

# REMUNERATION COMMITTEE REPORT



**Sanjeev Sharma** Chair of the Remuneration Committee

## 2025 focus areas

- Remuneration Policy review and consultation with major shareholders
- Operation of the 2025 annual bonus and grant of 2025 Performance Share Plan (PSP) awards
- Continue to keep wider workforce remuneration arrangements under review, taking these into account when considering remuneration arrangements for Executive Directors

## Committee membership during 2024

	Independent	Number of meetings <sup>1</sup>	Attendance
Sanjeev Sharma	Yes	4	100%
Lucinda Bell	Yes	4	100%
Helen Gordon	Yes	4	100%
Claudia Arney <sup>2</sup>	Yes	1	100%

<sup>1</sup> Percentages are based on the meetings that each member is entitled to attend for the 12 months ended 31 December 2024.

<sup>2</sup> Claudia Arney stepped down from the Board at the 2024 AGM.

## Annual statement

Dear Shareholder,

As Chair of the Remuneration Committee and on behalf of the Board, I am pleased to present our report on Directors' remuneration for 2024, my first since becoming Chair in May 2024.

I would like to thank Claudia Arney for her time chairing the Remuneration Committee and for her support as part of the transition process.

The Annual report on remuneration, describing how the Remuneration Policy has been applied for the year ended 31 December 2024 and how we intend to implement the Policy for 2025, is provided on pages 178 to 199. Our Remuneration Policy was approved by shareholders at the AGM held on 12 May 2023, and received 95% of votes cast in favour. We have provided a summary of the Policy on pages 180 to 183. A copy of the complete Remuneration Policy can be found on our website at: [www.derwentlondon.com/investors/governance/board-committees](http://www.derwentlondon.com/investors/governance/board-committees)

### Linking Executive Directors' remuneration with our purpose, values and strategy

Our Remuneration Policy is designed to be simple and transparent and to promote effective stewardship in the context of the nature of the sector in which we operate. Further details, including how remuneration aligns with our purpose, values and strategy and how our KPIs are embedded within the incentive framework, are set out on page 179.

The Committee strives to provide clarity on how pay and performance is reported at Derwent London and how decisions made by the Committee support our purpose and values and strategic direction of the Group and take into account the experience of key stakeholders. During the year, the Committee considers that our Remuneration Policy has operated as intended in terms of supporting the delivery of the strategy and aligning outcomes with Company performance.

### Performance outcomes in 2024

Based on performance against the financial and strategic targets, the incentive outcomes for 2024 were as follows:

- Annual bonus outcome of 61.3% of the maximum opportunity (equivalent to 92% of base salary) based on the outcome of the relative total return and total property return performance metrics and strategic objectives (see pages 192 and 193).
- The Performance Share Plan (PSP) award granted in 2022 will lapse in full, based on the outcome of the relative total shareholder return and relative total property return performance metrics (see page 194).

The Committee considered the formulaic vesting outcomes against broader perspectives including: underlying business performance and affordability; the experience of shareholders; and the experience of employees and other stakeholders.

The Group has continued to perform strongly relative to central London office-based real estate peers (the Group's total property return performance was 4.1% compared to the MSCI Quarterly Offices Index of 1.3%) in the face of a subdued market and continued economic uncertainty, which is testament to the execution of the strategy over multiple years, the performance and commitment of our Executive leadership team and the quality of the portfolio they have assembled.

The Directors recommend a final dividend of 55.50p per ordinary share for the year ended 31 December 2024. When taken together with the interim dividend of 25.00p per ordinary share paid in October 2024, this results in a 1.3% increase in total dividend for the year. The Committee also recognises that shareholders have been impacted by the Group's absolute share price performance during the last couple of years.

A dedicated section is included within this report which incorporates several disclosures to demonstrate the Committee's belief that remuneration arrangements for Executive Directors are fair and appropriate in the context of pay policies and practice across the wider workforce (see pages 186 to 189). In particular, it is noted that all eligible employees received a bonus for 2024.

No discretion was applied to adjust the formulaic outcome of the annual bonus or PSP awards.

## Implementation in 2025

### Base salaries

The Committee awarded the Executive Directors a 3.5% salary increase with effect from 1 January 2025. Therefore, Paul Williams' salary was increased to £732,000 and to £564,600 for the other Executive Directors. Base salary increases were in line with the average inflationary increase for the wider workforce of 3.5%. The average actual increase in base salaries for all employees eligible for a pay rise (inclusive of promotions, career progression and market salary alignments) effective from 1 January 2025 was 5.9%.

### Annual bonus and PSP

The annual bonus and PSP opportunities remain unchanged for 2025. The Committee reviewed the annual bonus and PSP performance measures during 2024 to ensure that they continue to align with our strategy. After careful consideration, and reflecting that the Remuneration Policy will be fully reviewed in 2025 as part of the normal three-year cycle, the Committee agreed to implement minor refinements to performance measures for the 2025 annual bonus. Details are provided below.

The Committee agreed to rebalance the weighting of the 2025 annual bonus measures as follows: relative total property return (45%, vs 37.5% for 2024); relative total return (30%, vs 37.5% for 2024); strategic objectives (25%, no change vs 2024).

The relative total property return measure, which assesses our performance against the MSCI Quarterly Central London Offices Total Return Index, provides direct alignment with the Group's continued strategic focus on the central London office market. The Committee therefore considers that a modest increase to the weighting of the total property return measure strikes a better balance in terms of incentivising and rewarding Executive Directors for progressing our strategy and delivering outperformance across the central London office market.

The Committee believes that the total return performance measure should be retained (at a reduced weighting of 30%) as it means that Executive Directors also continue to be incentivised to outperform the real estate market more generally. Noting that the total return comparator group includes companies operating across different asset classes and UK regions (see page 193).

No changes have been made to the strategic objectives (see page 182).

No changes are proposed to the PSP performance measures. The 2025 award will continue to be based on total shareholder return vs the FTSE 350 Super Sector Real Estate Index (50%), total property return vs the MSCI Quarterly UK All Property Index (40%), embodied carbon and energy intensity reduction targets (10%).

As disclosed in the 2023 Report & Accounts, the Committee intended to increase the weighting of the embodied carbon and energy intensity reduction performance measures to 20% in the future. The Committee is mindful that the Group is still embedding a robust approach to managing embodied carbon and energy data and measuring performance against the UKGBC-aligned targets set under our Net Zero Carbon Pathway. In the current environment the Committee also wants to ensure that sufficient focus is retained on delivering total property return and total shareholder return performance. Therefore, after careful reflection, the Committee considers it appropriate to retain the weighting of the embodied carbon and energy intensity reduction performance measures at 10% within the 2025 PSP awards. The Committee will keep this under review in the future.

Delivering on its net zero carbon commitments remains a fundamental part of Derwent London's long-term strategy. The Committee strongly believes that, whilst it is appropriate for a proportion of PSP awards to be subject to embodied carbon and energy intensity performance measures, the Executive Directors are fully committed to delivering our sustainability strategy regardless of this link to the incentive framework.

Furthermore, the Board believes that strong sustainability performance will ultimately enhance the Group's total returns and total property returns over the longer term, both of which are performance measures within the incentive framework.

## Annual statement continued

**Remuneration Policy review**

Outline of proposed timetable.

**Invitation to engage**

14 April 2025

**Review Remuneration Policy and incentive framework**

Q2 2025

**Shareholder consultation**

Q3 2025

**Approval of final Remuneration Policy**

Q4 2025

**Publish Remuneration Policy Report**

April 2026

**Shareholder approval at AGM**

May 2026

Dates are provisional and subject to change.

**Non-Executive Chairman and Non-Executive Director fees**

The Non-Executive Chairman's fee was increased by 3.5% to £289,800 with effect from 1 January 2025. The Non-Executive Director base fee was increased by 3.5% to £59,000 with effect from 1 January 2025. A similar increase was made to the additional fees payable to the Non-Executive Directors (see page 183). Fee increases were in line with the average inflationary increase for the wider workforce of 3.5%.

**Remuneration Policy review**

The current Remuneration Policy was approved by shareholders at the 2023 AGM. We are therefore required to put a new Remuneration Policy for shareholder approval at the 2026 AGM, which will govern annual bonus and long-term incentive awards granted in 2026, 2027 and 2028. The Committee will therefore undertake a thorough review of the current Remuneration Policy and incentive framework during the course of 2025 and will consult with major shareholders on any proposed changes.

**Further engagement**

I look forward to receiving your support at our 2025 AGM, where I will be available to respond to any questions shareholders may have on this report or in relation to any of the Committee's activities. In the meantime, if you would like to discuss any aspect of our Remuneration Policy or incentive framework, please feel free to contact me through the Company Secretary, David Lawler, as detailed below.

The Directors' remuneration report has been approved by the Board of Directors and signed on its behalf by:

**Sanjeev Sharma**

Chair of the Remuneration Committee

26 February 2025

**Invitation to engage**

Ongoing dialogue with our shareholders is important to us and informs the Board's decision making. Any shareholder who wishes to provide input into our Remuneration Policy review can contact me via our Company Secretary, David Lawler.

Telephone: **+44 (0)20 7659 3000** orEmail: **[company.secretary@derwentlondon.com](mailto:company.secretary@derwentlondon.com)**

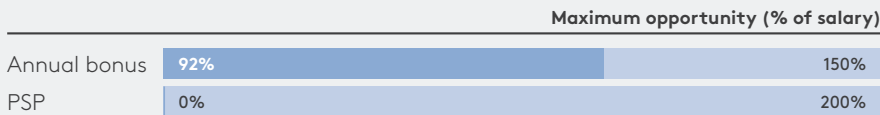
We request that all shareholders who wish to engage with the Committee during the Remuneration Policy review contact the Company Secretary before the 2024 AGM, on 16 May 2025. This is to ensure your comments are included in the Committee's discussions prior to consultation.

# Remuneration at a glance

Our Remuneration Policy is designed to be transparent and to promote effective stewardship that is vital to the delivery of the Group’s purpose and strategy.

## Reward linked to performance

Performance-based remuneration achieved for the year ended 31 December as a percentage of base salary. Further information on annual bonus and PSP outcome in 2024 is available on pages 192 to 194.

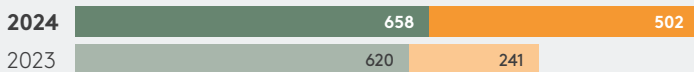


## Single figure of remuneration (£'000)

Paul Williams, CEO

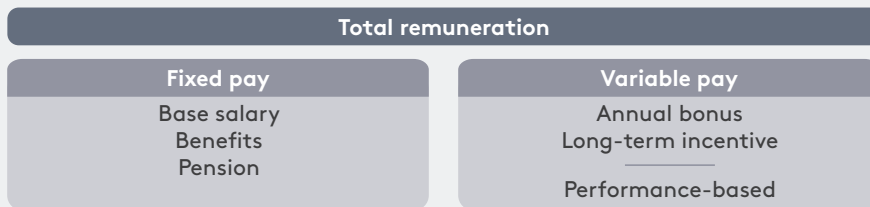


## Other Executive Directors (average)



■ Fixed pay ■ Pay for performance (and other items in the nature of remuneration)

## Remuneration Policy summary



Component	Key features <sup>3</sup>
<b>Base salary and benefits</b>	Attract and retain high calibre executives
<b>Pension</b>	In line with the contributions available for the majority of the wider workforce (currently 15% of salary)
<b>Annual bonus<sup>1</sup></b>	Maximum opportunity of 150% of salary Any bonus earned in excess of 75% of salary is deferred into shares over three years
<b>LTIP<sup>1</sup></b>	Maximum opportunity of 200% of salary Three-year performance period plus two-year holding period
<b>Shareholding guidelines<sup>2</sup></b>	200% of salary for all executives Post-employment guidelines apply

1 Strong link between performance against strategy and KPIs and reward.  
 2 Supports long-term stewardship.  
 3 Takes into account risk management.

## Wider stakeholder considerations

The Committee considers pay policies and practices for employees, as well as feedback from key stakeholders, when making remuneration decisions for Executive Directors.

**+5.9%**

average increase in base salaries for all employees eligible for a pay rise effective from 1 January 2025

**17:1**

CEO pay ratio at 50th percentile (median) for 2024 (see page 189)

**+1.3%**

increase in the total dividend (2023 to 2024)

**95%**

of votes cast in favour of our Remuneration Policy at the 2023 AGM

# Annual report on remuneration

## (unaudited unless otherwise indicated)

The Annual report on remuneration (pages 178 to 199) explains how we have implemented our Remuneration Policy during 2024. The Remuneration Policy in place for the year was approved by shareholders at the 2023 AGM and is available to download from our website at: [www.derwentlondon.com/investors/governance/board-committees](http://www.derwentlondon.com/investors/governance/board-committees)

### Role of the Remuneration Committee

The role of the Committee is to determine and recommend to the Board the Remuneration Policy for Executive Directors, and set the remuneration for the Chairman, Executive Directors and Executive Committee (including the Company Secretary). In doing so, the Committee has due regard for the remuneration arrangements available to the entire workforce and ensures that our Remuneration Policy supports our strategy, the achievement of our purpose, and is aligned with our values. We detail the Group's key remuneration principles, which inform our remuneration structure, in the table below.

The Committee's role and responsibilities are set out in the terms of reference, which were last updated in March 2022 and are available on the Company's website.

### Structure of the annual report on remuneration

The Committee has structured this report to demonstrate that the remuneration arrangements for Executive Directors are fair and appropriate in the context of pay policies and practices across the wider workforce, mitigating risk and rewarding genuine outperformance. Key sections include:

- Aligning remuneration with our purpose, values and strategy (page 179)
- Overview of our Remuneration Policy and its implementation in 2025 (pages 180 to 183)
- Risk management (pages 184 and 185)
- Remuneration decisions in context (page 186)
- Executive Director remuneration in 2024 (page 190)

### Our remuneration principles

The Committee ensures that the remuneration arrangements for Executive Directors are aligned with our key remuneration principles which are detailed below, as well as taking into account the principles of clarity, simplicity, risk, predictability, proportionality and alignment to culture set out in the UK Corporate Governance Code 2018.

<b>Attract, retain and motivate</b>	Support an effective pay for performance culture which enables the Company to attract, retain and motivate Executive Directors who have the skills and experience necessary to deliver the Group's purpose.
<b>Clarity and simplicity</b>	Ensure that remuneration arrangements are simple and transparent to key stakeholders and take account of pay policies for the wider workforce.
<b>Alignment to strategy and culture</b>	Align remuneration with the Group's objectives and long-term strategy and reflect our culture through a balanced mix of short and long-term performance-related pay and ensure that performance metrics remain effectively aligned with strategy.
<b>Risk management</b>	Promote long-term sustainable performance through sufficiently stretching performance targets, whilst ensuring that the incentive framework does not encourage Executive Directors to operate outside the Group's risk appetite (see page 93). Further information on risk management within our remuneration structures is on pages 184 and 185.
<b>Stewardship</b>	Promote long-term shareholdings by Executive Directors that support alignment with long-term shareholder interests. Executive Directors are subject to within-employment and post-employment shareholding guidelines. Once PSP awards have vested there is a two-year holding period during which Executive Directors are not able to sell their shares (net of tax) to support sustainable decision making.
<b>Predictability</b>	Details of the maximum potential values that may be earned through the remuneration arrangements are set out in the summary of our Remuneration Policy on pages 180 to 183.
<b>Proportionality and fairness</b>	Total remuneration should fairly reflect the performance delivered by the Executive Directors and the Group. The Committee takes into account underlying business performance and the experience of shareholders, employees and other stakeholders when determining vesting outcomes, ensuring that poor performance is not rewarded. The Committee considers the approach to wider workforce pay and policies when determining the Remuneration Policy to ensure that it is appropriate in this context.

# Aligning remuneration with our purpose, values and strategy

## Remuneration that aligns with our values

Our core values are reflected in our remuneration arrangements in the following ways:

**We build long-term relationships**

We seek to create long-term collaborative relationships with our occupiers and employees. The annual bonus contains strategic targets for tenant retention and staff satisfaction. A staff satisfaction metric helps the Committee, and the Board, monitor the wellbeing of the wider workforce and gauge our ability to retain key talent.

**We lead by design**

Our Remuneration Policy has been designed to reflect our key remuneration principles (page 178). Incentive arrangements reward genuine outperformance and progress against our strategic objectives. The structure of our Remuneration Policy is kept under routine review.

**We act with integrity**

Total remuneration fairly reflects the performance delivered by the Executive Directors and the Group. The Committee takes into account underlying business performance and the experience of shareholders, employees and other stakeholders when determining vesting outcomes, ensuring that poor performance is not rewarded.

## Remuneration that supports our strategy and helps us to achieve our purpose

We seek to create above average long-term returns for our shareholders, retain and develop our talented workforce, design 'long-life, low carbon' space, and work towards achieving our net zero carbon ambitions.

Our Remuneration Policy has been designed to support our strategy by aligning our performance-based pay with our strategic objectives and Net Zero Carbon Pathway. We have ESG-related metrics within both elements of variable remuneration for Executive Directors (annual bonus and PSP).

Our ability to provide above average returns to our shareholders is a substantial element of our PSP (see page 194). Our total shareholder return is ranked against the FTSE 350 Super Sector Real Estate Index and vesting of this element only occurs if we reach or exceed median. Further information on the rationale for the Committee's chosen strategic performance targets is on page 184.

**Environmental**

As delivering on our net zero carbon commitments is a fundamental part of Derwent London's long-term strategy, sustainability performance metrics (embodied carbon reduction and energy intensity reduction) are included within the Executive Directors' long-term incentive plan awards (PSP).

**Social**

All employees receive at least the London Living Wage. Our generous benefit package includes a 15% company pension contribution. We continue to invest significantly in our employees to ensure that everyone thrives in their roles, feels valued, supported and has the opportunity of continuous growth and development.

**Governance**

Risk management is factored into the design of our remuneration arrangements and the setting of targets. We seek to ensure fairness and transparency in our disclosures, and voluntarily report on our CEO pay ratio on page 189.

## How our KPIs are embedded within the executive remuneration framework

Success against our strategic objectives is measured using a range of financial and non-financial key performance indicators (KPIs), which are largely embedded within the executive remuneration framework as illustrated by the chart below.

KPIs	
Financial	Non-financial
Total return	Reversionary percentage
Total property return <sup>1</sup>	Development potential
Total Shareholder Return (TSR)	Tenant retention
EPRA Earnings Per Share (EPS)	Void management
Gearing & available resources	BREEAM ratings
Interest cover ratio (ICR)	Energy Performance Certificates (EPCs)
	Energy intensity
	Embodied carbon intensity
	Accident Frequency Rate (AFR)
	Staff satisfaction

**B** Annual Bonus    **P** Performance Share Plan

<sup>1</sup> Total Property Return (TPR) performance for the annual bonus is assessed against the MSCI Quarterly Central London Offices Total Return Index (see page 193). TPR performance is assessed against the MSCI Quarterly UK All Property Total Return Index under the Performance Share Plan (see page 194).

## REMUNERATION COMMITTEE REPORT continued

### Annual report on remuneration continued

## Summary of Remuneration Policy

We have provided a summary of the key elements of the Remuneration Policy for Executive Directors and Non-Executive Directors approved by shareholders at the 2023 AGM on pages 180 to 183. In addition, we have set out how the Remuneration Policy will be implemented in 2025. Our full Remuneration Policy can be found on our website at: [www.derwentlondon.com/investors/governance/board-committees](http://www.derwentlondon.com/investors/governance/board-committees).

We always seek to engage with shareholders when considering material changes to our remuneration policies or practices. In 2022, the Remuneration Committee consulted on the Remuneration Policy with 20 of our largest shareholders, representing approximately 64% of our issued share capital. The Committee was extremely pleased with the level of shareholder support at recent AGMs in respect of its Remuneration Policy and the Annual report on remuneration.

	Annual report on remuneration (2024 AGM)		Remuneration Policy (2023 AGM)	
Votes cast in favour	95.5m	99.3%	91.6m	95.0%
Votes cast against	0.6m	0.7%	4.8m	5.0%
Votes withheld	0.0m	0.0%	0.0m	0.0%
Total votes cast	96.1m	100%	96.4m	100%

### Executive Directors

Element	How operated	Maximum opportunity	Implementation for 2025															
<b>Base salary</b>	<p>Normally reviewed annually. Any increase is normally effective from 1 January.</p> <p>Factors taken into account in the review include:</p> <ul style="list-style-type: none"> <li>the role, experience and performance of the individual and the Company;</li> <li>pay and conditions throughout the business; and</li> <li>practice in companies with similar business characteristics.</li> </ul>	<p>No maximum, but increases will normally be consistent with the policy applied to the workforce generally (in percentage of salary terms).</p> <p>Increases above this level may be awarded in certain circumstances such as, but not limited to:</p> <ul style="list-style-type: none"> <li>where there is a change in role or responsibility;</li> <li>an Executive Director's development or performance in role (e.g. to align a new hire's salary with the market over time); and</li> <li>where there is a significant change in the size and/or complexity of the Group.</li> </ul>	<p>With effect from 1 January 2025, Executive Directors' salaries were increased by 3.5%. The average inflationary increase for the wider workforce was 3.5%.</p> <table border="1"> <thead> <tr> <th>Executive Director</th> <th>2025 salary (£'000)</th> <th>2024 salary (£'000)</th> </tr> </thead> <tbody> <tr> <td>Paul Williams</td> <td>732.0</td> <td>707.2</td> </tr> <tr> <td>Damian Wisniewski</td> <td>564.6</td> <td>545.5</td> </tr> <tr> <td>Nigel George</td> <td>564.6</td> <td>545.5</td> </tr> <tr> <td>Emily Prideaux</td> <td>564.6</td> <td>545.5</td> </tr> </tbody> </table> <p>The average actual increase in base salaries for all employees eligible for a pay rise (inclusive of promotions, career progression and market salary alignments) effective from 1 January 2025 was 5.9%.</p>	Executive Director	2025 salary (£'000)	2024 salary (£'000)	Paul Williams	732.0	707.2	Damian Wisniewski	564.6	545.5	Nigel George	564.6	545.5	Emily Prideaux	564.6	545.5
Executive Director	2025 salary (£'000)	2024 salary (£'000)																
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Emily Prideaux	564.6	545.5																
<b>Benefits</b>	<p>Benefits include, but are not limited to, private medical insurance, car and fuel allowance and life assurance.</p> <p>Executive Directors may participate in the Sharesave Plan and any other all-employee plans on the same basis as other employees up to HMRC approved limits.</p>	<p>Set at a level which the Committee considers to be appropriate taking into account relevant factors including but not limited to the overall cost to the Company in securing the benefits, individual circumstances, benefits provided to the wider workforce and market practice.</p>	<p>Benefits will continue to include a car allowance or fully expensed car, fuel allowance, private medical insurance and life assurance.</p>															
<b>Pension</b>	<p>Executive Directors may receive cash payments in lieu of contributions where considered appropriate (for example where contributions would exceed either the lifetime or annual contribution limits).</p>	<p>The maximum Company contribution or cash supplement (or a mix of both) for Executive Directors is aligned with the contribution available to the majority of the wider workforce (currently 15% of salary).</p>	<p>Company pension contribution and/or cash supplement for the Executive Directors is aligned with the majority of the wider workforce (currently at 15% of salary).</p>															

Element	How operated	Maximum opportunity	Implementation for 2025
<b>Annual bonus</b>	<p>At least 75% of the annual bonus will be based on financial measures with up to 25% based on strategic objectives.</p> <p>Bonuses up to 75% of salary are paid as cash. Amounts in excess of 75% are deferred into shares for three years subject to continued employment.</p> <p>Dividend equivalents may accrue on deferred shares. Such amounts will normally be paid in shares.</p> <p>Malus and clawback provisions apply (see table on page 184).</p> <p>The Committee has discretion to adjust the payment outcome if it is not deemed to reflect the underlying financial or non-financial performance of the business, the performance of the individual or the experience of shareholders or other stakeholders over the performance period.</p>	Maximum opportunity of up to 150% of salary may be awarded in respect of a financial year.	<p>The maximum bonus potential for Executive Directors is 150% of salary. Bonuses for 2025 are subject to the following performance metrics:</p> <ul style="list-style-type: none"> <li>• <b>Total Return</b> (weighting: 30%). Performance measured against a comparator group of real estate companies. Targets and amounts vesting for threshold and maximum performance are outlined on page 193.</li> <li>• <b>Total Property Return</b> (weighting: 45%). Performance measured against the MSCI Quarterly Central London Offices Total Return Index. Targets and amounts vesting for threshold and maximum performance are outlined on page 193.</li> <li>• <b>Strategic targets</b> (weighting: 25%). The strategic targets, ranges and weightings are outlined on page 182.</li> </ul> <p>As detailed on page 175, compared to 2024, the weighting of the Total Property Return metric will be increased by 7.5%, with a commensurate decrease in the Total Return weighting.</p>
<b>Long-term incentives</b>	<p>Award of performance shares which vest after three years subject to performance measures set by the Committee and continued employment.</p> <p>Awards will be subject to a two-year post-vesting holding period.</p> <p>Dividend equivalents may accrue on performance shares. Such amounts will normally be paid in shares.</p> <p>Malus and clawback provisions apply (see table on page 184).</p> <p>The Committee has discretion to adjust the vesting outcome if it is not deemed to reflect appropriately the underlying financial or non-financial performance of the business, the performance of the individual or the experience of shareholders or other stakeholders over the performance period.</p>	Maximum opportunity of up to 200% of salary may be awarded in respect of a financial year.	<p>The Committee reviewed the Group's share price performance prior to determining the award levels for the 2025 PSP award. As the share price on 20 February 2025 was not materially different to the share price at the time the 2024 PSP awards were granted (£21.00), the Committee considered it appropriate to award a maximum opportunity of 200% of salary to Executive Directors.</p> <p>PSP awards for 2025 are subject to the following performance metrics:</p> <ul style="list-style-type: none"> <li>• Total Shareholder Return (50%)</li> <li>• Total Property Return (40%)</li> <li>• Embodied carbon (5%)</li> <li>• Energy intensity reduction (5%)</li> </ul> <p>The targets for Total Shareholder Return and Total Property Return remain the same as for the 2024 PSP awards (see page 195).</p> <p>The embodied carbon and energy intensity reduction targets are based on the business' UKGBC-aligned milestone targets to achieve net zero by 2030 and are detailed on page 182.</p>

### Service contracts

Executive Directors' service contracts do not have a fixed expiry date; however, they are terminable either by the Company providing 12 months' notice or by the executive providing six months' notice.

	Date of service contract
Paul Williams	22 November 2018
Damian Wisniewski	10 July 2019
Nigel George	10 July 2019
Emily Prideaux	26 February 2021

Executive Directors may accept a non-executive role at another company with the approval of the Board. The Executive Director is entitled to retain any fees paid for these services.



## REMUNERATION COMMITTEE REPORT continued

### Annual report on remuneration continued

#### Performance targets for 2025

##### Annual bonus strategic targets

The strategic targets for the 2025 annual bonus are the same as those used for the 2024 annual bonus (see page 193).

Performance measure	Link to strategic objectives <sup>1</sup>	Target range <sup>2</sup>	Weighting % of bonus
<b>Void management</b>			
This is measured by the Group's EPRA vacancy rate for the year calculated as the average of each quarter end figure.	1 2	10% to 2%	5.0%
<b>Tenant retention</b>			
This is measured by the percentage of tenants that remain in their space when their lease expires or the space is re-let during the reporting period.	1 2	50% to 75%	5.0%
<b>Staff satisfaction</b>			
Staff surveys are used to assess this measure. In assessing this target the Committee will consider any variance in staff satisfaction scores between genders.	3	80% to 90%	4.0%
<b>Accident rate</b>			
The Group's RIDDOR Accident Frequency Rate (AFR) is calculated based on significant ('Direct') RIDDOR injuries and incidents during the year <sup>3</sup> , multiplied by 1,000,000 and divided by 'total work exposure hours'. This target is also conditional on each Executive Director completing, during 2025, an annual health and safety leadership tour.	4	4.0 to 1.0	4.0%
<b>Portfolio development potential</b>			
This is measured by the percentage of the Group's portfolio by area where a potential development scheme has been identified, including committed acquisitions <sup>4</sup> .	1	35% to 50%	7.0%
			25%

1 The references above show the link between our strategic objectives and our annual bonus targets (see pages 28 to 32).

2 Payout accrues on a broadly straight-line basis, between threshold and maximum performance.

3 The RIDDOR reportable injuries that we capture in our AFR are all HSE-reportable accidents or incidents which result in a fatality or 'specified injuries' (such as fractures, serious burns etc). In addition, we will include all injuries caused to members of the public, where we may have contributed to the causation and where they are taken directly to hospital, and injuries to our employees which result in them being unable to return to work for seven consecutive days. Our key health and safety statistics are available on page 53.

4 The target range for portfolio development potential includes Old Street Quarter.

#### Long-term incentives

The targets for the Total Shareholder Return and Total Property Return performance metrics remain the same as for the 2024 PSP awards (see page 195). Our embodied carbon and energy intensity targets are based on the business' UKGBC-aligned milestone targets to achieve net zero by 2030 and are as follows:

Measure	Weighting % of PSP	Threshold	Maximum <sup>4</sup>
Embodied carbon intensity <sup>1,3</sup> (new build commercial office)	5%	600 kg CO <sub>2</sub> e/m <sup>2</sup>	500 kg CO <sub>2</sub> e/m <sup>2</sup>
Energy intensity <sup>2,3</sup> (managed properties)	5%	Average energy intensity of 121 kWh/m <sup>2</sup> across 2025, 2026 and 2027	Average energy intensity of 118 kWh/m <sup>2</sup> across 2025, 2026 and 2027

1 Calculated based on an overall weighted average embodied carbon performance for all live projects during the performance period.

2 Energy intensity is assessed based on the energy consumption of the managed portfolio for the year (gas and electricity).

3 The purchasing of carbon offsets will not affect the outcome of the embodied carbon or energy intensity reduction performance measures.

4 Vesting accrues on a straight-line basis, between threshold (22.5% of maximum) and maximum performance.

Our embodied carbon and energy intensity performance will be independently assured by an external third party.

#### Strategic objectives

**1** To optimise returns and create value from a balanced portfolio

**2** To grow recurring earnings and cash flow

**3** To attract, retain and develop talented employees

**4** To design, deliver and operate our buildings responsibly

**5** To maintain strong and flexible financing

## Chairman and Non-Executive Directors

The summary table below sets out the remuneration package for the Chairman and Non-Executive Directors.

	Operation	Implementation for 2025																		
<b>Chairman</b>	<p>The remuneration of the Chairman is set by the Remuneration Committee.</p> <p>The Chairman receives an annual fee and may be eligible to receive benefits including, but not limited to, secretarial provision and travel costs. Non-significant benefits may be provided if considered appropriate.</p> <p>The Chairman does not receive pension or participate in incentive arrangements.</p>	<p>With effect from 1 January 2025, Mark Breuer's inclusive Chairman fee was increased by 3.5% to £289,800, in line with the average inflationary increases for the wider workforce.</p>																		
<b>Non-Executive Directors</b>	<p>The remuneration for Non-Executive Directors is set by the Executive Directors and Non-Executive Chairman.</p> <p>Non-Executive Directors receive a base fee plus additional fees for committee chairmanship, committee membership and for the role of Senior Independent Director. Additional fees may be paid to reflect additional Board or committee responsibilities or time commitment as appropriate.</p> <p>Non-Executive Directors may be eligible to receive benefits including, but not limited to, secretarial provision and travel costs.</p> <p>Non-Executive Directors do not receive pension contributions or participate in incentive arrangements.</p>	<p>With effect from 1 January 2025, the fees payable to the Non-Executive Directors were increased by c.3.5%, in line with the average inflationary increase for the wider workforce.</p> <table border="1"> <thead> <tr> <th>(£'000)</th> <th>2025</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Base fee</td> <td>59.0</td> <td>57.0</td> </tr> <tr> <td>Audit Committee Chair</td> <td>12.9</td> <td>12.5</td> </tr> <tr> <td>Other Committee Chairs</td> <td>10.3</td> <td>10.0</td> </tr> <tr> <td>Senior Independent Director</td> <td>12.9</td> <td>12.5</td> </tr> <tr> <td>Committee membership</td> <td>5.2</td> <td>5.0</td> </tr> </tbody> </table> <p>In addition to their chairmanship fee, a Committee Chair also receives the Committee membership fee.</p>	(£'000)	2025	2024	Base fee	59.0	57.0	Audit Committee Chair	12.9	12.5	Other Committee Chairs	10.3	10.0	Senior Independent Director	12.9	12.5	Committee membership	5.2	5.0
(£'000)	2025	2024																		
Base fee	59.0	57.0																		
Audit Committee Chair	12.9	12.5																		
Other Committee Chairs	10.3	10.0																		
Senior Independent Director	12.9	12.5																		
Committee membership	5.2	5.0																		

## Letters of appointment

The Chairman and Non-Executive Directors do not have service contracts but are appointed for initial three-year terms which thereafter may be extended, subject to re-election, at each AGM. Details are set out in the table below. Further information on Non-Executive Director tenure and recruitment is on pages 141 and 142 of the Nominations Committee report.

	Date of latest appointment letter	Latest appointment letter expiry date
Mark Breuer	3 November 2023	1 February 2027
Dame Cilla Snowball <sup>1</sup>	15 August 2024	16 May 2025
Helen Gordon	3 November 2023	31 December 2026
Lucinda Bell	7 August 2024	31 December 2027
Sanjeev Sharma	7 August 2024	1 October 2027
Robert Wilkinson	31 May 2024	1 June 2027
Madeleine McDougall	15 October 2024	31 October 2027

<sup>1</sup> Dame Cilla Snowball will step down as a Director no later than at the 2025 AGM. Further information on Non-Executive Director succession is on page 142.

## Annual report on remuneration continued

### Risk management

We are transparent about our pay practices which aim to incentivise our employees to achieve our strategy and generate sustainable value for our stakeholders. Risk management is a key remuneration principle and has been incorporated into our Remuneration Policy, principally through:

<b>Stretching performance targets</b>	<b>Malus and clawback provisions</b>	<b>Discretion</b>	<b>Shareholding guidelines</b>
Sufficiently stretching performance targets which promote long-term sustainable performance	Enables the Committee to recover sums paid, or cancel awards, in specific circumstances	The Committee has the means to apply discretion and judgement to vesting outcomes	Requirement to build up and retain a shareholding in Derwent London during and post-employment

### Choice of performance measures

The performance measures used for the annual bonus and PSP awards reflect the short and long-term financial and strategic priorities of the business, and are aligned with performance measures used by our real estate sector peers. A significant proportion of annual bonus and PSP awards are subject to performance relative to the real estate sector. This helps support an incentive framework whereby Executive Directors may be fairly and equitably rewarded for outperforming peers and protecting and delivering shareholder value in a cyclical market. For relative performance measures, performance targets are set each year relative to the real estate comparator group.

For strategic measures, targets are set taking into account the Group's strategic plan. Maximum vesting will only occur for what the Committee considers to be outstanding performance. Details of the performance measures for the 2025 annual bonus and PSP awards are set out on page 182. When setting the targets to be achieved, the Committee aims to ensure that they are sufficiently stretching so as to reward genuine outperformance without promoting inappropriate risk-taking outside of the Board's risk appetite (see page 93).

### Malus and clawback

It is a condition of the grant of any awards that the Executive Directors agree to terms of the relevant Plan rules and, in particular, the operation of malus and clawback provisions. A summary of our malus and clawback provisions is provided below.

	Malus	Clawback
<b>Annual bonus</b>	To such time as payment is made.	Up to two years following payment.
<b>Deferred bonus</b>	To such time as the award vests.	No clawback provisions apply (as malus provisions apply for three years from the date of award).
<b>PSP awards</b>	To such time as the award vests.	Up to two years following vesting.

The circumstances in which malus and clawback provisions could be applied:

1. Material misstatement of financial results.
2. An error in assessing performance conditions which has led to an overpayment.
3. Serious or gross misconduct.
4. Serious reputational damage.
5. Corporate failure.

A clawback period of two years following payment of an annual bonus and vesting of PSP awards is considered appropriate on the basis that:

- it is reasonable to assume that a material misstatement of financial results relating to the performance period, an error in assessing performance conditions, or an event, act or omission which occurred during the performance period resulting in serious reputational damage, or corporate failure, would be discovered within a two-year period;
- it is considered a reasonable period to support the enforceability of clawback; and
- it is aligned with market practice across the FTSE 250.

The Company has not needed to use the malus and clawback provisions in the last five years (including the latest reporting period).

### Discretion

The Committee has discretion to adjust the annual bonus or PSP award outcome if it is not deemed to reflect the underlying financial or non-financial performance of the business, the performance of the individual or the experience of shareholders or other stakeholders over the performance period.

## Shareholding guidelines

Our Remuneration Policy promotes long-term shareholdings by Executive Directors through within-employment and post-employment shareholding guidelines.

<b>Within-employment</b>	Executive Directors are expected to build up and retain a shareholding equal to 200% of salary. Until the shareholding guideline is met, 50% of any deferred bonus awards or PSP awards vesting (net of tax) normally must be retained. Once PSP awards have vested there is a two-year holding period during which Executive Directors are not able to sell their shares to support sustainable decision making.
<b>Post-employment<sup>1</sup></b>	Executive Directors who step down from the Board are normally expected to retain a holding in 'guideline shares' <sup>2</sup> equal to 200% of salary (or their actual shareholding at the point of stepping down if lower) for the first 12 months following stepping down as an Executive Director; then, 100% of salary (or their actual shareholding at the point of stepping down if lower) for the subsequent 12 months. The Committee retains discretion to waive this guideline if it is not considered to be appropriate in the specific circumstance.

- The number of shares subject to the post-employment shareholding guideline is confirmed to the Executive Director on stepping down from the Board. The Committee will monitor the former Executive Directors' compliance with the guideline. Should the former Executive Director breach compliance, the Committee may reduce any unvested share awards held by the former Executive Director.
- 'Guideline shares' do not include shares that the Executive Director has purchased or which have been acquired pursuant to deferred share awards or PSP awards which vested before 1 January 2020. Unless the Committee determines otherwise, an Executive Director or former Executive Director shall be deemed to have disposed of shares which are not 'guideline shares' before 'guideline shares'.

As at 31 December 2024, all Executive Directors have exceeded the within-employment shareholding guideline, except Emily Prideaux who was appointed an Executive Director from 1 March 2021. Emily Prideaux is working towards achieving the within-employment shareholding guideline.

Executive Directors	Beneficially held shares	2024 salary <sup>1</sup>	% of base salary		Value of beneficially held shares <sup>2</sup>
			Target	Achieved	
Paul Williams	92,921	707,200	200%	<b>288%</b>	£2,034,970
Damian Wisniewski	69,095	545,500	200%	<b>277%</b>	£1,513,181
Nigel George	100,046	545,500	200%	<b>402%</b>	£2,191,007
Emily Prideaux	6,081	545,500	200%	<b>24%</b>	£133,174

- The base salaries shown in the table above are as at 31 December 2024. Further information on fixed pay during 2024 is provided on page 191.
- The value of the Executive Directors' beneficially held shares has been calculated using the average closing share price during the year ended 31 December 2024 of £21.90.

All other employees granted PSP awards are expected to work towards holding shares in Derwent London plc equivalent to 50% of base salary. The share ownership guidelines for all PSP recipients (including Executive Directors) require them to retain at least half of any deferred bonus shares or performance shares which vest (net of tax) until the guideline is met. Only wholly owned shares will count towards the guideline. There is no shareholding guideline for Non-Executive Directors. Due to the relatively large shareholdings of our Executive Directors, a small change in our share price would have a material impact on their wealth. For example, a 5% drop in our share price would result in a loss of value for our Chief Executive, Paul Williams, equivalent to approximately 14% of his base salary.

## Independent advice

The Committee has authority to obtain the advice of external independent remuneration consultants. Deloitte LLP has been appointed as the Committee's principal consultants since July 2018, following a competitive tender process. The Committee has been fully briefed on Deloitte's compliance with the voluntary code of conduct in respect of the provision of remuneration consulting services. During the year under review, Deloitte provided independent assistance to the Committee in respect of, among other things, the following matters:

- performance assessment against annual bonus and PSP targets;
- remuneration benchmarking of Executive Committee; and
- market practice and corporate governance updates.

The fees paid to Deloitte for their services to the Committee during the year, based on time and expenses, amounted to £120,720. Separate teams at Deloitte LLP also provided sustainability and health and safety limited assurance under the ISAE 3000 (Revised) standard, corporate tax consultancy and employment tax consultancy services to the Group. The Committee took this work into account and, due to the nature and extent of the work performed, concluded that it did not impair Deloitte's ability to advise the Committee objectively and free from influence. It is the view of the Committee that the Deloitte engagement team which provides remuneration advice to the Committee does not have connections with Derwent London or its Directors that may impair its independence. The Committee therefore deems Deloitte capable of providing appropriate, objective and independent advice.

## Annual report on remuneration continued

## Remuneration decisions in context

The Committee is kept informed of salary increases for the wider workforce, as well as any significant changes in practice or policy, which is taken into consideration when making remuneration decisions for Executive Directors.



The Committee has introduced this dedicated section (pages 186 to 189) which incorporates several disclosures to demonstrate the Committee's belief that remuneration arrangements for Executive Directors are fair and appropriate in the context of pay policies and practices across the wider workforce.

### Investing in our employees

We recognise that our employees are our brand ambassadors and vital to the successful delivery of our strategy and long-term business performance. We continue to invest significantly in our employees to ensure that everyone thrives in their roles, feels valued, supported and has the opportunity of continuous growth and development.

We run a detailed induction programme, hold CEO-led monthly town halls, provide a series of core skills workshops, internal technical workshops, mandatory compliance training and various management and leadership initiatives (including 1:1 and team coaching). In addition, we support and sponsor further professional qualifications and encourage internal and external personal development opportunities wherever possible. This is coupled with six-monthly performance reviews and optional Personal Development Plans, alongside regular dialogues with line managers to discuss performance, identify training requirements and understand individual career aspirations.

We have trained mental health first aiders, and we have both an employee assistance programme and occupational health support in place. We encourage proactive self-care and run a series of 'lunch and learn' sessions.

→ Attracting and optimising talent / See page 50

### Engaging with our employees

We have an open, collaborative and inclusive management structure and engage regularly with our employees on a variety of issues. We do this through a range of one-way and two-way channels including appraisals, employee surveys, our intranet site, Company presentations, awaydays and our wellbeing programme.

An engagement section is included within the explanatory booklet of the wider employee incentive plan, ESOP, which details our remuneration strategy and principles. This section also provides further information on the differences between the executive and wider employee incentive arrangements (PSP and ESOP).

Our employees are provided with the means to engage on a range of matters, including the Group's approach to executive remuneration, how executive remuneration aligns with the Group's pay policy and how the structure of executive remuneration compares to wider workforce remuneration. The Committee considers pay across the Group, as well as any employee feedback, when making decisions on executive remuneration.

→ Employee engagement / See pages 38 and 51

### Relative importance of the Company's spend on pay

In order to give shareholders an understanding of how total expenditure on remuneration (for all employees) compares to certain core financial dispersals of the Company, the table below demonstrates the relative importance of the Company's spend on employee pay for the period 2023 to 2024.

£m	2024	2023	% change
Staff costs <sup>1</sup>	29.7	28.8	3.1
Distributions to shareholders <sup>2</sup>	89.8	88.7	1.2
Net asset value attributable to equity shareholders <sup>3</sup>	3,540	3,508	0.9

- Staff costs includes salaries, employer pension contributions, national insurance contributions, benefits and share-based payment expenses relating to equity settled schemes (see note 12 on page 277).
- Distribution to shareholders during the financial year. For 2024, this includes the payment of the 2023 final and 2024 interim dividends.
- Net asset value attributable to equity shareholders was chosen as it is a key determinate of the Group's total return and is used by management to measure our progress. We base our total return calculation on EPRA net tangible assets (NTA).

## Remuneration structure

We value and appreciate our employees and aim to provide market competitive remuneration and benefit packages in order to continue to be seen as an employer of choice. The remuneration structure for our wider workforce is similar to that of our Executive Directors<sup>1</sup> and contains both fixed and performance-based elements (see below).

	Wider workforce	Executive Directors
Base salary	Average inflationary increase for the wider workforce of 3.5% from 1 January 2025. The average actual increase in base salaries for all employees eligible for a pay rise was 5.9%.	Base salary increase of 3.5% from 1 January 2025.
Benefits <sup>2</sup>	<p>All employees (including the Executive Directors) receive:</p> <ul style="list-style-type: none"> <li>private medical insurance;</li> <li>dental care; and</li> <li>the option of joining a non-contractual healthcare cash plan which offers an affordable way to help with everyday healthcare costs.</li> </ul>	<p>We also operate a:</p> <ul style="list-style-type: none"> <li>Cycle to Work scheme;</li> <li>Electric Car Salary Sacrifice Scheme which allows any member of staff to lease a new electric car in a tax efficient way; and</li> <li>season ticket loan.</li> </ul> <p>A car allowance is payable to Executive Directors, members of the Executive Committee, Heads of Departments and other senior managers. Other employees may receive a car allowance depending on the nature of their role.</p>
Pension <sup>2</sup>	Receive an employer pension contribution equal to 15% of salary per annum with the option to make additional voluntary contributions (AVCs)	
Life assurance <sup>2</sup>	Employees who opt to participate in the pension scheme also receive:	
	<ul style="list-style-type: none"> <li>a lump sum Death in Service insurance benefit of 4x their base annual salary; and</li> <li>an additional Death in Service pension benefit of one-third of base salary paid to their nominated dependant(s).</li> </ul>	
Annual bonus	<ul style="list-style-type: none"> <li>All employees are enrolled into an annual discretionary bonus scheme</li> <li>Bonuses are paid via payroll in March</li> <li>Bonuses are based on individual and Group performance</li> <li>100% of our workforce below Board level (not subject to probation) received an annual bonus in 2024</li> </ul>	<ul style="list-style-type: none"> <li>The Executive Directors' discretionary bonus is based on strategic (non-financial) and financial performance targets</li> <li>Bonuses in excess of 75% of salary are subject to deferral for three years</li> <li>Subject to malus and clawback provisions and can be adjusted if payout does not align with the wider stakeholder experience</li> </ul>
Long-term incentives	<ul style="list-style-type: none"> <li>We operate a discretionary ESOP for employees below the Board and Executive Committee</li> <li>ESOP grants options which are exercisable after three years at a pre-agreed option price</li> <li>There is no performance conditions attached to the awards except continued employment</li> <li>In 2024, we granted 380,200 options to eligible employees (see note 13 on page 227)</li> </ul>	<ul style="list-style-type: none"> <li>We operate the PSP for the Executive Directors and Executive Committee</li> <li>PSP grants require the achievement of stretching performance targets over a three-year performance period</li> <li>PSP awards are subject to a two-year holding period, shareholding guidelines, and malus and clawback provisions</li> </ul>
Sharesave Plan	To encourage Group-wide share ownership, the Company operates an HMRC tax efficient Sharesave Plan which is open to all eligible employees including the Executive Directors. The sixth grant under the Sharesave Plan was made on 19 September 2024, with employees saving on average £142 per month.	

1 A summary of our Remuneration Policy for Executive Directors is on pages 180 to 183. Further information on the remuneration received by Executive Directors during 2024 is on page 190.

2 All benefits are subject to the terms and conditions of the insurance policy in force.

# REMUNERATION COMMITTEE REPORT continued

## Annual report on remuneration continued

### Percentage change in remuneration

The table below shows the annual percentage change in the salary or fees, benefits and annual bonus, for each of the Directors compared to that for an average employee, from 2020 to 2024. The Directors' remuneration used to calculate the percentage change is taken from the 'single figure' table on page 190.

	Executive Directors					Non-Executive Directors							Former Directors
	Average employee <sup>1,2</sup>	Williams P. <sup>3</sup>	Wisniewski D.	George N.	Prideaux E. <sup>4</sup>	Breuer M.	Snowball C. <sup>5</sup>	Gordon H.	Bell L.	Sharma S. <sup>6</sup>	Wilkinson R. <sup>7</sup>	McDougall M. <sup>7</sup>	Arney C. <sup>8</sup>
<b>2023 to 2024</b>													
Salary/fees	+3.4	+4.0	+4.0	+4.0	+10.8	+12.0	+8.8	+10.5	+8.4	+13.7	n/a	n/a	n/a
Benefits <sup>9</sup>	+5.1	(2.2)	+1.7	+5.0	+8.1	–	–	–	–	–	–	–	–
Bonus	+29.3	+105.8	+105.8	+105.8	+119.2	–	–	–	–	–	–	–	–
<b>2022 to 2023</b>													
Salary/fees	+2.6	+7.8	+4.0	+4.0	+9.4	0	+3.0	0	0	0	n/a	n/a	0
Benefits <sup>9</sup>	(1.5)	+7.1	+3.8	+3.6	+1.1	–	–	–	–	–	–	–	–
Bonus	(27.1)	(59.8)	(61.2)	(61.2)	(59.2)	–	–	–	–	–	–	–	–
<b>2021 to 2022</b>													
Salary/fees	+1.4	+3.0	+3.0	+3.0	+9.8	0	+15.7	+10.7	+16.2	+13.5	n/a	n/a	+16.2
Benefits <sup>9</sup>	(9.9)	(7.0)	+1.0	+0.7	+20.0	–	–	–	–	–	–	–	–
Bonus	(24.5)	+177	+177	+177	+253	–	–	–	–	–	–	–	–
<b>2020 to 2021</b>													
Salary/fees	+0.3	+2.0	+2.0	+2.0	n/a	n/a	0	+3.0	0	n/a	n/a	n/a	0
Benefits <sup>9</sup>	(3.7)	(0.2)	(0.2)	(0.0)	n/a	–	–	–	–	–	–	–	–
Bonus	+22.5	(52.5)	(52.5)	(52.5)	n/a	–	–	–	–	–	–	–	–
<b>2019 to 2020</b>													
Salary/fees	+4.7	+10.5	+3.7	+3.7	n/a	n/a	0	0	+6.0	n/a	n/a	n/a	0
Benefits <sup>9</sup>	(6.2)	+0.1	(1.4)	(3.9)	n/a	–	–	–	–	–	–	–	–
Bonus	(21.0)	(24.4)	(29.0)	(29.0)	n/a	–	–	–	–	–	–	–	–

#### Average employee calculation

- The movement in the average annual salary is calculated based on the mean employee pay for employees of Derwent London plc on a full-time equivalent basis. The average employee salary increase includes employees who were not eligible for a salary increase (i.e. new joiners and leavers, depending on the date of joining or leaving the Group) and takes into account that new joiners may be recruited at a lower salary than those that had left.
- The actual average increase in base salaries for all employees eligible for a pay rise (inclusive of promotions, career progression and market salary alignments) effective from 1 January:
  - 2025: 5.9%
  - 2024: 6.2%
  - 2023: 6.1%
  - 2022: 3.2%
  - 2021: 5.5%

#### Executive Director base salaries and annual bonuses

- Since Paul Williams' appointment to CEO in May 2019, the Committee had disclosed its commitment to keep Paul's salary level under review as he developed and gained experience in the role with a view to moving his salary level closer to the market rate over time. As a result of its review during 2022, the Committee approved a 7.8% increase to Paul's salary from 1 January 2023.
- Emily Prideaux was appointed an Executive Director on 1 March 2021 with a base salary of £410,000, to reflect that she was stepping into an Executive Director role, and was aligned with the other Executive Directors' salaries over three years as her role and experience developed (i.e. aligned from 1 January 2024). Emily Prideaux's percentage change in annual bonus from 2021 to 2022 also reflects that her 2021 annual bonus was for the period 1 March to 31 December 2021 only.

#### Non-Executive Director fees

- Cilla Snowball's percentage change in fee for '2022 to 2023' relates to her appointment as an Audit Committee member with effect from 1 August 2023.
- Sanjeev Sharma's percentage change in fee for '2023 to 2024' relates to his appointment as Remuneration Committee Chair with effect from 10 May 2024.
- Robert Wilkinson and Madeleine McDougall were appointed as Non-Executive Directors on 1 June 2024 and 1 November 2024, respectively, and therefore the percentage change in remuneration for 2023 to 2024 is not applicable.
- Claudia Arney stepped down from the Board on 10 May 2024 and therefore, the percentage change in remuneration for 2023 to 2024 is not applicable. Claudia Arney received her normal fees for the period 1 January 2024 until her leaving date. There was no payment for loss of office in respect of Claudia Arney's departure.

#### Benefits

- There has been no change in the benefits received by the average employee or the Executive Directors. The change in the annual cost is due to the cost of purchasing private medical and life insurance. Non-Executive Directors and the Chairman did not receive taxable benefits during the relevant years.

### Chief Executive pay ratio

As Derwent London has less than 250 employees, we are not required to disclose the CEO pay ratio. However, given our commitment to high standards of transparency and corporate governance, the Committee considers it appropriate to disclose the CEO pay ratio voluntarily. For the years ended 31 December 2018 to 31 December 2024, the Chief Executive's total remuneration as a ratio against the full-time equivalent remuneration of UK employees is detailed in the table below.

	Employee remuneration <sup>2</sup>		CEO pay ratio <sup>3</sup>
	Base salary	Total remuneration	
<b>Year ended 31 December 2024<sup>1</sup></b>			
25th percentile	£50,000	£69,522	22:1
50th percentile	£63,950	£89,208	17:1
75th percentile	£70,323	£126,873	12:1
<b>Year ended 31 December 2023</b>			
25th percentile	£51,750	£63,380	18:1
50th percentile	£58,750	£80,512	14:1
75th percentile	£90,000	£127,822	9:1
<b>Year ended 31 December 2022</b>			
25th percentile	£45,219	£60,909	25:1
50th percentile	£56,000	£81,266	19:1
75th percentile	£80,000	£124,481	12:1
<b>Year ended 31 December 2021</b>			
25th percentile	£48,500	£67,908	19:1
50th percentile	£63,750	£90,289	14:1
75th percentile	£91,750	£143,168	9:1
<b>Year ended 31 December 2020</b>			
25th percentile	£47,000	£62,499	35:1
50th percentile	£64,000	£86,463	26:1
75th percentile	£95,266	£137,452	16:1
<b>Year ended 31 December 2019</b>			
25th percentile	£40,993	£63,211	40:1
50th percentile	£68,462	£89,274	28:1
75th percentile	£67,500	£153,828	17:1
<b>Year ended 31 December 2018</b>			
25th percentile	£45,057	£58,237	38:1
50th percentile	£59,250	£76,842	29:1
75th percentile	£75,000	£148,867	15:1

1 The Chief Executive's remuneration is calculated on the same basis as the single figure of remuneration table on page 190.

2 The workforce comparison is based on the payroll data for the period 1 January to 31 December for all employees (including the Chief Executive but excluding the Non-Executive Directors) and includes salary, employer pension contributions, life assurance and the healthcare cash plan, annual bonuses earned in respect of the year and one-off gains received through the exercise of options granted under the Employee Share Option Plan (see pages 187 and 227).

3 The CEO pay ratio has been rounded to the nearest whole number.

A substantial proportion of the CEO's remuneration is performance-related and delivered in shares. The CEO pay ratio will therefore depend significantly on the CEO's annual bonus and PSP outcomes and may fluctuate year-on-year. The CEO's total remuneration for 2024 was higher compared to 2023 primarily as a result of a higher 2024 bonus outcome compared to 2023. Consequently, the CEO pay ratio for 2024 has risen compared to 2023.

For each year, the Company has calculated the ratio in line with the reporting regulations using 'Method A' (determine total full-time equivalent remuneration for all UK employees for the relevant financial year as at 31 December; rank the data and identify employees whose remuneration places them at the 25th, 50th and 75th percentile). This method was used due to being the most accurate way of calculating the ratio. The Board has confirmed that the ratio is consistent with the Company's wider policies on employee pay, reward and progression.



## REMUNERATION COMMITTEE REPORT continued

### Annual report on remuneration continued

## Executive Directors' remuneration in 2024

### Total remuneration (audited)

The table below sets out the remuneration paid to each Director for the financial years ended 31 December 2024 and 31 December 2023 as a single figure. A full breakdown of fixed pay and pay for performance in 2024 can be found on pages 191 to 194.

#### Executive Directors

(£'000)	Fixed pay				Pay for performance				Other items in the nature of remuneration <sup>2</sup>	Total remuneration
	Salary	Taxable benefits	Pension and life assurance	Subtotal	Bonus		Performance LTIPs <sup>1</sup>	Subtotal		
					Cash	Deferred				
<b>2024</b>										
Paul Williams	707	23	115	845	531	120	–	651	–	1,496
Damian Wisniewski	546	24	89	659	409	93	–	502	1	1,162
Nigel George	546	24	90	660	409	93	–	502	–	1,162
Emily Prideaux	546	20	89	655	409	93	–	502	–	1,157
<b>2023</b>										
Paul Williams	680	23	111	814	316	–	–	316	3	1,133
Damian Wisniewski	525	24	85	634	244	–	–	244	1	879
Nigel George	525	23	87	635	244	–	–	244	3	882
Emily Prideaux	493	19	80	592	229	–	–	229	3	824

#### Non-Executive Directors

(£'000)	2024			2023		
	Fees	Taxable benefits	Total	Fees	Taxable benefits	Total
Mark Breuer	280	–	280	250	–	250
Cilla Snowball	87	–	87	80	–	80
Helen Gordon	95	–	95	86	–	86
Lucinda Bell	90	–	90	83	–	83
Sanjeev Sharma	83	–	83	73	–	73
Robert Wilkinson <sup>3</sup>	39	–	39	–	–	–
Madeleine McDougall <sup>3</sup>	12	–	12	–	–	–
<b>Former Director</b>						
Claudia Arney <sup>4</sup>	31	–	31	83	–	83

1 Performance LTIPs for 2024 relate to the 2022 PSP awards for which the performance conditions related to the year ended 31 December 2024. As the performance conditions have not been satisfied, the 2022 PSP awards will lapse on 9 March 2025 (see page 194).

2 Included in the column for 'other items in the nature of remuneration' is the grant under the Derwent London Sharesave Plan made on 19 September 2024. These have been calculated based on the middle market share price on the date of grant being £24.76 minus the value of the awards at the option price which was £19.00. Further information on the Derwent London Sharesave Plan is on page 198.

3 Robert Wilkinson and Madeleine McDougall were appointed to the Board on 1 June 2024 and 1 November 2024, respectively. The fees for 2024 shown in the table above are the actual fees paid to them for the periods they were Non-Executive Directors.

4 Claudia Arney stepped down from the Board on 10 May 2024. The fees for 2024 shown in the table above are the actual fees paid to Claudia Arney for the period 1 January 2024 to 10 May 2024.

### Payments to former Directors and for loss of office (audited)

No payments were made to past Directors or in respect of loss of office during 2024.

## Fixed pay

### Base salaries and fees (audited)

Salaries for the Executive Directors were increased by 4.0% with effect from 1 January 2024. The average salary increase for the wider workforce was 6.2%. The Committee approved a 10.8% increase to Emily Prideaux's salary from 1 January 2024, as part of a phased alignment with the other Executive Directors' salaries. Further information is on page 173 of the 2023 Report & Accounts.

	2024 base salary/fee	2023 base salary/fee
<b>Executive Directors</b>		
Paul Williams	£707,200	£680,000
Damian Wisniewski	£545,500	£524,500
Nigel George	£545,500	£524,500
Emily Prideaux	£545,500	£492,500
<b>Non-Executive Directors</b>		
Mark Breuer	£280,000	£250,000
Cilla Snowball	£87,000	£79,583
Helen Gordon	£94,500	£85,833
Lucinda Bell	£89,500	£82,500
Sanjeev Sharma <sup>1</sup>	£83,438	£72,500
Robert Wilkinson <sup>2</sup>	£39,282	–
Madeleine McDougall <sup>2</sup>	£12,033	–
<b>Former Director</b>		
Claudia Arney <sup>3</sup>	£30,987	£82,500

1 From 10 May 2024, Sanjeev Sharma succeeded Claudia Arney as Chair of the Remuneration Committee.

2 Robert Wilkinson and Madeleine McDougall were appointed to the Board on 1 June 2024 and 1 November 2024, respectively. The fees for 2024 shown in the table above are the actual fees paid to them for the periods they were Non-Executive Directors.

3 Claudia Arney stepped down from the Board on 10 May 2024. The fees for 2024 shown in the table above are the actual fees paid to Claudia Arney for the period 1 January 2024 to 10 May 2024.

### Benefits (audited)

Executive Directors are entitled to a car allowance, fuel allowance, private medical insurance and life assurance. Further details of the taxable benefits paid in 2024 can be found in the table below.

	Car allowance <sup>1</sup>	Private medical insurance	Total 2024 taxable benefits
<b>Executive Directors</b>			
Paul Williams	£16,000	£6,897	£22,897
Damian Wisniewski	£16,000	£8,295	£24,295
Nigel George	£16,000	£8,341	£24,341
Emily Prideaux	£16,000	£4,470	£20,470

1 Damian Wisniewski and Emily Prideaux participate in the Electric Car Salary Sacrifice Scheme and as such sacrifice a significant proportion of their car allowance in return for leasing an electric car.

### Pension and life assurance (audited)

All of the Executive Directors paid into the Group's defined contribution scheme, being the Fidelity Master Trust pension scheme, with the remainder of their entitlement paid as a cash supplement. No other Directors are accruing benefits under a defined benefit or money purchase pension scheme.

	Paid into defined contribution scheme	Pension cash supplement	Total pension	Life assurance <sup>1</sup>	Total 2024 pension and life assurance
<b>Executive Directors</b>					
Paul Williams	£10,000	£96,080	£106,080	£9,406	£115,486
Damian Wisniewski	£10,000	£71,825	£81,825	£7,530	£89,355
Nigel George	£10,000	£71,825	£81,825	£8,728	£90,553
Emily Prideaux	£10,000	£71,825	£81,825	£7,204	£89,029

1 There was no change in the life assurance benefits received by the Executive Directors in 2024. The change in the annual cost is due to changes in premiums.

## REMUNERATION COMMITTEE REPORT continued

### Annual report on remuneration continued

## Pay for performance

### Annual bonus (audited)

#### Determination of 2024 annual bonus outcome

The performance measures set for the year under review were a combination of financial-based metrics (worth 75% of the bonus potential) and strategic targets (worth 25% of the bonus potential). The maximum bonus potential for Executive Directors is 150% of salary. Based on actual 2024 performance, the annual bonus payout for Executive Directors is 61.3% of the maximum potential (2023: 31.0%; 2022: 83.1%). Further information is available on page 193.

The Committee considered the formulaic performance outcome alongside broader perspectives including: underlying business performance and affordability; the experience of shareholders; and the experience of employees and other stakeholders. Points specifically considered are set out in the Chair's Annual statement on pages 174 and 175. The Committee determined that it was not appropriate to apply discretion to adjust the formulaic outcome.

In accordance with our current Remuneration Policy, bonuses of up to 75% of base salary are paid as cash. Amounts in excess of 75% are deferred into shares and released after three years, subject to continued employment. The total bonus for each Executive Director based on performance is therefore:

	Bonus payable as % of salary	Cash bonus payable £'000	Deferred bonus	
			£'000	% of salary
<b>Executive Directors</b>				
Paul Williams	92%	530.4	120.2	17.0
Damian Wisniewski	92%	409.1	92.7	17.0
Nigel George	92%	409.1	92.7	17.0
Emily Prideaux	92%	409.1	92.7	17.0



## Health and safety leadership tours

An element of the Executive Directors' annual bonus relates to health and safety and its achievement is conditional upon each Director completing an annual health and safety leadership tour. During 2024, all Executive Directors attended at least one health and safety leadership tour.

### Middlesex House W1

The tour conducted on 12 June 2024 was attended by Nigel George and Damian Wisniewski and focused on the refurbishment project being undertaken at Middlesex House. The project involves significant and complex scaffold design to enable window replacement and refurbishment of the third floor. The Directors gained on-site understanding of the safety measures in place for working at height and the health measures in place for asbestos/lead management.

### One Oliver's Yard EC1

The tour conducted on 18 September 2024 was attended by Emily Prideaux, Nigel George and Paul Williams and focused on the strip-out and refurbishment project being undertaken at Oliver's Yard. The tour of the site included discussions on the health and safety aspects of undertaking demolition and refurbishment work in proximity of occupiers and how we were seeking to reduce worker exposure to noise, dust and vibration.

## 2024 Annual bonus outcome

Bonus payable for financial-based performance	37.5% out of 75%
Bonus payable for strategic target performance	23.8% out of 25%

### Financial-based metrics

Performance measure	Weighting % of bonus	Basis of calculation	Threshold <sup>2</sup> %	Maximum <sup>3</sup> %	Actual %	Payable %
Total return	37.5	Total return versus other major real estate companies <sup>1</sup>	4.7	10.0	<b>3.2</b>	<b>0.0</b>
Total property return (TPR)	37.5	Versus the MSCI Quarterly Central London Office Total Return Index	1.31	3.31	<b>4.15</b>	<b>37.5</b>
Total bonus payable for financial-based metrics						<b>37.5</b>

- 1 The major real estate companies contained in the comparator group for the 2024 annual bonus are: Big Yellow Group plc, The British Land Company plc, CLS Holdings plc, Great Portland Estates plc, Hammerson plc, Helical plc, Landsec plc, LondonMetric Property plc, Segro plc, Shaftesbury Capital plc, UK Commercial Property, Unite Group plc and Workspace Group plc. The comparator group remains unchanged for the 2025 annual bonus.
- 2 For achieving the threshold performance target, i.e. at the median total return against our sector peers or MSCI Index, 22.5% of the maximum bonus opportunity will become payable.
- 3 Total return payout accrues on a straight-line basis between the threshold level for median performance and maximum payment for upper quartile performance or better. For TPR, the payout accrues on a straight-line basis between the threshold level for Index performance and maximum payment for Index +2%.

### Strategic targets

Performance measure	Link to strategic objectives <sup>1</sup>	Target range <sup>2</sup>	Maximum award	2024 achievement	Proportion awarded for 2024
<b>Void management</b> This is measured by the Group's EPRA vacancy rate for the year calculated as the average of each quarter end figure.	<b>1 2</b>	10% to 2%	5.0%	<b>3.2%</b>	<b>4.3%</b>
<b>Tenant retention</b> This is measured by the percentage of tenants that remain in their space when their lease expires or the space is re-let during the reporting period.	<b>1 2</b>	50% to 75%	5.0%	<b>85.4%</b>	<b>5.0%</b>
<b>Staff satisfaction</b> Staff surveys are used to assess this measure. In assessing this target the Committee will consider any variance in staff satisfaction scores between genders <sup>3</sup> .	<b>3</b>	80% to 90%	4.0%	<b>91.2%</b>	<b>4.0%</b>
<b>Accident rate</b> The Group's RIDDOR Accident Frequency Rate (AFR) is calculated based on significant ('Direct') RIDDOR injuries and incidents during the year <sup>4</sup> , multiplied by 1,000,000 and divided by 'total work exposure hours'. This target is also conditional on each Executive Director completing, during 2024, an annual health and safety leadership tour <sup>5</sup> .	<b>4</b>	4.0 to 1.0	4.0%	<b>1.35</b>	<b>3.5%</b>
<b>Portfolio development potential</b> This is measured by the percentage of the Group's portfolio by area where a potential development scheme has been identified, including committed acquisitions <sup>6</sup> .	<b>1</b>	35% to 50%	7.0%	<b>50.8%</b>	<b>7.0%</b>
				25%	<b>23.8%</b>

- 1 Success against our strategic objectives is measured using our KPIs (see pages 33 to 37) and rewarded through our incentive schemes and annual bonus. The references above show the link between our strategic objectives and our annual bonus targets (further information on our five strategic objectives can be found on pages 28 to 32).
- 2 Payout accrues on a straight-line basis, between threshold and maximum performance.
- 3 The variance between genders in response to employee surveys is taken into account by the Committee when determining the payout for staff satisfaction. In 2024, the results showed a 2.1% variance between genders, with female satisfaction being at 93.9% and male satisfaction at 91.8%.
- 4 The RIDDOR reportable injuries that we capture in our AFR are all HSE-reportable accidents or incidents which result in a fatality or 'specified injuries' (such as fractures, serious burns etc). In addition, we will include all injuries caused to members of the public, where we may have contributed to the causation and where they are taken directly to hospital, and injuries to our employees which result in them being unable to return to work for seven consecutive days. Our key health and safety statistics are available on page 53.
- 5 All Executive Directors completed health and safety leadership tours during 2024. There were no work-based fatalities during 2024 (see page 53).
- 6 The target range for portfolio development potential includes Old Street Quarter.

## REMUNERATION COMMITTEE REPORT continued

### Annual report on remuneration continued

#### Outstanding deferred bonus awards

In accordance with our Remuneration Policy, annual bonuses earned in excess of 75% of salary are deferred into shares and released after three years, subject to continued employment. As the 2023 annual bonus outcome was 31% of maximum, no deferred bonus awards were granted during 2024. The outstanding deferred bonus awards held by Directors are set out below:

	At grant		During the year (number)					Market price at date of release £	Value release £'000	Release date
	Date of award	Market price at date of grant <sup>1</sup> £	Original grant	1 January 2024	Deferred	Released	31 December 2024			
<b>Executive Directors</b>										
Paul Williams	04/04/2023	23.70	6,570	6,570	–	–	6,570	–	–	04/04/2026
			6,570	6,570	–	–	6,570	–	–	
Damian Wisniewski	04/04/2023	23.70	5,256	5,256	–	–	5,256	–	–	04/04/2026
			5,256	5,256	–	–	5,256	–	–	
Nigel George	04/04/2023	23.70	5,256	5,256	–	–	5,256	–	–	04/04/2026
			5,256	5,256	–	–	5,256	–	–	
Emily Prideaux	04/04/2023	23.70	4,690	4,690	–	–	4,690	–	–	04/04/2026
			4,690	4,690	–	–	4,690	–	–	
<b>Other employees</b>										
	04/04/2023	23.70	562	562	–	–	562	–	–	04/04/2026
			562	562	–	–	562	–	–	
<b>Total</b>			<b>22,334</b>	<b>22,334</b>	<b>–</b>	<b>–</b>	<b>22,334</b>	<b>–</b>	<b>–</b>	

1 The share price on the dealing day immediately preceding the grant date.

#### Performance Share Plan (PSP) (audited)

##### Vesting of PSP awards

The Group granted share-based awards under the PSP on 9 March 2022. The grant was subject to performance conditions over a three-year performance period which ended on 31 December 2024. As shown in the table below, the PSP awards granted in 2022 will not vest, and will lapse in full on 9 March 2025.

Performance measure	Weighting % of award	Basis of calculation <sup>1</sup>	Threshold <sup>2</sup> %	Maximum <sup>3</sup> %	Actual %	% vesting/ estimated vesting
Total property return (TPR)	50	MSCI Quarterly UK All Property Total Return Index	(1.64)	0.36	(2.30)	0.0
Total shareholder return (TSR)	50	FTSE 350 Super Sector Real Estate Index	(19.5)	(11.6)	(30.0)	0.0

1 The constituents of the FTSE 350 Super Sector Real Estate Index as at the start of the performance period (i.e. 1 January 2022). The Company's annualised TPR is calculated on a compound annual growth basis over the three-year performance period.

2 For achieving the threshold performance target, i.e. at the MSCI Index or median TSR against our sector peers, 22.5% of the maximum award will vest.

3 For TSR (which is calculated based on a three-month weekday average Return Index excluding UK public holidays ended on: (1) the day before the performance period start date; and (2) the performance period end date) vesting accrues on a straight-line basis between the threshold level for median performance and maximum level for upper quartile performance or better. For TPR, vesting accrues on a straight-line basis between the threshold level for Index performance and maximum level for Index +2%.

The Committee determined that it was not appropriate to apply discretion to adjust the formulaic outcome. Therefore, the vesting for each executive will be:

Executive Directors	Number of awards granted	Number of shares vesting based on performance (0.0%)
Paul Williams	42,942	–
Damian Wisniewski	34,352	–
Nigel George	34,352	–
Emily Prideaux	30,653	–

### Holding period

In accordance with the PSP rules, vested awards are subject to a two-year holding period whereby at least the after-tax number of vested shares must be retained by the executive for a minimum of two years from the point of vesting. The 2020, 2021 and 2022 grants have been removed from the table below as they each lapsed in full.

Grant	Grant date	Performance period	Vesting date	Holding period	Holding period ceases
2019 Grants	12 March 2019	1 January 2019 to	12 March 2022	Two years	12 March 2024
	14 August 2019	31 December 2021	14 August 2022		14 August 2024
2023 Grant	14 March 2023	1 January 2023 to	14 March 2026	Two years	14 March 2028
		31 December 2025			
2024 Grant	11 March 2024	1 January 2024 to	11 March 2027	Two years	11 March 2029
		31 December 2026			

### Grant of PSP awards

On 11 March 2024, the Committee made an award to Executive Directors on the following basis:

Executive Directors	Number of shares awarded	Face value of award £
Paul Williams	67,352	1,414,392
Damian Wisniewski	51,952	1,090,992
Nigel George	51,952	1,090,992
Emily Prideaux	51,952	1,090,992

Awards were granted as nil-cost options and equivalent to 200% of base salary, with 22.5% of the award vesting at threshold performance. The share price used to determine the level of the awards was the closing share price on the day immediately preceding the grant date of £21.00. The performance period will run over three financial years ending on 31 December 2026 and, dependent upon the achievement of the performance conditions, the awards will vest on 11 March 2027 and will be subject to a two-year holding period as outlined in the table above.

The Committee has discretion to reduce the extent of vesting in the event that it considers that performance against either measure is inconsistent with underlying financial performance and/or the experience of key stakeholders. At least the after-tax number of vested shares must be retained for a minimum holding period of two years. To the extent that awards vest, the Committee has discretion to allow the Executive Directors to receive the benefit of any dividends paid over the vesting period in the form of additional vesting shares.

The balance of performance metrics reflects Derwent London's continued focus on delivering above average long-term returns to shareholders, together with our commitment to sustainability and ambition to be a net zero carbon business by 2030. The performance conditions for the 2024 Awards are:

Metric	Basis of calculation	Weighting of PSP	Threshold <sup>1</sup>	Maximum
Total shareholder return (TSR)	Position of the Company's TSR against the TSR of the ranked members of the FTSE 350 Super Sector Real Estate Index assessed over the three-year performance period ending 31 December 2026	50%	Median	Upper quartile and above
Total property return (TPR)	The Company's annualised TPR calculated on a compound annual growth basis relative to the MSCI Quarterly UK All Property Total Return Index assessed over the three-year performance period ending 31 December 2026	40%	At Index	Index +2%
Embodied carbon intensity	Weighted average embodied carbon for all Projects during the three-year performance period ending 31 December 2026	5%	600 kgCO <sub>2</sub> e/m <sup>2</sup>	500 kgCO <sub>2</sub> e/m <sup>2</sup>
Energy intensity	Average energy intensity for 2024, 2025 and 2026 assessed based on the electricity and gas consumption across the managed portfolio	5%	127 kWh/m <sup>2</sup>	124 kWh/m <sup>2</sup>

<sup>1</sup> For achieving the threshold performance target, 22.5% of the maximum award will vest.

# REMUNERATION COMMITTEE REPORT continued

## Annual report on remuneration continued

### Outstanding PSP awards

The outstanding PSP awards held by Directors and employees are set out in the table below:

	At grant		During the year (number)					Market price at date of vesting £	Value vested (inclusive of dividend equivalents) £'000	Earliest vesting date
	Date of award	Market price at date of grant <sup>1</sup> £	1 January 2024	Granted <sup>2</sup>	Vested	Lapsed <sup>3</sup>	31 December 2024			
<b>Executive Directors</b>										
Paul	12/03/2021	33.16	36,911	–	–	(36,911)	–	–	–	12/03/2024
Williams	09/03/2022	29.36	42,942	–	–	–	42,942	–	–	09/03/2025
	14/03/2023	24.32	55,921	–	–	–	55,921	–	–	14/03/2026
	11/03/2024	21.00	–	67,352	–	–	67,352	–	–	11/03/2027
			<b>135,774</b>	<b>67,352</b>	–	<b>(36,911)</b>	<b>166,215</b>	–	–	
Damian	12/03/2021	33.16	29,529	–	–	(29,529)	–	–	–	12/03/2024
Wisniewski <sup>4</sup>	09/03/2022	29.36	34,352	–	–	–	34,352	–	–	09/03/2025
	14/03/2023	24.32	43,133	–	–	–	43,133	–	–	14/03/2026
	11/03/2024	21.00	–	51,952	–	–	51,952	–	–	11/03/2027
			<b>107,014</b>	<b>51,952</b>	–	<b>(29,529)</b>	<b>129,437</b>	–	–	
Nigel	12/03/2021	33.16	29,529	–	–	(29,529)	–	–	–	12/03/2024
George	09/03/2022	29.36	34,352	–	–	–	34,352	–	–	09/03/2025
	14/03/2023	24.32	43,133	–	–	–	43,133	–	–	14/03/2026
	11/03/2024	21.00	–	51,952	–	–	51,952	–	–	11/03/2027
			<b>107,014</b>	<b>51,952</b>	–	<b>(29,529)</b>	<b>129,437</b>	–	–	
Emily	12/03/2021	33.16	24,728	–	–	(24,728)	–	–	–	12/03/2024
Prideaux	09/03/2022	29.36	30,653	–	–	–	30,653	–	–	09/03/2025
	14/03/2023	24.32	40,501	–	–	–	40,501	–	–	14/03/2026
	11/03/2024	21.00	–	51,952	–	–	51,952	–	–	11/03/2027
			<b>95,882</b>	<b>51,952</b>	–	<b>(24,728)</b>	<b>123,106</b>	–	–	
<b>Former Executive Directors</b>										
David Silverman	12/03/2021	33.16	29,529	–	–	(29,529)	–	–	–	12/03/2024
			<b>29,529</b>	–	–	<b>(29,529)</b>	–	–	–	
<b>Other employees</b>										
	12/03/2021	33.16	31,654	–	–	(31,654)	–	–	–	12/03/2024
	09/03/2022	29.36	61,199	–	–	–	61,199	–	–	09/03/2025
	14/03/2023	24.32	116,698	–	–	–	116,698	–	–	14/03/2026
	11/03/2024	21.00	–	148,989	–	–	148,989	–	–	11/03/2027
			<b>209,551</b>	<b>148,989</b>	–	<b>(31,654)</b>	<b>326,886</b>	–	–	
<b>Total</b>			<b>684,764</b>	<b>372,197</b>	–	<b>(181,880)</b>	<b>875,081</b>	–	–	

1 The share price on the dealing day immediately preceding the grant date.

2 The PSP awards granted on 11 March 2024 will vest on 11 March 2027. The performance targets attached to these awards are detailed on page 195.

3 The PSP awards granted on 12 March 2021 lapsed in full during 2024. The weighted average exercise price of awards that lapsed in 2024 was £nil (2023: £nil).

4 Damian Wisniewski has a vested but unexercised PSP 2019 award of 5,253 shares (see pages 199 and 203).

	31 December 2024	31 December 2023	31 December 2022
Weighted average exercise price of PSP awards	–	–	–
Weighted average remaining contracted life of PSP awards	1.19 years	1.20 years	1.19 years

### Pay for performance comparison

The graph below shows the value on 31 December 2024 of £100 invested in Derwent London on 31 December 2014, compared to that of £100 invested in the FTSE 350 Super Sector Real Estate Index. The other points plotted are the values at intervening financial year ends. This index has been chosen by the Committee as it is considered the most appropriate benchmark against which to assess the relative performance of the Company for this purpose.



### Remuneration of the Chief Executive

The table below shows the remuneration earned by the Chief Executive over the past 10 years.

Financial year ended	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019 <sup>1,2</sup>		31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024
Chief Executive	John Burns	John Burns	John Burns	John Burns	John Burns	Paul Williams	Paul Williams	Paul Williams	Paul Williams	Paul Williams	Paul Williams
Total remuneration (single figure) (£'000)	2,529	1,403	1,681	2,219	1,399	2,100	2,214	1,238	1,549	1,133	1,496
Annual bonus (% of maximum)	74.2	23.3	53.6	68.5	97.0	97.0	66.3	30.9	83.1	31.0	61.3
Long-term variable pay (% of maximum)	65.7	24.9	26.5	46.0	65.75	65.75	81.6	18.1	0.0	0.0	0.0

1 Paul Williams' 2019 total remuneration is in respect of his tenure as Chief Executive from 17 May 2019. His salary, bonus and PSP were subject to a pro rata time reduction.

2 The annual bonus (% of maximum) and long-term variable pay (% of maximum) for John Burns in 2019 is based on remuneration in the role of the Chief Executive.



# REMUNERATION COMMITTEE REPORT continued

## Annual report on remuneration continued

### Sharesave Plan (audited)

#### Grant of Sharesave options

To encourage Group-wide share ownership, the Company has operated an HMRC tax efficient Sharesave Plan since the 2018 AGM. On 19 September 2024, the Company granted options under the Derwent London Sharesave Plan. The three-year contract for the options started on 1 November 2024. These options are exercisable at a price of £19.00 per share from 1 November 2027 and are not subject to any performance conditions.

Executive Director	Monthly saving amount	Number of shares under option	Option price	Market price at grant	Value of award <sup>1</sup>
Damian Wisniewski	£125	244	£19.00	£24.76	<b>£1,405</b>

<sup>1</sup> The value of the award is based on the middle market share price on the grant date minus the option price.

#### Outstanding Sharesave options

The outstanding Sharesave options held by Directors and employees are set out in the table below:

	At grant		During the year (number)					Maturity date	Market price at date of exercise £	Value of award at exercise £'000
	Date of award	Option price £	1 January 2024	Granted	Exercised	Lapsed	31 December 2024			
<b>Executive Directors</b>										
Paul Williams	21/09/2022	19.61	<b>458</b>	–	–	–	<b>458</b>	01/12/2025	–	–
	21/09/2023	14.87	<b>623</b>	–	–	–	<b>623</b>	01/11/2026	–	–
			<b>1,081</b>	–	–	–	<b>1,081</b>		–	–
Damian Wisniewski	15/04/2021 <sup>1</sup>	25.93	<b>173</b>	–	–	<b>(173)</b>	–	01/06/2024	–	–
	21/09/2022	19.61	<b>458</b>	–	–	–	<b>458</b>	01/12/2025	–	–
	21/09/2023	14.87	<b>311</b>	–	–	–	<b>311</b>	01/11/2026	–	–
	19/09/2024	19.00	–	<b>244</b>	–	–	<b>244</b>	01/11/2027	–	–
			<b>942</b>	<b>244</b>	–	<b>(173)</b>	<b>1,013</b>		–	–
Nigel George	21/09/2022	19.61	<b>458</b>	–	–	–	<b>458</b>	01/12/2025	–	–
	21/09/2023	14.87	<b>623</b>	–	–	–	<b>623</b>	01/11/2026	–	–
			<b>1,081</b>	–	–	–	<b>1,081</b>		–	–
Emily Prideaux	21/09/2022	19.61	<b>458</b>	–	–	–	<b>458</b>	01/11/2025	–	–
	21/09/2023	14.87	<b>623</b>	–	–	–	<b>623</b>	01/11/2026	–	–
			<b>1,081</b>	–	–	–	<b>1,081</b>		–	–
<b>Other employees</b>										
	15/04/2021 <sup>1</sup>	25.93	<b>4,836</b>	–	–	<b>(4,836)</b>	–	01/06/2024	–	–
	21/09/2022	19.61	<b>27,582</b>	–	–	<b>(6,338)</b>	<b>21,244</b>	01/12/2025	–	–
	21/09/2023	14.87	<b>48,115</b>	–	–	<b>(7,600)</b>	<b>40,515</b>	01/11/2026	–	–
	19/09/2024	19.00	–	<b>13,851</b>	–	–	<b>13,851</b>	01/11/2027	–	–
			<b>80,533</b>	<b>13,851</b>	–	<b>(18,774)</b>	<b>75,610</b>		–	–
<b>Total</b>			<b>84,718</b>	<b>14,095</b>	–	<b>(18,947)</b>	<b>79,866</b>		–	–

<sup>1</sup> On 1 June 2024, the options granted on 15 April 2021 became capable of exercise at a price of £25.93 per share. As the option price was higher than the market value of the shares, the options were deemed to be 'underwater' and lapsed at the end of the exercise period (on 1 December 2024).

## Directors' interests in shares (audited)

Details of the Directors' (and their connected persons) interests in shares are provided in the table below.

	Number at 31 December 2024					Number at 31 December 2023				
	Beneficially held <sup>1</sup>	Deferred shares	Conditional shares <sup>3</sup>	Share options <sup>4</sup>	Total	Beneficially held	Deferred shares	Conditional shares	Share options	Total
<b>Executive Directors</b>										
Paul Williams <sup>1</sup>	92,921	6,570	166,215	1,081	266,787	95,497	6,570	135,774	1,081	238,922
Damian Wisniewski	69,095	5,256	129,437	6,266	210,054	69,095	5,256	112,267	942	187,560
Nigel George	100,046	5,256	129,437	1,081	235,820	100,046	5,256	107,014	1,081	213,397
Emily Prideaux	6,081	4,690	123,106	4,001	137,878	6,081	4,690	95,882	4,001	110,654
<b>Total</b>	<b>268,143</b>	<b>21,772</b>	<b>548,195</b>	<b>12,429</b>	<b>850,539</b>	<b>270,719</b>	<b>21,772</b>	<b>450,937</b>	<b>7,105</b>	<b>750,533</b>
<b>Non-Executive Directors</b>										
Mark Breuer	7,000	–	–	–	7,000	7,000	–	–	–	7,000
Cilla Snowball	–	–	–	–	–	–	–	–	–	–
Helen Gordon <sup>1</sup>	1,009	–	–	–	1,009	990	–	–	–	990
Lucinda Bell	1,000	–	–	–	1,000	1,000	–	–	–	1,000
Sanjeev Sharma	1,261	–	–	–	1,261	1,261	–	–	–	1,261
Robert Wilkinson <sup>2</sup>	1,500	–	–	–	1,500	–	–	–	–	–
Madeleine McDougall	–	–	–	–	–	–	–	–	–	–
<b>Former Directors</b>										
Claudia Arney	–	–	–	–	–	2,500	–	–	–	2,500
<b>Total</b>	<b>11,770</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11,770</b>	<b>12,751</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>12,751</b>

There have been no other changes to the above interests between 31 December 2024 and 26 February 2025.

- There was no change in the shares beneficially held by the Directors during the year ended 31 December 2024, except for:
  - Helen Gordon: Helen reinvested her dividend to purchase an additional 19 shares; and
  - Paul Williams: Shareholding was adjusted by 2,576 shares to reflect a family member no longer falling under the definition of a connected persons.
- On 10 June 2024, Robert Wilkinson purchased 1,500 shares at an average share price of £23.18.
- Conditional shares are those which are subject to performance conditions. For further information on the Performance Share Plan see pages 194 to 196.
- Share options principally relate to the Sharesave Plan (see page 198) and are unvested, except for:
  - Damian Wisniewski: Damian's share options also include his vested but unexercised PSP 2019 award (5,253 shares); and
  - Emily Prideaux: Emily has outstanding Employee Share Option Plan (ESOP) awards which were granted in respect of her role prior to being appointed an Executive Director.

## Managing shareholder dilution

The table below sets out the available dilution capacity for the Company's employee share plans based on the limits set out in the rules of those plans that relate to issuing new shares.

	2024	2023
Total issued share capital as at 31 December	112.3m	112.3m
<b>Employee share plan limits (in any consecutive 10-year period):</b>		
Current dilution for all share plans	2.7%	2.5%
Headroom relative to 10% limit	7.3%	7.5%
5% for executive plans – current dilution for discretionary (executive) plans	1.3%	1.1%
Headroom relative to 5% limit	3.7%	3.9%