

WORKSPACE GROUP PLC

(the 'Company')

APPROVED TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE ESTABLISHMENT BY THE BOARD ON 6 APRIL 2004 (REVISED 3 APRIL 2007, NOVEMBER 2010, NOVEMBER 2011, FEBRUARY 2013, APRIL 2014, FEBRUARY 2016, JANUARY 2018, APRIL 2018 AND JANUARY 2019)

1. Constitution

The Board has established a Committee of the Board to be known as the Remuneration Committee. The objective of the Committee is to consider Remuneration packages needed to attract, retain and motivate Executive Directors and senior employees and to ensure that they are compensated appropriately for their contributions to the Group's performance. In doing so it should take into account market practice, regulatory provisions and the interests of shareholders and other stakeholders. Remuneration in this context shall be interpreted in the broadest sense to include all benefits and terms of employment.

2. Membership

- 2.1. The Committee shall comprise of at least three members, all of whom shall be independent non-executive directors of the company. The Chairman of the Board may also serve on the Committee as an additional member, if considered independent on his appointment as chairman.
- 2.2. Members of the Remuneration Committee shall be appointed by the Board, on the recommendation of the Nominations Committee and in consultation with the Chairman of the Remuneration Committee.
- 2.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, Chief Financial Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.4. Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to two additional three year periods, provided the director still meets the criteria for membership of the Committee.

3. Chairman

- 3.1 The Board shall appoint the Chairman of the Committee who shall be an independent non-Executive Director on the recommendation of the Nominations Committee. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to Chairman the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not be Chairman of the Committee.
- 3.2 The Chairman must have served as a member of a remuneration committee for at least 12 months prior to their appointment as Chairman.

4. Secretary

The Company Secretary or his or her nominee shall act as secretary of the Committee.

5. Quorum

The presence of two Committee members shall constitute a quorum of the Committee. In the absence of the Chairman, the quorate members of the Committee shall appoint a Chair for the meeting. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

6. Frequency of Meetings

The Committee shall meet at least twice a year and otherwise as required.

7. Notice of Meetings

- 7.1. Meetings of the Committee shall be called by the Company Secretary at the request of any of its members.
- 7.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than three working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

8. Minutes of Meetings

- 8.1. The proceedings and resolution of all Committee meetings should be minuted, specifying the names of those present and in attendance.
- 8.2. The minutes of each meeting shall be circulated to all members of the Committee and, once agreed, to all members of the Board unless in the opinion of the Chair of the Committee it would be inappropriate to do so.

9. Annual General Meeting

The Chairman of the Remuneration Committee should attend the AGM to answer any questions that shareholders may raise regarding the Committee's activities.

10. Duties

The Remuneration Committee shall:

- 10.1. Have responsibility for setting the remuneration policy for all Executive Directors, the Company Chairman, members of the Executive Committee and the Company Secretary. The remuneration of Non-executive directors shall be a matter for the Company Chairman and the Executive members of the Board. No Director or manager shall be involved in any decisions as to their own remuneration.
- 10.2. Determine the total individual remuneration package of the executive directors, other members of the Executive Committee and the Company Secretary, including basic salary, pension and

benefits, annual bonus and share based incentives, within the framework of the agreed policy and taking into account the recommendations of the Chief Executive Officer (except when it relates to his own remuneration). The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.

- 10.3. Review and have regard to workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting remuneration policy for directors.
- 10.4. Review the ongoing appropriateness and relevance of the remuneration policy.
- 10.5. When determining executive director remuneration policy and practices, address the following:
 - 10.5.1. clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce;
 - 10.5.2. simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand;
 - 10.5.3. risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated;
 - 10.5.4. predictability – the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy;
 - 10.5.5. proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance; and
 - 10.5.6. alignment to culture – incentive schemes should drive behaviours consistent with company purpose, values and strategy.
- 10.6. Recommend the remuneration and terms of employment of prospective executive directors of the Company and the terms of service and remuneration of existing directors, members of the Executive Committee and the Company Secretary.
- 10.7. Review the design of, and determine the targets for any performance-related remuneration schemes operated by the Company. Consider the eligibility of directors for annual bonuses and benefits and approve the total annual payments under these schemes.
- 10.8. Review the design of all share incentive plans for approval by the Board and shareholders. For such plans, determine each year whether awards will be made, to whom they should be made, the overall amount that should be awarded, the time of the award and the performance targets to be used. Ensure that shareholders are specifically invited to approve all new LTIP's and any specific changes to existing schemes.
- 10.9. Determine the policy for, and scope of pension arrangements for each executive director and other designated senior employees (including members of the Executive Committee and the Company Secretary).
- 10.10. Ensure that the contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is

fully recognised. Any package should be within those legal requirements, provisions and recommendations of the Combined Code and the UK Listing Authority's Listing Rules.

- 10.10 Obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board.
- 10.11 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and confirming details of any other involvements that they have with the Company or any director in other capacities.
- 10.12 Review the annual trends in remuneration across the Company, overseeing any major changes in the benefit structure.
- 10.13 Agree the policy for authorising expense claims from the directors for monitoring by the Group Board.
- 10.14 Ensure that full details of remuneration packages and structures, including those required by law, and the Revised Combined Code, are disclosed.
- 10.15 Undertake consultation on remuneration with the Company's principal shareholders as required. The Chairman of the Committee shall also seek engagement with shareholders on any significant matters related to areas of the Committee's responsibility.
- 10.16 Work and liaise as necessary with all other Board Committees.
- 10.17 Have regard in the performance of the duties set out herein to any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share option schemes (in particular the guidelines published by the Investment Association and National Association of Pension Funds) which the Remuneration Committee considers relevant or appropriate.
- 10.18 Exercise independent judgment when evaluating advice of any third parties.

11. Reporting Responsibilities

- 11.1. The Committee Chairman should report to the Board after each meeting on all matters that have been discussed which are within its duties and responsibilities where appropriate.
- 11.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area that is within its remit where action or improvement is needed.
- 11.3. The Committee shall produce a report of the company's remuneration policy and practices to be included in the company's annual report and ensure each year that it is put to shareholders for approval at the AGM. If the committee has appointed remuneration consultants, the annual report of the company's remuneration policy should identify such consultants and state whether they have any other connection with the company. The Company's formal remuneration policy is typically approved by shareholders every 3 years.
- 11.4. Membership of the Committee and attendance shall be noted in the Annual Report.

12. Committee Performance

The Committee should review its own performance, constitution and terms of reference annually in order to ensure that it continues to operate effectively. Any changes that it considers necessary should be put before the Board for approval.

13. Other Matters

- 13.1. Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- 13.2. Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 13.3. Give due consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate.

14. Authority

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.