DIRECTORS' REMUNERATION POLICY

OUR NEW POLICY

In approaching the renewal of the Directors' Remuneration Policy (the Policy), the Remuneration Committee (the Committee) thought carefully about the behaviours and outcomes it wishes to see and how the remuneration structure will support them. When setting the pay policy for Executive Directors, the Committee also considered pay practices and policies of the wider workforce in order to ensure the revised policy is proportionate and aligned with Landsec's culture. The review was approached with the following main aims:

- remuneration should be clearly linked to the Group's purpose of creating **Sustainable places, Connecting communities, Realising potential**
- remuneration should reward and drive the right behaviours and outcomes and reflect strategic, personal and financial achievements
- remuneration should be designed in a manner that is clear for all stakeholders and reflects their expectations
- remuneration should be easy to explain and be viewed as fair
- remuneration should be based on a pay-for-performance model

REMUNERATION PRINCIPLES

Our remuneration principles, which we also aim to cascade throughout the business, underpin our Policy. These principles are that our remuneration should:

- support the long-term success of the business and sustainable long-term shareholder value
- materially differentiate reward according to performance
- be relevant, stretching and aligned to the business strategy and achievement of planned business goals
- be compatible with Landsec's risk policies and systems, with malus and clawback provisions in place for all forms of variable pay
- provide a balance between attracting, retaining and motivating talented people as well as supporting equal opportunity and diversity of talent
- ensure that performance-related pay constitutes a proportion of the overall package appropriate to each level of the organisation
- be clear and explainable to appropriate stakeholders, avoiding paying more than the Committee considers necessary

CONSIDERATION OF SHAREHOLDER VIEWS

The Committee values the views of Landsec's shareholders and guidance from the main shareholder representative bodies. As such, the Committee proactively consults with our major shareholders to ensure that their views are represented in discussions on remuneration matters. As part of the process for renewing the Policy, the Committee consulted with Landsec's top 15 shareholders as well as the major shareholder representative bodies on a set of draft proposals. Reflecting the feedback received from major investors and representative bodies during the course of the engagement process, which was generally very positive, no changes were made to the original proposals.

PROPOSED POLICY CHANGES

On the basis that our strategy remains unchanged, no changes are proposed in respect of the Remuneration Policy for Executive Directors. We are however proposing one minor change to the Policy for Non-executive Directors.

The current Remuneration Policy states that Non-executive Directors are expected to meet a minimum shareholding guideline of 100% of their relevant annual fee within three years of appointment. However, going forward, while the purchase and retention of Landsec's shares by Non-executive Directors will continue to be expected, we are proposing to remove the 100% of fee within three years expectation as this is currently considered to be overly restrictive in respect of appointing new Non-executive Directors from more diverse backgrounds. As such, in this proposed Policy, Non-executive Directors will not be subject to a minimum shareholding expectation but will be required to have made a purchase of a number of Landsec shares within one year of appointment.

DIRECTORS' REMUNERATION POLICY
CONTINUED

As part of its review of the Policy, the Committee has considered the factors set out in provision 40 of the UK Corporate Governance Code. In the Committee's view, the proposed Policy addresses those factors as set out below:

FACTOR	DESCRIPTION	APPROACH
Clarity	Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce and link to strategy	• The Policy and arrangements are clearly disclosed in the Annual Report • The Committee proactively seeks engagement with shareholders on remuneration matters • The Committee is regularly updated on Landsec's workforce pay and benefits • The Committee regularly receives updates on the key performance indicators of the business • The Committee Chairman proactively seeks engagement with Landsec's Employee Forum on remuneration matters
Simplicity	Remuneration structures should avoid complexity and their rationale and operation should be easy to understand	• Our remuneration structure comprises fixed and variable remuneration, with the performance conditions for variable elements clearly communicated to, and understood by, participants • Remuneration principles are published and clearly linked to strategy
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	• The rules of the remuneration plans provide discretion to the Committee to reduce award levels (see page 91) • Awards are subject to malus and clawback provisions (see pages 87-88) • The Committee has overriding discretion to reduce awards to mitigate against any reputational or other risk from such awards being considered excessive
Predictability	The range of possible reward values to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy	• See scenario charts on page 87 • Maximum award levels and discretions are set out in the Policy Table on pages 85-86
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	• As shown in the scenario charts on page 87, variable performance related elements represent a significant proportion of the total remuneration opportunity for our Executive Directors • The Committee considers the appropriate financial and personal performance measures each year to ensure that there is a clear link to strategy • Discretions available to the Committee ensure that awards can be reduced if necessary to ensure that outcomes do not reward poor performance
Alignment to culture	Incentive schemes should drive behaviours consistent with company purpose, values and strategy	• The Committee seeks to ensure that personal performance measures under the annual bonus plan incentivise behaviours consistent with Landsec's culture, purpose and values • Long-term incentives will align Executive Director interests with those of shareholders by ensuring a focus on delivering against strategy and purpose to generate long-term value for shareholders

The Committee will operate within the prevailing Remuneration Policy. It will also operate the various incentive plans and schemes according to their respective rules and consistent with normal market practice, the UK Corporate Governance Code and, as applicable, the Listing Rules. Within the Policy, the Committee will retain the discretion to look at performance 'in the round', including withholding or deferring payments in certain circumstances where the outcomes for Directors are not considered to be aligned with the outcomes for shareholders. Any specific circumstances which necessitate the use of discretion will be explained clearly in the relevant Directors' Remuneration Report.

PROPOSED REMUNERATION POLICY

1. EXECUTIVE DIRECTORS

BASE SALARY	
Purpose and link to strategy	• To aid the recruitment, retention and motivation of high performing Executive Directors • To reflect the value of their experience, skills and knowledge, and importance to the business
Operation	Normally reviewed annually, with effect from 1 June, and reflects: • Increases throughout the rest of the business • Market benchmarking exercises undertaken periodically to ensure salaries are set at around the median of the market competitive level for people in comparable roles with similar levels of experience, performance and contribution • Changes in the scope of an Executive Director's role
Opportunity	The maximum annual salary increase will not normally exceed the average increase across the rest of the workforce. Higher increases will be exceptional, and may be made in specific circumstances, including: • Where there is an increase in responsibilities or scope of the role • To apply salary progression for a newly appointed Executive Director • Where the Executive Director's salary has fallen below the market positioning
Performance measures	• Individual and Company performance is taken into account when determining appropriate salary increases
BENEFITS	
Purpose and link to strategy	• To provide protection and market competitive benefits to aid recruitment and retention of high performing Executive Directors
Operation	Typical benefits include, but are not limited to: • Car allowance • Private medical insurance • Life assurance • Ill health income protection • Holiday and sick pay • Eligibility to participate in all-employee share incentive plans • Professional advice in connection with their directorship • Travel, subsistence and accommodation as necessary • Occasional gifts, for example appropriate long service or leaving gifts
Opportunity	• The value of benefits may vary from year to year depending on the cost to the Company
Performance measures	• n/a
PENSION	
Purpose and link to strategy	• To help recruit and retain high performing Executive Directors • To reward continued contribution to the business by enabling Executive Directors to build retirement benefits
Operation	• Participation in a defined contribution pension scheme or cash equivalent
Opportunity	• 10.5% of salary, in line with the maximum employer contribution for all employees in the Company's Group Personal Pension Plan
Performance measures	• n/a

DIRECTORS' REMUNERATION POLICY CONTINUED

ANNUAL BONUS	
Purpose and link to strategy	• Incentivises Executive Directors and senior management to achieve specific, predetermined goals during a one-year period, or less Rewards financial and individual performance linked to the Company's strategy • Deferred proportion of bonus, awarded in shares, provides a retention element and additional alignment of interest with shareholders
Operation	• The annual bonus operates by reference to financial and personal performance measures normally set and assessed over one year • Any bonus payment is determined by the Committee after the year end, based on performance against challenging targets which are reviewed annually • The achievement of on-target performance should normally result in a payment of up to 50% of the maximum opportunity • Bonuses up to 50% of salary are normally paid in cash. Any amounts in excess of 50% of salary are normally deferred into shares for one year. Any amounts in excess of 100% of salary are normally deferred into shares for two years • Deferred shares are potentially forfeitable if the individual leaves prior to the share release date • Dividend equivalents may be awarded on deferred shares between grant and vesting to the extent that awards vest • Bonus payments are not pensionable • Malus and clawback provisions apply • The level of payout at threshold performance for each performance measure is set annually, but will typically be no more than 25% of maximum • The Committee retains discretion to amend the payout level (up or down) where it considers it to be appropriate, but not so as to exceed the maximum bonus potential and will fully disclose the exercise of any discretion in the relevant Directors' Remuneration Report
Opportunity	• 150% of salary
Performance measures	• The performance measures applied may be financial, non-financial, or individual, and in such proportions as the Remuneration Committee considers appropriate, although individual measures will form a minority of the potential • Performance measures will be aligned to the Company's strategy. The Committee reserves the right to change measures (and their weightings) for each financial year to ensure the metrics chosen are appropriate means of assessing the performance of the Executive Directors • Once set, performance measures and targets will generally remain unchanged for the year, exceptionally targets may be adjusted by the Committee to take account of significant transactions such as acquisitions and/or disposals or in other exceptional circumstances such as timing of transactions that have a material impact on the business plan

LONG-TERM INCENTIVE	
Purpose and link to strategy	• Incentivises value creation over the long-term • Rewards execution of our strategy • Aligns the long-term interests of Executive Directors and shareholders • Promotes retention
Operation	• The Committee may make an annual award of shares under the LTIP • Vesting is determined on the basis of the Group's achievements against stretching performance targets, normally over a three-year period and continued employment • The Committee reviews the measures, their relative weightings and targets prior to each award • For each measure, no awards vest for performance below threshold • Up to 20% of an award may vest for threshold performance • Each measure is capped at 100% vesting, which represents a stretching target • Executive Directors are required to hold vested awards (net of tax/NI where relevant) for a further two years (including post-cessation) following vesting • Dividend equivalents may be awarded between grant and the expiry of any holding period to the extent that the award vests • Malus and clawback provisions apply
Opportunity	• 300% of salary
Performance measures	• The performance measures applied may be share price related, financial, non-financial, corporate or strategic and in such proportions as the Remuneration Committee considers appropriate • The measures may be based on a mixture of relative and absolute financial performance as well as one or more measures to recognise the Company's broader strategic ESG commitment

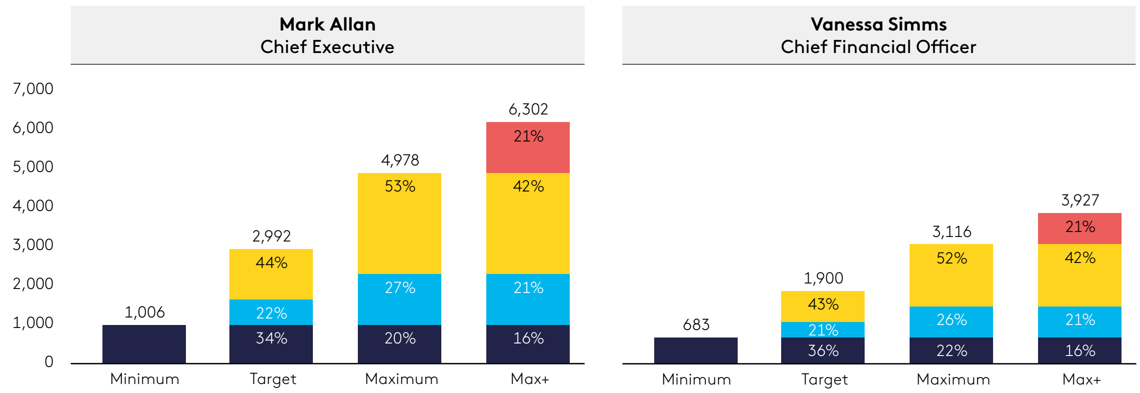
NOTES TO POLICY TABLE: PERFORMANCE MEASURES AND TARGET SETTING

Full details of the performance conditions and targets applying for each award will be disclosed in the relevant Annual Report on Remuneration. Where targets are considered to be too sensitive to disclose in advance for commercial reasons, full disclosure of the original targets, and the extent to which they have been achieved, will be provided on a retrospective basis at the end of the relevant performance period.

PRIOR POLICY ARRANGEMENTS

In approving the Policy, authority is given to the Company to honour any commitments entered into with current or former Directors that have been disclosed previously to shareholders.

REWARD SCENARIOS FOR THE CEO AND CFO (£000) TABLE 51



Element of pay	Mark Allan Minimum (£000)	Mark Allan Target (£000)	Mark Allan Maximum (£000)	Mark Allan Max+ (£000)	Vanessa Simms Minimum (£000)	Vanessa Simms Target (£000)	Vanessa Simms Maximum (£000)	Vanessa Simms Max+ (£000)
Fixed pay	1,006	1,006	1,006	1,006	683	683	683	683
Annual bonus	–	662	1,324	1,324	–	406	811	811
LTIP	–	1,324	2,648	2,648	–	811	1,622	1,622
Share price appreciation	–	–	–	1,324	–	–	–	811
Total remuneration	**1,006**	**2,992**	**4,978**	**6,302**	**683**	**1,900**	**3,116**	**3,927**

Assumptions used in determining the level of payout under given scenarios are as follows:

- Minimum remuneration comprises base salary at 1 June 2024, estimated annual benefits and 10.5% of salary pension contribution (fixed pay)
- Target remuneration comprises fixed pay, 50% of the 2024/25 annual bonus and 50% vesting of the 2024 LTIP awards
- Maximum remuneration comprises fixed pay, 100% of the 2024/25 annual bonus and 100% vesting of the 2024 LTIP award based on a face value of 300% of salary
- Maximum+ comprises maximum pay plus 50% share price appreciation on LTIP awards

2. STATEMENT OF CONSIDERATION OF EMPLOYMENT CONDITIONS ELSEWHERE IN THE COMPANY

The proposed 2024 Policy is designed in line with the remuneration principles outlined on page 83 above. In setting the remuneration of the Executive Directors, the Committee takes into account the overall approach to reward for employees in the Group. Landsec operates in a number of different environments and has many employees who carry out diverse roles across a number of locations. All employees, including Directors, are paid by reference to the market rate and base salary levels are reviewed regularly. When considering salary increases for Executive Directors, the Company pays close attention to pay and employment conditions across the wider workforce. The Chief People Officer regularly updates the Committee on pay and conditions applying to the wider workforce. During 2023/24, the Committee received specific updates on Gender Pay Reporting and pay ratios. The Committee does not formally consult with employees on the executive remuneration policy, although the Committee Chair met with the Employee Forum to discuss the proposed Policy changes. The Company also holds regular forums with employee groups and conducts regular employee engagement surveys, the results of which are presented to the Board. Remuneration arrangements for employees below Board level reflect the seniority of the role.

3. MALUS AND CLAWBACK PROVISIONS

All incentive scheme rules contain malus and/or clawback provisions that allow the Committee to reduce or retrieve a payment or an award.

DIRECTORS' REMUNERATION POLICY CONTINUED

MALUS

Malus is the adjustment of annual bonus payments or unvested share awards because of the occurrence of one or more circumstances listed below. The adjustment may result in the value being reduced to nil.

CLAWBACK

Clawback is the recovery of payments made under the annual bonus plan or vested share awards as a result of the occurrence of one or more circumstances listed below. Clawback may apply to all or part of an Executive Director's payment/award and may be effected, among other means, by requiring the transfer of shares, payment of cash or reduction of awards or bonuses.

The Remuneration Committee may apply malus/clawback when there are exceptional circumstances. Such exceptional circumstances include (without limitation):

- a material mis-statement in the published results of the Group or one of its members
- an error in assessing any applicable performance condition or the number of shares subject to an award
- misconduct on the part of the Executive Director concerned
- where, as a result of an appropriate review of accountability, the Remuneration Committee determines that the Executive Director has caused wholly or in part a material loss for the Group as a result of (i) reckless, negligent or wilful actions or omissions; or (ii) inappropriate behaviour
- where, as a result of an appropriate review of accountability, the Remuneration Committee determines that the Executive Director has caused wholly or in part a corporate failure of the Group or one of its members
- a Group member being censured by a regulatory body
- events or behaviour on the part of the Executive Director leading to significant reputational damage to the Group
- any other events that the Remuneration Committee considers specifically relevant to Landsec, e.g. a serious health and safety event or an exceptional negative event

4. NON-EXECUTIVE DIRECTORS

BASE FEE	
Purpose and link to strategy	• To aid the recruitment, retention and motivation of Non-executive Directors of appropriate calibre and experience • To reflect the time commitment given by Non-executive Directors to the business
Operation	• The Chairman is paid a single fee for all Board duties and the other Non-executive Directors receive a basic Board fee, with supplementary fees payable for additional responsibilities • Non-executive Director fees are reviewed (but not necessarily changed) annually by the Board, having regard to independent advice and published surveys • The Chairman's fee is reviewed (but not necessarily changed) annually by the Remuneration Committee without the Chairman present
Opportunity	• Any increases reflect relevant benchmark data for Non-executive Directors in companies of a similar size and complexity, and the time commitment required
ADDITIONAL FEES	
Purpose and link to strategy	• To reflect the additional time commitment required from Non-executive Directors in chairing various Board sub-committees or becoming the Board's Senior Independent Director • Occasionally awarded to a Non-executive Director who completes a specific additional piece of work on behalf of the Board
Operation	• Reviewed (but not necessarily changed) annually by the Board, having regard to independent advice and published surveys
Opportunity	• The opportunity depends on which, if any, additional roles are assumed by an individual Non-executive Director over the course of their tenure • Any increases reflect relevant benchmark data for Non-executive Directors in companies of a similar size and complexity, and the time commitment required
OTHER INCENTIVES AND BENEFITS	
Operation	• Expenses in relation to Company business will be reimbursed (including any tax thereon, where applicable) • If deemed necessary, and in the performance of their duties, Non-executive Directors may take independent professional advice at the Company's expense • Non-executive Directors do not receive any other remuneration or benefits beyond the fees noted above
Opportunity	• n/a

5. SHARE OWNERSHIP GUIDELINES

SHARE OWNERSHIP DURING EMPLOYMENT

The Executive Directors are expected to accumulate and maintain a holding in ordinary shares in the Company equivalent to no less than 300% of base salary for the CEO and 200% for other Executive Directors.

Executive Directors are normally expected to meet the minimum shareholding requirements within five years of appointment to the Board. Where the minimum level is not met, or where the value of shareholding falls below the required level due to movements in the share price, the Executive Director is expected to retain 100% of the shares acquired, net of tax, under any share plan awarded by the Company.

An annual calculation as a percentage of salary is made against the guidelines for each Executive Director as at 31 March each year based on the closing middle market quotation of the share price on the last business day in March.

SHARE OWNERSHIP POST CESSATION

On leaving the Board, Executive Directors are expected to maintain a shareholding equivalent to their in-employment shareholding requirement for a period of two years from the date of cessation. Shares acquired by the Executive are excluded from this calculation.

NON-EXECUTIVE DIRECTOR SHARE OWNERSHIP

Non-executive Directors are expected to acquire shares within one year of appointment to the Board.

6. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

EXECUTIVE DIRECTORS' LETTERS OF APPOINTMENT

The Executive Directors have Service Agreements with the Company which normally continue until the Director's agreed retirement date or such other date as the parties agree. In line with Group policy, the Executive Directors' employment can be terminated at any time by either party on giving 12 months' prior written notice.

The Company allows Executive Directors to hold external non-executive directorships, subject to the prior approval of the Board, and to retain fees from these roles.

CHAIRMAN AND NON-EXECUTIVE DIRECTORS' LETTERS OF APPOINTMENT

The Chairman and the Non-executive Directors do not have Service Agreements with the Company. Instead, each of them has a Letter of Appointment which sets out the terms of their appointment, including the three months' prior written notice on which their appointment can be terminated by either party at any time. The dates of the current Letters of Appointment are shown in the Annual Report on Remuneration and these, together with the Executive Directors' Service Agreements, are available for inspection at the Company's registered office.

On appointment, the fee arrangements for a new Non-executive Director are set in accordance with the approved remuneration policy in force at that time.

Full details of the terms of appointment of each Director can be found on page 77 of the Remuneration Report.

7. TERMINATION PROVISIONS FOR EXECUTIVE DIRECTORS

The Company's policy is for Executive Directors' Service Agreements to be terminable on 12 months' notice by either party. Service Agreements contain non-compete and non-solicit clauses with key suppliers and employees. In the event of early termination, any payment in lieu of notice would be limited to 12 months' basic salary, normally payable on a phased basis and subject to mitigation.

In addition to the scenarios below, an Executive Director's Service Agreement may be terminated without notice and without further payment or compensation, except for sums earned up to the date of termination, on the occurrence of certain events such as gross misconduct.

The Committee retains discretion to determine the exact termination arrangements of any Executive Director, having regard to all the relevant facts and circumstances available to them at the time.

The table on page 90 sets out the general position and range of approaches in respect of incentive arrangements. In accordance with the terms of the relevant incentive plan rules, based on the circumstances of any departure, the Committee has discretion to determine how an Executive Director should be categorised for each element and determine payout/vesting levels accordingly based on the range as shown.

DIRECTORS' REMUNERATION POLICY CONTINUED

Provision	Default leaver	Good leaver
Salary	• 12 months' basic salary normally payable in instalments and subject to mitigation	• 12 months' basic salary normally payable in instalments and subject to mitigation
Benefits	• Cease upon termination of employment contract • No compensation for loss of benefits	• Cease upon termination of employment contract • No compensation for loss of benefits
Pension allowance	• Ceases upon termination of employment contract • The Company does not make any arrangements that guarantee pensions with limited or no abatement on severance or early retirement	• Ceases upon termination of employment contract • The Company does not make any arrangements that guarantee pensions with limited or no abatement on severance or early retirement
Annual bonus	• No entitlement following date notice served • Unvested deferred bonus shares lapse on cessation	• Bonus may be payable subject to performance • Bonus is normally pro-rated based on the period worked during the financial year • Payment usually occurs following the financial year end, in line with the wider workforce • Deferred share awards normally vest on the scheduled date, unless the Committee determines that awards should vest earlier
LTIP	• Awards lapse in full	• Unvested awards normally vest at the normal time subject to performance unless the Committee determines otherwise • Awards are normally pro-rated by reference to the proportion of the performance period that has elapsed up to cessation, unless the Committee determines otherwise • Awards remain subject to any applicable retention period
All-employee share schemes	• Operate in line with HMRC rules	• Operate in line with HMRC rules
Termination support	• None	• One-off payments in respect of legal fees and/or outplacement assistance may be payable
Compensation for loss of office	• None	• None

Consistent with market practice, the Company may pay reasonable legal fees (and any associated tax costs) on behalf of the Executive Director for entering into a statutory settlement agreement and, additionally, may make a reasonable contribution towards fees for outplacement services as part of a negotiated settlement. In the case of a corporate transaction, the Company may agree to pay reasonable legal fees (and any associated tax costs) on behalf of the Executive Director for advice on the effect of the corporate transaction on the Executive Director's personal position as a director (including, where appropriate, as to the terms of their employment). The Company may agree to pay reasonable legal fees (and any associated tax costs) on behalf of the Executive Director for advice related to any proposed changes to their terms and conditions of employment during their period of employment.

8. CHANGE OF CONTROL PROVISIONS

On a change of control, unvested LTIP awards will normally vest subject to performance and time pro-rating (although the Committee may allow a greater number of shares to vest than if pro-rating is applied where appropriate) and unvested deferred bonus shares vest in full. The contracts of the Executive Directors do not provide for any enhanced payments in the event of a change of control of the Company or for liquidated damages.

9. REMUNERATION OF NEWLY APPOINTED EXECUTIVE DIRECTORS

The remuneration package for a new externally appointed Executive Director will be set in accordance with the terms of the Company's approved Policy in force at the time of appointment.

FIXED PAY

- The Committee has the flexibility to set the base salary of a new hire at the market level or at a discount to the market level initially, with a series of planned increases implemented over the following few years (subject to performance in the role) to bring the salary to the desired positioning
- In exceptional circumstances the salary of a newly appointed Executive Director may exceed the market median benchmark for the role

VARIABLE PAY

- The annual bonus will operate in accordance with the terms of the approved Policy, with the opportunity pro-rated for the period of employment in the first year
- Depending on the timing and responsibilities of the appointment, it may be necessary to set revised performance measures and targets initially
- The LTIP will also operate in accordance with the approved Policy

The maximum level of variable pay that may be offered to a new Executive Director is an aggregate maximum of 450% of salary, but it may be lower. This limit does not include the value of any buy-out arrangements (as described below) deemed appropriate.

In addition to the elements of the remuneration package covered by the policy, the Committee may 'buy out' certain existing remuneration arrangements of an incoming Executive Director through the offer of either additional cash and/or share-based elements when it considers these to be in the best interests of the Company. Any such payments will be based solely on remuneration lost when leaving the former employer and will take into account the existing delivery mechanism (i.e. cash, shares, options), time horizons and performance conditions.

In the case of an internally appointed Executive Director, any variable pay element awarded in respect of the prior role would be paid out according to its terms, adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment will continue, provided that they are put to shareholders for approval at the earliest opportunity.

RELOCATION ALLOWANCE

For external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses, for a limited period only, as appropriate. Where a Director is recruited from overseas, flexibility is retained to provide benefits that take account of market practice in their country of residence. The Company may offer a cash amount on recruitment, payment of which may be staggered over a period of up to two years, to reflect the value of benefits a new recruit may have received from a former employer.

LEGAL FEES

On recruitment of an Executive Director, the Company may make a contribution towards legal fees in connection with agreeing employment terms and drawing up a service contract.

Shareholders will normally be informed of the remuneration package and all additional payments to newly-appointed Executive Directors at the time of their appointment.

10. DISCRETIONS RETAINED BY THE COMMITTEE

The Committee operates the Group's various incentive plans according to their respective rules and in accordance with HMRC regulations where relevant. To ensure the efficient administration and appropriate governance of all remuneration arrangements the Committee may apply certain operational discretions, within the limits of the Directors' Remuneration Policy and relevant plan rules. These include, but are not limited to, the following:

- selecting the participants in the plans
- determining the timing of awards and/or payments
- determining the quantum of awards and/or payments
- selecting appropriate performance criteria and determining weightings, and adjusting these if necessary
- setting performance targets for the various criteria, and adjusting these if necessary
- adjusting the constituents of the comparator groups in respect of relative performance measures, if necessary
- determining the extent of payment/vesting based on the assessment of performance
- determining 'good leaver' status and the extent of payment/vesting in the case of the bonus and share-based plans
- determining the treatment of awards under share-based plans in the event of a change of control
- making the appropriate adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events, variation of capital, special dividends etc.)

In all cases, the Committee retains its absolute discretion to override formulaic outcomes in the bonus, LTIP and any other remuneration arrangements should the payouts not reflect underlying Company performance.