

GOVERNANCE AT A GLANCE

Transparency and accountability underpins effective corporate governance and builds stakeholder confidence in our business integrity.

94%

employee engagement with 'pulse survey'

45.5%

female representation on our Board

60%

Board independence (excluding the Chairman)

+2.6%

increase to the dividend in 2022

UK Corporate Governance Code 2018

- Fully compliant during 2022

Key governance activities

The Board's key governance activities during the year have included:

- A comprehensive review of the Remuneration Policy which included consulting with shareholders representing c.64% of our issued share capital on our proposed amendments
- Reviewed the Group's talent pipeline and Non-Executive Director succession plans
- Monitored the Group's performance towards net zero carbon (see page 56)
- Conducted employee and occupier 'pulse surveys' (see pages 59 and 92)
- Committed to becoming a member of the Business Disability Forum (see page 186)
- Reviewed the Group's vision, purpose and values (see page 140)

Major Board decisions

The major Board decisions made in 2022 included:

- Exchanged a conditional contract to acquire the freehold of Old Street Quarter, EC1
- Acquisition of 230 Blackfriars Road, £55m before costs
- Disposal of New River Yard EC1, £67.5m before costs
- Disposal of Bush House WC2, £85m before costs
- Sale of Charterhouse Street EC1, £54m before costs
- Approved a new shared amenity hub at The Featherstone Building (DL/28)

➤ OUR COMPLIANCE STATEMENT / See page 128

➤ KEY ACTIVITIES OF THE BOARD / See pages 150 to 151

OVERVIEW OF UK CORPORATE GOVERNANCE CODE 2018

During the year under review, we have applied the principles and complied with the provisions of good corporate governance contained in the UK Corporate Governance Code 2018 (the Code).

1. Board leadership and Company purpose

We have a diverse and effective Board which leads the Group to achieve our purpose and safeguard our strong stakeholder focused culture.

Effective Board	Page 138
Value creation and preservation	Page 138
Workforce policies and practices	Page 139
Governance framework	Page 141
Purpose, values and culture	Page 140
Stakeholder engagement	Pages 142 to 143
Key activities of the Board in 2022	Pages 150 to 151

2. Division of responsibilities

Our Board is comprised of 60% independent Directors. We monitor the external commitments and conflicts of interest which could impact on our Directors' independence and effectiveness.

Board roles	Page 145
Independence	Page 146
Conflicts of interest	Page 146
Other external appointments	Page 146

3. Composition, succession and evaluation

The composition of the Board and its succession plans are kept under regular review by the Nominations Committee. We have an ongoing training programme and follow a three-year cycle of internal and external Board evaluations.

Board skills, experience and knowledge	Page 147
Training	Page 148
Board evaluation	Page 149
Board and committee composition	Page 153
Succession planning	Page 154
Board diversity	Page 155

4. Audit, risk and internal control

We have a low tolerance for risk taking and a conservative management style, which is supported by a framework of internal controls and risk management policies which are routinely subject to independent assurance.

Financial reporting	Page 157
Significant financial judgements	Page 159
Internal financial controls	Pages 160 to 161
Assurance over external reporting	Pages 162 to 164
Internal and external audit	Pages 165 to 167
External audit tender	Pages 168 to 169
Risk management	Pages 171, 174 to 176
Business continuity and disaster recovery	Page 178
Cyber security	Pages 180 to 181

5. Remuneration

We are transparent about our pay practices which aim to incentivise our employees to achieve our strategy and generate sustainable value for our stakeholders.

Executive Director policy table	Pages 194 to 196
Alignment with strategy and performance	Page 205
Shareholder voting and engagement	Pages 198 and 204
Remuneration decisions in context	Pages 207 to 209
Executive Directors' remuneration in 2022	Pages 213 to 221