To provide market competitive pensions.	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.	Graham Clemett (CEO) 10% of salary. Dave Benson (CFO) 6% of salary.	Dave Benson's contribution will increase to 10% of salary to reflect one year's service, in line with our Policy.
Benefits To provide market competitive benefits.	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.	Includes car allowance, private health insurance and other benefits.	No change.

REMUNERATION CONTINUED**OUR REMUNERATION POLICY** CONTINUED**REMUNERATION POLICY TABLE** CONTINUED**VARIABLE COMPONENTS OF EXECUTIVE PAY**

PURPOSE AND LINK TO STRATEGY	OPERATION	OPPORTUNITY	PERFORMANCE METRICS	OPERATION IN THE YEAR ENDED 31 MARCH 2021 (2020/21)	OPERATION IN THE YEAR ENDING 31 MARCH 2022 (2021/22)
<p>Annual bonus</p> <p>To reinforce and reward delivery of annual strategic business priorities, based on performance measures relating to both Group and individual performance.</p> <p>Bonus deferral provides alignment with Shareholder interests.</p>	<p>A portion of the annual bonus is deferred into shares for a period of three years. The deferral is 33% of bonus earned.</p> <p>Dividend equivalents may be accrued on deferred shares.</p> <p>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.</p>	<p>The maximum bonus potential for Executive Board Directors is 120% of salary p.a.</p>	<p>Performance is measured relative to financial, operational, strategic and individual objectives in the year aligned with the Company's strategic plan.</p> <p>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.</p> <p>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.</p>	<p>MAXIMUM OPPORTUNITY: Graham Clemett (CEO) Up to 120% of salary.</p> <p>Dave Benson (CFO) Up to 120% of salary.</p> <ul style="list-style-type: none"> - Trading profit (60%). - Total Property Return (TPR) (24%). - Customer satisfaction (12%). - Personal performance (24%). <p>EXECUTIVE DIRECTORS AWARDED BONUSES OF: Graham Clemett (CEO) 39.5% of salary.</p> <p>Dave Benson (CFO) 39.5% of salary.</p> <p>Deferral of 33% of bonus earned.</p> <p>A discretionary 50% reduction was applied to the formulaic outturn.</p> <p>See pages 187 to 190 for further details on outcomes.</p>	<p>MAXIMUM OPPORTUNITY: Graham Clemett (CEO) Up to 120% of salary.</p> <p>Dave Benson (CFO) Up to 120% of salary.</p> <ul style="list-style-type: none"> - No change to type of performance conditions or the respective weighting or maximum bonus potential. - The Committee is of the opinion that, given the commercial sensitivity arising in relation to the detailed financial targets used for the annual bonus, discussing precise targets for the Annual Bonus plan in advance would not be in shareholder interests. - Actual targets, performance achieved and awards made will be published at the end of the financial year so Shareholders can fully assess the basis for any pay-outs under the annual bonus.

REMUNERATION CONTINUED**OUR REMUNERATION POLICY** CONTINUED**REMUNERATION POLICY TABLE** CONTINUED**VARIABLE COMPONENTS OF EXECUTIVE PAY** CONTINUED

PURPOSE AND LINK TO STRATEGY	OPERATION	OPPORTUNITY	PERFORMANCE METRICS	OPERATION IN THE YEAR ENDED 31 MARCH 2021 (2020/21)	OPERATION IN THE YEAR ENDING 31 MARCH 2022 (2021/22)
<p>Long Term Incentive Plan (LTIP)</p> <p>To reward and align to the delivery of sustained long-term sector outperformance and to align the interests of participants with those of Shareholders.</p>	<p>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.</p> <p>Dividend equivalents may be accrued on shares in respect of the performance and holding period.</p>	<p>Normal maximum award of up to 200% of salary per annum.</p> <p>An award of 300% of salary per annum may be made in exceptional circumstances.</p>	<p>Awards will be based on a combination of financial, share price and strategic measures aligned with the Company's strategic plan.</p> <p>A performance underpin will apply which allows the Committee to reduce vesting if performance is inconsistent with the overall performance of the business. 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.</p>	<p>GRANT SIZES FOR:</p> <p>Graham Clemett (CEO) 200% of salary.</p> <p>Dave Benson (CFO) 200% of salary.</p> <p>PERFORMANCE CONDITIONS WERE:</p> <ul style="list-style-type: none"> - 50% Total Shareholder Return (TSR) relative to FTSE 350 property companies. - 50% Total Property Return (TPR) versus IPD. <p>The 2018 LTIP vested in the year at 0% of the award. See page 191 for further details on outcomes.</p>	<p>GRANT SIZES FOR:</p> <p>Graham Clemett (CEO) 200% of salary.</p> <p>Dave Benson (CFO) 200% of salary.</p> <p>No change to maximum LTIP opportunities or the performance conditions.</p>
<p>Shareholding requirement</p>	<p>Shareholding guideline for Executive Directors of 200% of salary.</p> <p>Post-cessation shareholding requirement of 200% of salary for two years post-departure. In the event that 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.</p>			<p>CURRENT SHAREHOLDINGS*</p> <p>CEO 208% of salary.</p> <p>CFO 39% of salary.</p>	

* Based on a share price of £6.8176 being the average share price over the year to 31 March 2021 and salaries of £494,090 and £340,000 for Graham Clemett and Dave Benson respectively.

REMUNERATION CONTINUED

OUR REMUNERATION POLICY CONTINUED

Possible payouts under our Policy

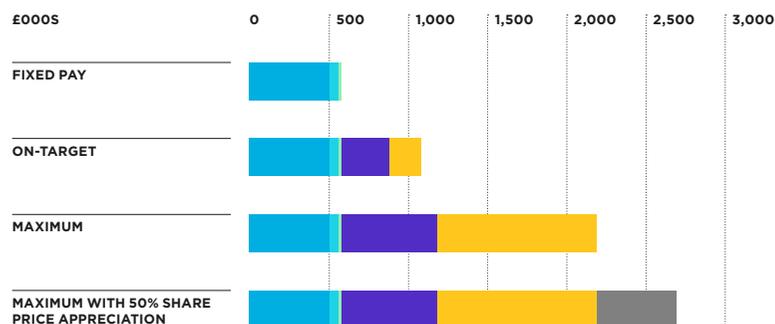
Based on our Remuneration Policy approved by shareholders in 2020, we set out to the right scenarios for the potential remuneration to be earned by our Executive Directors under the Policy for various performance assumptions.

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 SCENARIO

Graham Clemett, CEO

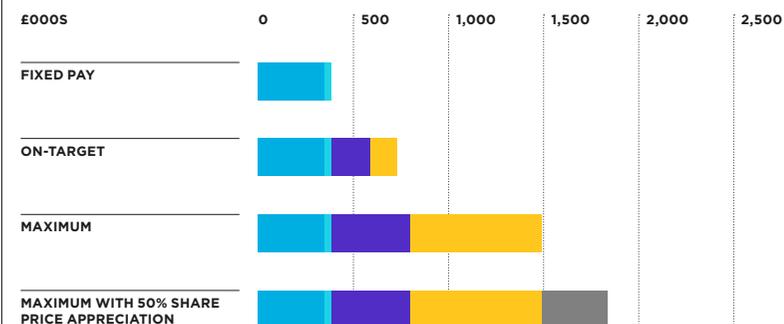
● Salary	Salary as at 1 April 2021.
● Pension	Current contribution rate of 10% of salary.
● Benefits	As provided in the single figure table on page 176.
● Annual bonus	Minimum - no bonus payable; On-target - 50% of maximum potential bonus; Maximum - maximum potential bonus.
● LTIP	Minimum - no LTIP vesting; 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 SCENARIO

Dave Benson, CFO

● Salary	Salary as at 1 April 2021.
● Pension	Current contribution rate of 10% of salary.
● Benefits	As provided in the single figure table on page 177.
● 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

What we paid our Directors in 2020/21

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 Sector, 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

○ Positioning of total remuneration of the Company relative to market benchmarks.

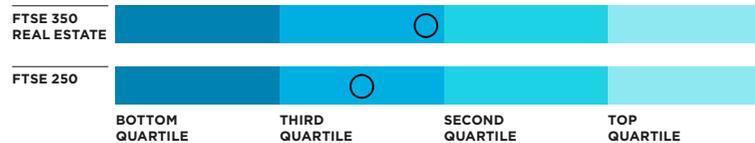
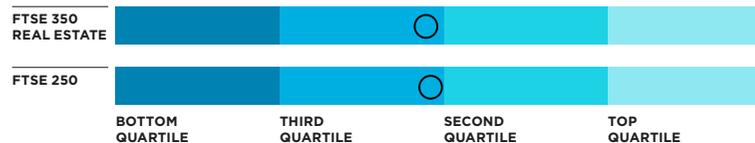


CHART A (ii)
DAVE BENSON - CHIEF FINANCIAL OFFICER



OUR SHAREHOLDING REQUIREMENTS

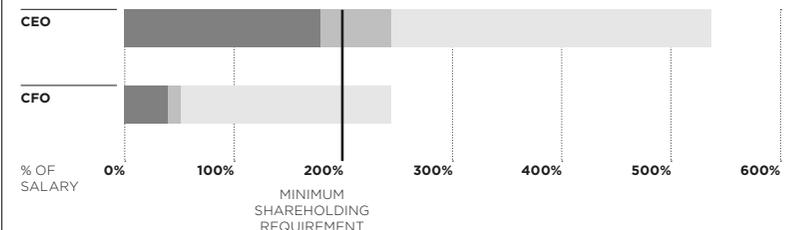
Our Executive Directors are encouraged to hold a high number of shares in order to align their interests to those of the Shareholders, and to encourage a long-term view of the sustainable performance of the Company.

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

● Owned outright or vested.
● Unvested and not subject to performance.
● Subject to performance.



Based on a share price of £6.8176 being the average share price over the year to 31 March 2021 and salaries of £494,090 and £340,000 for Graham Clemett and Dave Benson respectively.

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 are committed to an open dialogue with our employees over various decisions. This year, our Chairman, Stephen Hubbard, assumed the role of 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 Covid-19 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, promotion and remuneration. 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 145 and 200.

Retirement benefits

The Company provides pension benefits for the majority of its employees. The Company's commitment to pension contributions, consistent with the 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 each Directors' remuneration, comprising salary/fees, 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 Directors), normalised for joiners and leavers during the year. The average number of people employed by the Company during the year was 223 (2020: 232). All employees are eligible for consideration for an annual bonus.

TABLE B

Director	Salary/ Fees	Taxable benefits	Annual variable
Executive directors			
Graham Clemett	9%	-15%	-54%
Dave Benson ¹	n/a	n/a	n/a
Non-Executive directors			
Stephen Hubbard ²	198%	n/a	-
Maria Moloney	-4%	n/a	-
Chris Girling	0%	n/a	-
Damon Russell	10%	n/a	-
Suzi Williams	5%	n/a	-
Rosie Shapland ³	n/a	n/a	-
Lesley-Ann Nash ³	n/a	n/a	-
Daniel Kitchen ⁴	0%	n/a	-
Ishbel Macpherson ⁴	0%	n/a	-
All other employees	5%	-5%	-5%

- Dave Benson joined the Board as Chief Financial Officer on 1 April 2020 therefore the year-on-year change in remuneration cannot be stated.
- Stephen Hubbard was appointed as Chairman in July 2020. Please see page 194.
- Rosie Shapland and Lesley-Ann Nash joined the Board as Non-Executive Directors on 6 November 2020 and 1 January 2021 respectively therefore the year-on-year change in remuneration cannot be stated.
- Daniel Kitchen and Ishbel Macpherson stepped down from the Board on 9 July 2020 and 24 July 2020 respectively therefore the above information has been annualised as per their time in role.

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 2011. We have also included our TSR performance over this period.

- CEO single figure
- Workspace Group plc TSR
- FTSE250 Index
- FTSE350 Real Estate Supersector Index

CHART C

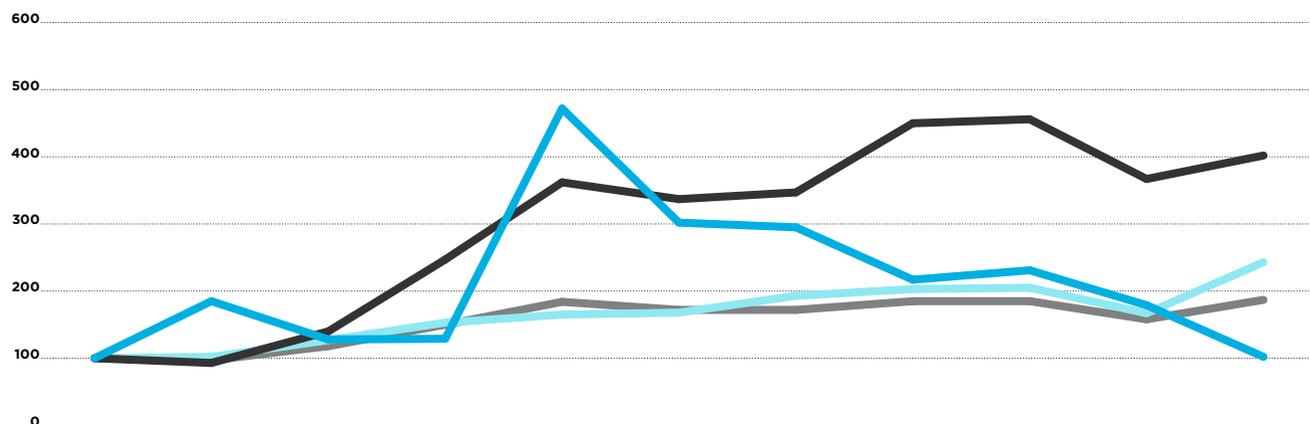


TABLE C

CEO single figure of total remuneration £000	31 Mar 2012	31 Mar 2013	31 Mar 2014	31 Mar 2015	31 Mar 2016	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	31 Mar 2021
Graham Clemett ¹	-	-	-	-	-	-	-	-	1,341.9	764.4
Jamie Hopkins ²	27.4	960.3	966.9	3,533.1	2,262.7	2,205.6	1,674.2	1,728.2	490.9	-
Harry Platt ³	1,359.6	-	-	-	-	-	-	-	-	-
Annual bonus pay-out										
Graham Clemett (% of maximum opportunity)	-	-	-	-	-	-	-	-	77.96%	33%
Jamie Hopkins (% of maximum opportunity)	-	100%	97.8%	97.2%	95.3%	100%	100%	95.8%	-	-
Harry Platt (% of maximum opportunity)	75%	-	-	-	-	-	-	-	-	-
LTIP vesting										
Graham Clemett (% of maximum opportunity)	-	-	-	-	-	-	-	-	87.24%	0%
Jamie Hopkins (% of maximum opportunity)	-	-	-	100%	100%	88.7%	62.7%	50.7%	87.24%	-
Harry Platt (% of maximum opportunity)	66.5%	-	-	-	-	-	-	-	-	-
Ratio of single total remuneration figure shown to employees as a whole										
to employee lower quartile ⁴	-	-	-	-	-	-	-	53x	47x	23x
to employee median	-	-	34x	128x	79x	72x	48x	33x	43x	15x
to employee upper quartile ⁴	-	-	-	-	-	-	-	23x	23x	11x

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. Mr Platt retired as an Executive Director of the Company on 31 March 2012.

4. See below for details on calculation.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

PAY COMPARISONS CONTINUED

Despite the fact that Workspace would not be required to disclose the ratio of CEO pay to workforce pay (given we do not meet the requirement regarding employee numbers), the Committee have chosen once again to disclose this ratio on a variety of bases, as shown at the bottom of table C shown above. For the 2019, 2020 and 2021 figures, this is based on the Companies (Miscellaneous Reporting) Regulations 2018. For the historic figures, this is based on our own methodology. In all cases, the entire UK workforce is included.

Chart C demonstrates that there continues to be a strong correlation between our CEO pay and the Total Shareholder Return of the Company. This results from the CEO receiving a high proportion of his remuneration in shares and because the variable pay within his package is based on measures which directly support the implementation of our strategy. The chart also shows that our average employee pay has trended upwards over this period.

Table C sets out the ratio of CEO pay (based on the single figure) to that of the workforce, for the last eight years, at the bottom of the table. 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 made 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.

The ratio is driven by the different structure of the pay of our CEO versus that of our employees, as well as the make-up of our workforce. This ratio varies between businesses even in the same sector.

What is important from our perspective is that this ratio is influenced only by the differences in structure, and not by divergence in fixed pay between the CEO and wider workforce.

The 2019, 2020 and 2021 figures above were calculated based on the Companies (Miscellaneous Reporting) Regulations 2018. These regulations, which set out how to calculate the pay ratio, describe three methodologies that can be used to identify the employees whose pay sits at the lower quartile, upper quartile and median of the Company - these are named in the regulations as 'Options A, B or C'. In 2019 and 2020, Workspace used Option B, the gender pay data, to determine these individuals, and the ratio of their pay to the CEO is set out in table C above. For 2021, Option A was used.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

Single total figure of remuneration for the Executive Directors (audited)

The illustrations to the right set out a single figure for the total remuneration received by each Executive Board Director for the year ended 31 March 2021 and the prior year.

Graham Clemett, CEO

		2020/21 £000	2019/20 £000
FIXED PAY			
SALARY		494.0	452.4
PENSION¹		49.4	51.7
BENEFITS²		21.4	25.1
VARIABLE PAY			
ANNUAL BONUS³		195.1	423.2
LTIP⁴		NIL	385.3
OTHER - SAYE, SIP		4.5	4.2
TOTAL		764.4	1,341.9
OF WHICH SHARE PRICE GROWTH		0	175.5

Dave Benson, CFO

		2020/21 £000	2019/20 £000
FIXED PAY			
SALARY		340.0	n/a
PENSION¹		18.0	n/a
BENEFITS²		0	n/a
VARIABLE PAY			
ANNUAL BONUS³		134.3	n/a
LTIP⁴		NIL	n/a
OTHER - SAYE, SIP		7.5	n/a
TOTAL		499.8	n/a
OF WHICH SHARE PRICE GROWTH		0	n/a

1. Pension: During 2020/21 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 2019/20 and 2020/21, the Committee set a minimum deferral requirement of 33% of the bonus earned. For 2020/21, this deferral was equivalent to £64,404 for Mr Clemett and £44,319 for Mr Benson.
4. LTIP: The 2020/21 figure includes the estimated value of 0% of the 2018 LTIP shares that vested based on performance to 31 March 2021. The share price used is the three-month average to 31 March 2021 of £7.5606. The 2019/20 figures have been updated to reflect the share price on the date of the vesting on 20 July 2020 of £5.8451.

Graham Clemett assumed the role of interim CEO on 1 June 2019 and on 24 September 2019 was appointed CEO. Dave Benson joined Workspace as CFO on 1 April 2020.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

Annual bonus payout in respect of 2020/21 (audited)

For 2020/21 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 personal 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 expectation, planned acquisitions and disposals of assets, and aspirations around Company growth.

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

The Committee considered at length the experience of shareholders over this year, particularly in the context of the Covid-19 pandemic, balanced against the need to appropriately recognise the achievement of the management team. For further detail on the Committee's discussions see page 170.

ANNUAL BONUS PAYOUT IN RESPECT OF 2020/21

WEIGHTING AS A % OF SALARY	MEASURE	THRESHOLD (0% PAYABLE)	ACHIEVED	MAXIMUM (100% PAYABLE)	FORMULAIC OVERTURN AND OPPORTUNITY AS A % OF SALARY
60%	TRADING PROFIT AFTER INTEREST	£34.6M		£38.6M	60%
			ACTUAL: £38.7M		
24%	TOTAL PROPERTY RETURN <small>From portfolio versus a defined comparator Benchmark compiled by IPD</small>	BENCHMARK		BENCHMARK +2%	0%
			ACTUAL: BENCHMARK -3.78%		24%
12%	CUSTOMER SATISFACTION	72%		80%	0%
			ACTUAL: N/A		12%
24%	PERSONAL PERFORMANCE	0%		MAX: 100%	19%
			ACTUAL: 80%		24%
	TOTAL				79%
	OUTCOME (£000) GRAHAM CLEMETT, CEO				£390.2
					DISCRETIONARY 50% REDUCTION APPLIED TO OVERTURN
					£195.1 £64.4
					TOTAL BONUS OF WHICH IS DEFERRED BONUS
	OUTCOME (£000) DAVE BENSON, CFO				£268.6
					DISCRETIONARY 50% REDUCTION APPLIED TO OVERTURN
					£134.3 £44.3
					TOTAL BONUS OF WHICH IS DEFERRED BONUS

REMUNERATION CONTINUED

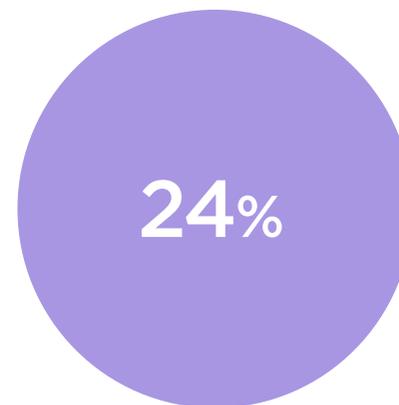
ANNUAL REPORT ON REMUNERATION CONTINUED

Personal objectives 2020/21

The Executive Directors' personal objectives focus on the delivery of the strategic priorities for the business and the successful management of risk. Based on a review of achievement against the personal objectives set out below, the Committee has awarded Graham Clemett and Dave Benson 19% of salary under this element.

KEY HIGHLIGHTS FROM THE YEAR:

- Published our net zero carbon pathway, including a commitment to reduce operational and embodied carbon emissions in line with our approved science based targets to become a net zero carbon business by 2030.
- Roll out of new brand positioning both internally and externally including launch of marketing campaign in 2021.
- Expansion of our property portfolio which includes planning consent achieved at Kennington Park for additional 200,000 sq ft of office space.
- Issuance of first green bond in connection with the Company's new green finance framework, in line with our ESG strategy and our recently published net zero carbon pathway.

PERSONAL PERFORMANCE

Opportunity
(% of salary)



Outcome
(% of salary)

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

PERSONAL OBJECTIVES 2020/21 CONTINUED

OBJECTIVE	TARGETS	ACHIEVEMENTS
APPROPRIATE RESPONSE TO THE COVID-19 PANDEMIC	<ul style="list-style-type: none"> - Maintain contact with customers and respond sympathetically to their issues and concerns. - Maintain engagement and motivation of employees working remotely. - Ensure appropriate measures in place for the safe return to work of both customers and staff. 	<ul style="list-style-type: none"> - 50% rent reduction offered to all business centre customers for the first quarter of year to 30 June 2020. - Centre teams maintained regular contact with all customers (both direct and virtually) to understand and address issues and concerns where possible. - Asset management team engaged with customers to 'right size' their requirements where possible. - Extreme customer hardship situations addressed on a case by case basis by CEO and asset management team. - 4 virtual town meetings held by the CEO and Exec team with staff through the year, together with regular updates on work plans as Covid-19 restrictions evolved. - Remote working capability including PCs provided to all staff working from home. Training provided for full-use of Teams for on-line meetings, chat and calls. - Detailed Covid-safe measures and procedures implemented at all business centres and head office. Regular risk assessments conducted and any changes in recommended measures monitored and implemented as appropriate.
DEVELOP OUR BRAND PROPOSITION LAUNCH NEW CUSTOMER WEBSITE DEVELOPMENT OF A CUSTOMER APP	<ul style="list-style-type: none"> - Deliver a compelling brand proposition that sets us apart from the market and resonates with customers and our people. - Deepen customer insight to improve communications and hone our operational activities. - Develop new customer propositions that enhance brand experience. 	<ul style="list-style-type: none"> - Full review of the Company's existing brand and market position completed and new brand positioning strategy developed. - Roll-out of new brand positioning both internally and externally including launch of advertising campaign in May 2021. - Conducted workshops for the entire business to remind employees of our brand responsibility and ran refreshed tone of voice workshops. - Customer journey workshops completed to identify opportunities to improve customer satisfaction. - Additional customer insight workshops completed to support change programme now underway to address priority issues. - Upgraded Workspace marketing website launched December 2020 with added functionality and much improved user experience. - Customer mobile app development completed and now in beta testing. Roll-out to be co-ordinated with deployment of new centre access system.
EXPAND OUR PROPERTY PORTFOLIO	<ul style="list-style-type: none"> - Deliver on, and look to extend, our refurbishment and redevelopment pipeline - Monitor the market for appropriate acquisition opportunities. - Complete on acquisitions and disposals that meet or exceed our return requirements. 	<ul style="list-style-type: none"> - Opened two new business centres in Summer 2020. - One refurbishment and two redevelopments completed and expected to open Summer 2021. - Achieved planning consent for significant mixed-use redevelopment project in Wandsworth. - Planning consent achieved at Kennington Park for additional 200,000sq ft of office space. - Detailed due diligence undertaken (and ongoing) on a range of acquisition opportunities, although none completed in year, with rigorous return requirements maintained. - Disposal of Bow Exchange completed for £11m.

REMUNERATION CONTINUED**ANNUAL REPORT ON REMUNERATION CONTINUED****PERSONAL OBJECTIVES 2020/21** CONTINUED

OBJECTIVE	TARGETS	ACHIEVEMENTS
PROGRESS OUR ESG AGENDA	<ul style="list-style-type: none"> - Determine and publish our net zero carbon pathway. - Increase the number of our business centre environment groups. - Progress our diversity and inclusion plans for recruitment and appraisals. - Programme of local community and charity initiatives. 	<ul style="list-style-type: none"> - Committed to becoming a net zero carbon business by 2030. Detailed pathway and approved science-based targets published in January 2021. - Published Green Finance Framework in March 2021 in support of green bond. - Environment groups established with customers at three centres with a further three planned as customers return to their offices. - Diversity and inclusion training completed for all staff and appropriate new recruitment processes implemented. - Interview skills training completed for all managers. - Worked with our customers to support disadvantaged young people in London, offering CV workshops, interview practice and work experience placements.
ENSURE WE HAVE APPROPRIATE FINANCING TO SUPPORT OUR PLANS	<ul style="list-style-type: none"> - Extend debt maturity profile. - Investigate and secure as required new sources of funding. - Maintain conservative gearing levels and covenant headroom. 	<ul style="list-style-type: none"> - Debut green bond (maturing in 2028) for £300m issued in March 2021. - Maturity of £160m of revolver facilities extended by one year to June 2023. - BBB Investment credit rating retained. - Low LTV maintained (24% at 31 March 2021) with significant headroom on all covenants.
IMPROVE EMPLOYEE ENGAGEMENT	<ul style="list-style-type: none"> - Extend breadth of training and development including delivery of new customer service programme. - Continued roll-out of wellness initiatives. - Launch employee of the month award. 	<ul style="list-style-type: none"> - Introduced new three-day induction programme for all starters. - 120 training sessions delivered to staff. - Rolling schedule of wellness webinars and wellbeing events delivered - "Workspace Winners" quarterly awards recognising employee achievement launched in June 2020. - "Health Shield" benefit package launched for all staff.
DEVELOP NEW BUSINESS OPPORTUNITIES	<ul style="list-style-type: none"> - Expand meeting room footprint. - Assess opportunities for further roll-out of furnished office and single billing offering. - Extend and bring to scale our events programme. 	<ul style="list-style-type: none"> - Meeting room expansion plans delayed to 21/22 by Covid-19. - Club Workspace viability reviewed and decision made to close all sites and repurpose space for other opportunities. - Roll out of new team rooms offer (furnished, short-term space) progressed with new team rooms opened across 9 centres. - Established new in-house catering capability to be initially rolled out at two centres. - Single-billing assessment completed and project team established for roll-out in 21/22.
TECHNOLOGY SUPPORT AND SECURITY	<ul style="list-style-type: none"> - Review resilience service levels and investment plans with our technology partners. - Maintain high level of cyber security awareness and testing. - Ensure high quality and reliable remote working capabilities in place. 	<ul style="list-style-type: none"> - Cyber maturity assessment completed. - VPN capability rolled-out to enable secure home working for all staff. - Business continuity management plans assessed by external advisers to ensure fit for purpose. - Regular cyber awareness testing and training for all staff. - Online data protection training completed by all staff.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

LTIP award vesting in respect of 2020/21 (audited)

The 2018 LTIP awards measured performance over the period 1 April 2018 to 31 March 2021. Details of the performance targets and achievement against them are set out below.

The Committee considered performance set out with the underlying business performance of Workspace and concluded that 0% of the 2018 LTIP award should vest.

The 2019 LTIP awards are based on the same targets and weightings as the 2020 LTIP award shown below, in Table E, measured over the period 1 April 2019 to 31 March 2022.

WEIGHTING	MEASURE	THRESHOLD	MAXIMUM	PAYOUT AS % MAXIMUM
50%	RELATIVE TSR VS. SECTOR GROUP	MEDIAN	UPPER QUARTILE	0%
		ACTUAL: 37TH PERCENTILE		
50%	TOTAL PROPERTY RETURN VERSUS LONDON IPD INDEX	MEDIAN	UPPER QUARTILE	0%
		ACTUAL: 43RD PERCENTILE		
	NUMBER OF SHARES VESTING (AUDITED)			NIL
	VALUE OF SHARES VESTING			£0

LTIP awards made during the 2020/21 financial year

Under the current Policy conditional share awards under the LTIP are granted to a maximum of 200% of salary. Awards under the 2020 LTIP are subject to the performance conditions detailed in the table below measured over the period 1 April 2020 to 31 March 2023.

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

- The comparator group for the 2020 LTIP cycle is the constituents of the FTSE 350 Real Estate Index excluding agencies.
- For any shares to vest on absolute TSR, the Company's TSR outcome must exceed the median TSR of the comparator group over the performance period.
- There is straight-line vesting between the 'Threshold' and 'Maximum' performance levels.

The following awards were granted during the year under the 2020 LTIP:

	Date of grant	Market price at date of award ¹	Number of shares	Performance Share award	
				Face value	% of salary
Graham Clemett	18 June 2020	£7.0767	139,638	988,176	200%
Dave Benson	18 June 2020	£7.0767	96,089	679,993	200%

- The share price for calculating the levels of awards was £7.0767 the average mid-market closing price over the three dealing days 15, 16 and 17 June 2020, in accordance with the LTIP plan rules.

Deferred shares were granted (as conditional share awards) under the 2019/20 bonus of 20,315 shares to Mr Clemett on 26 June 2020 based on a share price of £6.82p.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

How we will apply the Policy in 2021/22

We believe that the Policy continues to be fit for purpose going forward, and therefore the Committee is not proposing to make any changes for 2021/2022.

BASE SALARY

The Executive Directors will be awarded a 2% salary increase in line with the average applied to the wider workforce. Salaries will be as follows:

CEO

£503,970

CFO

£346,800

BENEFITS AND PENSION

In line with the 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.

ANNUAL BONUS

There is no change to the annual bonus maximum potential in 2021/22, 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.

PERFORMANCE MEASURES

60%

OF SALARY

LINKED TO

Trading profit after interest

LINK TO STRATEGY

Customer-led growth
Operational excellence

24%

OF SALARY

LINKED TO

Total Property Return (TPR)

LINK TO STRATEGY

Doing the Right Thing

24%

OF SALARY

LINKED TO

Personal performance

LINK TO STRATEGY

Operational excellence

12%

OF SALARY

LINKED TO

Customer satisfaction

LINK TO STRATEGY

Customer-led growth

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

HOW WE WILL APPLY THE POLICY IN 2021/22 CONTINUED

ANNUAL BONUS CONTINUED

Whilst we believe that disclosing the exact performance conditions and targets for all measures including the personal performance would not be in the best interests of shareholders, we remain committed to best practice disclosure. We therefore set out below some examples of the objectives that the Committee will consider in respect of evaluating personal performance. Full disclosure on the targets, performance achieved and resulting bonus payouts for 2021/22 will be provided in next year's report.

Executive Personal Objectives 2021/22

EXAMPLES OF EXECUTIVE PERSONAL OBJECTIVES 2021/22

1. Launch new brand positioning and raise brand and corporate profile
2. Roll-out of single-billing lease product
3. Progress the delivery of our multi-year ESG plans and commitments
4. Continued upgrade and expansion of our property portfolio
5. Delivery of customer service initiatives from our customer journey project

LONG-TERM INCENTIVE PLAN (LTIP)

Maximum award 200% of salary. The performance measures are such that 50% will be based on Total Property Return against a London focused IPD index and 50% will be based on relative TSR against FTSE 350 Real Estate companies. The targets for the two elements are as follows:

	Total Shareholder Return relative to FTSE 350 Real Estate Supersector index excluding agencies	Total Property Return versus London focused IPD index
Threshold vesting (20% of maximum)	Median	Median
Maximum vesting (100% of maximum)	Upper quartile	Upper quartile

A holding period of two years will apply to any 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 relative TSR and/or relative TPR performance is inconsistent with the overall performance of the business.

NON-EXECUTIVE DIRECTOR FEES

The fees for Non-Executive Directors are reviewed and agreed annually. The fees, which are effective from 1 April 2021, are set out in the table below.

	2021 fee	2020 fee	% change
Chairman	£188,451	£188,451	0%
NED base fee	£51,000	£51,000	0%
Chair of Audit Committee fee	£10,800	£10,800	0%
Chair of Remuneration Committee fee	£10,800	£10,800	0%
Chair of Risk Committee ¹	£10,800	n/a	n/a
Senior Independent Director fee ²	£10,800	n/a	n/a

1. Chairman of Risk Committee appointed in September 2020.

2. Fee to apply from 22 July 2021.

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 2021 and the prior year:

Non-Executive Director	Stephen Hubbard		Maria Moloney		Chris Girling		Damon Russell		Suzi Williams		Rosie Shapland		Lesley-Ann Nash		Daniel Kitchen		Ishbel Macpherson	
	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000														
Base fee	151.9	51.0	51.0	51.0	51.0	51.0	51.0	51.0	10.2	19.9	-	12.8	-	52.2	188.5	16.3	51.0	
Additional fees	-	-	8.3	10.8	10.8	10.8	5.0	-	2.4	-	-	-	-	-	-	-	-	
Total	151.9	51.0	59.3	61.8	61.8	61.8	56.0	51.0	53.4	10.2	19.9	12.8	-	52.2	188.5	16.3	51.0	

- Expenses incurred by Non-Executive Directors represent the cost to the Group, being gross of taxation. In 2020/21, Maria Moloney and Chris Girling were reimbursed for out of pocket expenses, incurred in attending meetings in connection with the discharge of their duties, of £1,841 and £850 respectively.
- Stephen Hubbard was appointed Chairman in July 2020. Maria Moloney stepped down as Chair of the Remuneration Committee, with Suzi Williams assuming this role also with effect from 1 January 2021. Damon Russell assumed the role of Chairman of the Risk Committee with effect from September 2020. Rosie Shapland and Lesley-Ann Nash were appointed as Directors with effect from 6 November 2020 and 1 January 2021 respectively. Additional fees are paid to Non-Executive Directors serving as chairs of the Remuneration, Audit and Risk Committees.

Share ownership and share interests (audited)

The shareholding guideline for Executive Directors is 200% of salary. The table to the right 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 2021 and 2 June 2021.

Graham Clemett exceeds the shareholding guidelines. See page 182 for details. Dave Benson who joined the Company on 1 April 2020 acquired 19,850 shares in September 2020.

TABLE G

	31 March 2021	31 March 2020
Chairman		
Stephen Hubbard	23,640	15,290
Executive Directors		
Graham Clemett	129,448	92,785
Dave Benson	19,850	n/a
Non-Executive Directors		
Maria Moloney	2,027	2,027
Chris Girling	NIL	NIL
Damon Russell	NIL	NIL
Suzi Williams	NIL	NIL
Rosie Shapland	NIL	n/a
Lesley-Ann Nash	NIL	n/a
Past Directors		
Daniel Kitchen ¹	See note	40,805
Ishbel Macpherson ¹	See note	3,150

- Daniel Kitchen and Ishbel Macpherson stepped down from the Board on 9 July 2020 and 24 July 2020 respectively. As at the date of leaving, the number of shares held were 40,805 for Mr Kitchen and 3,150 for Ms Macpherson.

REMUNERATION CONTINUED**ANNUAL REPORT ON REMUNERATION** CONTINUED**SHARE OWNERSHIP AND SHARE INTERESTS (AUDITED)** CONTINUED

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 ⁴	Shares	129,448	43,792	211,452	384,692
	Market value options ¹	NIL	3,389	NIL	3,389
Dave Benson	Shares	19,850	NIL	96,089	115,939
	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 2021. 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 197 for further details.

2. The total shares owned outright or vested.

3. This figure includes the deferred bonus shares awarded in 2018, 2019 and 2020 for Mr Clemett.

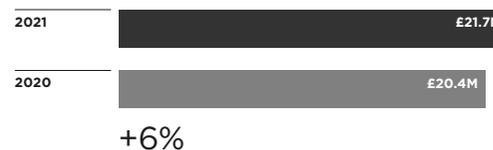
4. The interest in shares of 211,452 for Mr Clemett consist of LTIP awards made in 2019 and 2020. The interest in shares of 96,089 for Mr Benson consist of LTIP awards made in 2020, details of which can be found on page 191 in this report.

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 and Chairman of the Audit Committee of The Restaurant Group plc, effective 1 June 2016. Mr Clemett was paid in the year a fee of £53,000. 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 2020 and 31 March 2021.

CHART D**EMPLOYEE REMUNERATION****DISTRIBUTION TO SHAREHOLDERS**

* The estimated total dividend as reported in the financial statements for the year to 31 March 2021 was £32.1m.

Payments for loss of office (audited)

None.

Payments to past Directors (audited)

Jamie Hopkins, who stepped down from the Board on 31 May 2019, received 58,379 shares which vested on 20 July 2020 in respect of the 2017 LTIP. Full details of Mr Hopkins' termination arrangements were set out in the 2019 Remuneration Report.

REMUNERATION CONTINUED**ANNUAL REPORT ON REMUNERATION** CONTINUED**ADDITIONAL INFORMATION** CONTINUED**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.

Executive Director	Position	Effective date of contract	Notice period	
			From Company	From Director
Graham Clemett	Chief Executive Officer	31 July 2007	12 months	12 months
David 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. Graham served as Interim CEO and CFO from 31 May 2019 until September 2019.

The Chairman 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)	2020	6 months
Maria Moloney	22 May 2012 (22 May 2021)	2020	3 months
Chris Girling	7 February 2013 (7 February 2019)	2020	3 months
Damon Russell	29 May 2013 (29 May 2019)	2020	3 months
Suzi Williams	21 January 2020 (n/a)	2020	3 months
Rosie Shapland	6 November 2020 (n/a)	n/a	3 months
Lesley-Ann Nash	1 January 2021 (n/a)	n/a	3 months

1. Rosie Shapland and Lesley-Ann Nash joined the Board as Non-Executive Directors on 6 November 2020 and 1 January 2021 respectively. Both Rosie and Lesley-Ann are being proposed for election by shareholders at the forthcoming AGM on 22 July 2021.

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.

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 £72,425.

With regards to other services provided by PwC during the financial year, PwC conducted a review of the Group's internal audit and risk requirements and provided support to Workspaces IT team on cyber security.

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 2019/20 Annual Report on Remuneration at the 2020 AGM on 9 July 2020. The Committee views this level of shareholder support as a strong endorsement of the Company's Policy and its implementation.

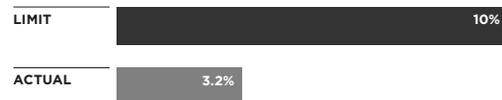
	Percentage of votes cast		Number of votes cast		
	For and Discretion	Against	For and Discretion	Against	Withheld ¹
Policy Report (2020 AGM)	99.54	0.46	116,307,019	539,870	1,666
Annual Report on Remuneration (2020 AGM)	91.36	8.64	106,751,974	10,094,915	1,666

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.

REMUNERATION CONTINUED**ANNUAL REPORT ON REMUNERATION** CONTINUED**ADDITIONAL INFORMATION** CONTINUED**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 shares plans (10% in any rolling 10-year period) and Executive share plans (5% in any rolling 10-year period) as at 31 March 2021 is detailed below.

As of 31 March 2021, around 3.2% and 2.7% shares have been, or may be, issued to settle awards made in the previous 10 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****Outstanding LTIP awards**

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

Name	At 1 April 2020 Performance ²	Lapsed during the year Performance	Vested during the year Performance	At 31 March 2021 Performance
Graham Clemett				
20/07/2017	65,863	(8,405)	57,458	-
22/06/2018	54,892	-	-	54,892
18/06/2019	71,814	-	-	71,814
18/06/2020	-	-	-	139,638
Dave Benson				
18/06/2020	-	-	-	96,089

1. Awards will vest subject to the satisfaction of performance conditions detailed on page 193 over the three year performance period.

2. LTIP Awards made to the Executive Directors. In July 2017 awards were in respect of 200% of salary based on a share price at date of award of £8.9033. In June 2018, 2019 and 2020 awards were in respect of 200% of salary based on a share price at date of award of £11.00333, £8.62083 and £7.0767 respectively. 87.24% of the 2017 Awards vested on 20 July 2020 and vesting of the 2018 Awards is 0%.

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.

	At 01/04/2020	Granted during the year	Lapsed during the year	Vested in year	At 31/03/2021	Exercise price	Normal exercise date	
							From	To
Graham Clemett	1,046	-	1,046	-	-	-	-	-
	1,282	-	1,282	-	-	-	-	-
	-	3,389	-	-	3,389	£5.31	01.09.23	01.03.24
	107	-	-	-	107	-	18.09.18	-
	228	-	-	-	228	-	30.08.20	-
	233	-	-	-	233	-	05.09.22	-
Dave Benson	-	5,649	-	-	5,649	£5.31	01.09.25	01.03.26

1. Mr Clemett was granted awards under the share incentive plan on 18 September 2015 (107); 30 August 2017 (228) and 5 September 2019 (233).

There have been no changes in Directors' interests over options in the period between the balance sheet date and 2 June 2021. The Directors' Remuneration Report has been approved by the Board of Workspace Group PLC.

By order of the Board

Suzi Williams

Chair of the Remuneration Committee
2 June 2021