

REMUNERATION COMMITTEE REPORT



Claudia Arney
Chair of the Remuneration Committee

2024 Focus areas

- Ensure a smooth transition as Sanjeev Sharma succeeds Claudia Arney as Chair of the Remuneration Committee following the 2024 AGM (see page 174)
- Continue to keep wider workforce remuneration arrangements under review, taking these into account when considering remuneration arrangements for Executive Directors
- Operation of the 2024 annual bonus and grant of 2024 Performance Share Plan (PSP) awards
- Continue to keep under review the effectiveness and relevance of the Remuneration Policy along with performance measures and comparator groups for variable remuneration
- Consideration of the revised UK Corporate Governance Code and updated shareholder guidance

Committee membership during 2023

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

1 The Committee attended four scheduled meetings with an additional ad hoc meeting being held in March. Due to prior business arrangements Lucinda Bell and Helen Gordon were unable to attend the ad hoc meeting but had the opportunity to provide views to the Committee Chair on the matters discussed.

2 Percentages are based on the meetings entitled to attend for the 12 months ended 31 December 2023.

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 2023.

The Annual report on remuneration, describing how the Remuneration Policy has been applied for the year ended 31 December 2023 and how we intend to implement the Policy for 2024, is provided on pages 176 to 197. 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 178 to 181. A copy of the complete Remuneration Policy can be found on our website at: 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 177.

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 2023

Based on performance against the financial and strategic targets, the incentive outcomes for 2023 were as follows:

- Annual bonus outcome of 31.0% of the maximum opportunity (equivalent to 46.5% of base salary) based on the outcome of the relative total return and total property return performance metrics and strategic objectives (see pages 190 and 191).
- The PSP award granted in 2021 will lapse in full based on the outcome of the relative total shareholder return and relative total property return performance metrics (see page 192).

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 -7.3% compared to the MSCI Quarterly Offices Index of -7.9%) in the face of a subdued market and continued economic uncertainty, which is testament to the execution of the strategy over multiple years, the quality of our portfolio, and the performance and commitment of our Executive leadership team.

The Group raised the 2023 interim dividend by 2.1% to 24.5p per share and the proposed 2023 final dividend has been increased by 0.9% to 55.0p per share. 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 184 to 187). In particular, it is noted that all eligible employees received a bonus for 2023.

On balance taking into account these factors, the Committee considered the vesting outcome of the annual bonus and PSP awards to be appropriate and no discretion was applied to adjust the formulaic outcome.

2022 annual bonus outcome update

37.5% of the annual bonus is subject to relative total return performance. A robust methodology for assessing the Group's total return performance against the comparator group has been applied for several years which includes, for some comparators, an estimate of performance to 31 December. As disclosed in the 2022 Report & Accounts, in light of volatility and uncertainty in respect of property valuations, the Committee decided to delay the assessment of the total return performance of the comparator group until more published data was available to provide a more robust assessment of performance.

Subsequent to the finalisation of the 2022 Report & Accounts, the Committee determined the Group's relative total return performance and vesting outcome of the proportion of the 2022 annual bonus subject to relative total return performance. Derwent's total return performance for 2022 was -6.3% compared to a comparator group median of -9.8% (for which 22.5% of the award would vest) and a comparator group upper quartile of -4.6% (for which 100% of the award would vest).

Based on this performance, the Committee determined that 28% of the 37.5% of the 2022 annual bonus subject to relative total return performance was earned. Accordingly, the total 2022 annual bonus earned was 83.1% of maximum (equivalent to 124.7% of salary) when also taking into account the outcome of the total property return and strategic performance measures (which are disclosed in the 2022 Report & Accounts).

The Committee considered the overall vesting outcome of the 2022 annual bonus to be appropriate and no discretion was applied to adjust the formulaic outcome. In accordance with our previous Remuneration Policy, the proportion of the 2022 annual bonus earned in excess of 100% of salary was deferred into shares for three years.

Implementation in 2024

Base salaries

The Committee awarded the Executive Directors (with the exception of Emily Prideaux) a 4.0% salary increase with effect from 1 January 2024. Therefore, Paul Williams' salary was increased to £707,200 and Damian Wisniewski's and Nigel George's salaries were increased to £545,500.

The average increase for the wider workforce was 6.2%.

Emily Prideaux was appointed to the Board on 1 March 2021 with a base salary of £410,000. As disclosed in the 2021 and 2022 Report & Accounts, Emily's salary was positioned below that of the other Executive Directors' salaries to reflect that she was stepping into an Executive Director role; with the intention that Emily's salary would align with the other Executive Directors' salaries over three years as her role and experience develops. A phased approach to the salary increases was considered to be in line with good governance.

Emily's salary was increased to £450,000 and £492,500 with effect from 1 January 2022 and 1 January 2023, respectively. Emily continues to perform to a very high standard and has taken on additional responsibility for both the asset management and letting departments whilst taking an important role in the design of our development pipeline. The Committee therefore agreed to align her salary with Damian Wisniewski's and Nigel George's salaries with effect from 1 January 2024 (being £545,000).

Annual bonus and PSP

The annual bonus and PSP opportunities and performance measures remain largely unchanged for 2024. Minor changes have been made to the strategic targets which make up 25% of the bonus (see page 180).

Embodied carbon and energy intensity reduction performance measures were introduced within the 2023 PSP awards at a 10% weighting.

As disclosed in the 2022 Report & Accounts, the Committee intended to increase the weighting of the embodied carbon and energy intensity reduction performance measures to 20% within the 2024 PSP awards. The Committee has further considered this approach as it 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 2024 PSP awards. The Committee still intends to increase the weighting of the embodied carbon and energy intensity reduction performance measures to 20% in the future.

Staying ahead of the sustainability curve and 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 metrics, 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

Amendment to energy intensity performance targets for the 2023 PSP awards

We have revised our methodology for calculating energy intensity which has resulted in the Group's energy intensity reduction pathway being refined. The Committee considered it appropriate to amend the energy intensity targets for the 2023 PSP awards so that they align with the Group's refined energy intensity reduction pathway (see page 49 for details).

Non-Executive Chairman and Non-Executive Director fees

The Non-Executive Chairman's annual fee was set at £250,000 at the time of his appointment (1 February 2021) in line with the annual fee for the previous Non-Executive Chairman. The Committee reviewed the Non-Executive Chairman's annual fee during the year and decided to increase it from £250,000 to £280,000 with effect from 1 January 2024 (12% increase).

The Committee considers this fee level to be appropriate for a company of our size and complexity, noting that the fee is reasonably positioned compared to the FTSE 250 and real estate companies of a similar size, and reflecting the experience and calibre of the Non-Executive Chairman.

The fee increase is equivalent to an annual compounded increase of 3.8% over three years since Mark Breuer's appointment. By comparison, the average annual compounded salary increase for the wider workforce over the last three years is c.4.9%.

The Board reviewed the Non-Executive Director fees during the year (without the Non-Executive Directors being present) and decided to increase, with effect from 1 January 2024, the base fee from £52,500 to £57,000 (8.6% increase), the Audit Committee Chair fee from £10,000 to £12,500 (to reflect the role's increased workload and responsibilities) and the Senior Independent Director fee from £10,000 to £12,500.

The Board considers these fee levels to be appropriate for a company of our size and complexity, noting that the fees are reasonably positioned compared to the FTSE 250 and real estate companies of a similar size. The base fee increase is equivalent to annual compounded increase of 4.2% over two years noting that the last increase to the Non-Executive Director base fee was with effect from 1 January 2022. By comparison, the average annual compounded salary increase for the wider workforce over the last two years is c.4.6%. The last increase to the Senior Independent Director fee was with effect from 1 January 2019.

Going forward, the fees payable to the Chairman and Non-Executive Directors will be reviewed annually with increases awarded by reference to the average salary increase for the wider workforce, unless circumstances for a particular year warrant no fee increase or an exceptional increase.

Further engagement

I look forward to receiving your support at our 2024 AGM, where Sanjeev Sharma (my Remuneration Committee Chair successor) and I will be available to respond to any questions shareholders may have on this report or in relation to any of the Committee 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 (telephone: +44 (0)20 7659 3000 or email: company.secretary@derwentlondon.com).

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

Claudia Arney
Chair of the Remuneration Committee
27 February 2024



Committee Chair succession

Sanjeev joined the Derwent London Board in 2021 and has been a member of the Remuneration Committee since 1 March 2022. Sanjeev has a wealth of experience in governance, human resources and the real estate sector. Sanjeev is on the Patrons Committee of Real Estate Balance and is a Trustee Director of the Prudential Staff Charitable Trust.

Sanjeev will succeed Claudia Arney as Chair of the Remuneration Committee following the conclusion of the 2024 AGM. Sanjeev has more than 12 months' experience on our Remuneration Committee before his succession to Committee Chair, in accordance with the 2018 UK Corporate Governance Code.

Sanjeev Sharma
Non-Executive Director
Incoming Chair of Remuneration Committee

Remuneration at a glance

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

Reward linked to performance

Annual bonus earned by Executive Directors

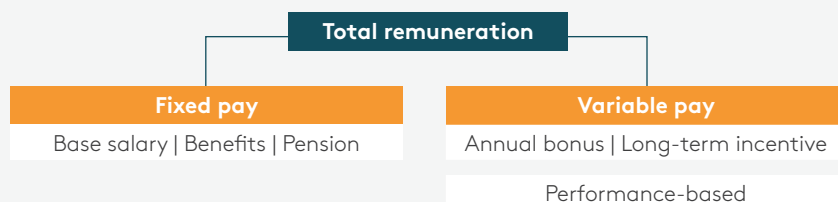
Measure	Threshold %	Maximum %	Actual %	Bonus earned % max	
Relative TR	37.5%	(2.8)	3.3	(11.7)	0.0
Relative TPR	37.5%	(7.85)	(5.85)	(7.30)	16.5
Strategic	25%				14.5
Total					31.0

PSP earned by Executive Directors

Measure	Threshold %	Maximum %	Actual %	PSP earned % max	
Relative TSR	50%	(5.0)	4.6	(24.4)	0.0
Relative TPR	50%	1.65	3.65	(1.63)	0.0
Total					0.0

We provide further information on how our remuneration arrangements align with our purpose, values and strategy on page 177.

Remuneration Policy Summary – 2024



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

+6.2%

average salary increase for the wider workforce effective from 1 January 2024

+1.3%

increase to the dividend (2022 to 2023)

95%

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

14:1

CEO pay ratio at 50th percentile (median) for 2023 (see page 187)

£339k

amounts committed by the Sponsorship and Donations Committee in 2023

Annual report on remuneration

(unaudited unless otherwise indicated)

The annual report on remuneration (pages 176 to 197) explains how we have implemented our Remuneration Policy during 2023. 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

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.

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 177)
- Overview of our Remuneration Policy and its implementation in 2024 (pages 178 to 181)
- Risk management (pages 182 and 183)
- Remuneration decisions in context (pages 184 to 187)
- Executive Director remuneration in 2023 (pages 188 to 196)

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 2018 UK Corporate Governance Code.

Attract, retain and motivate	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.
Clarity and simplicity	Ensure that remuneration arrangements are simple and transparent to key stakeholders and take account of pay policies for the wider workforce.
Alignment to strategy and culture	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.
Risk management	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 182 and 183.
Stewardship	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.
Predictability	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 178 to 181.
Proportionality and fairness	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 176). Incentive arrangements reward genuine out performance 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. Our ability to provide above average returns to our shareholders is a substantial element of our PSP (see page 179). 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 182.

Sustainability is an integral part of the Group's strategy; it differentiates us from our peers and ensures we continue to adapt. We have ESG-related metrics within both elements of variable remuneration for Executive Directors (annual bonus and PSP).

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 187.

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 ¹	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

¹ Total Property Return (TPR) performance for the annual bonus is measured against the MSCI Quarterly Central London Offices Total Return Index (see page 191) whereas performance under the Performance Share Plan is our annualised TPR versus the MSCI Quarterly UK All Property Index measured over three years (see page 192).

Annual report on remuneration continued

Summary of Remuneration Policy

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 the 2023 AGM in respect of the Remuneration Policy and the annual report on remuneration.

	Annual report on remuneration (2023 AGM)		Remuneration Policy (2023 AGM)	
Votes cast in favour	89.7m	93.5%	91.6m	95.0%
Votes cast against	6.3m	6.5%	4.8m	5.0%
Votes withheld	0.0m	0.0%	0.0m	0.0%
Total votes cast	96.0m	100%	96.4m	100%

The Committee did not consult with shareholders in the lead up to the 2024 AGM as no material changes to our remuneration policies or practices have been proposed for 2024. 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 178 to 181. In addition, we have set out how the Remuneration Policy will be implemented in 2024. Our full Remuneration Policy can be found on our website at: www.derwentlondon.com/investors/governance/board-committees

Executive Directors

The summary table below sets out the key elements of the remuneration package for Executive Directors.

Element	How operated	Maximum opportunity	Implementation for 2024															
Base salary	<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"> the role, experience and performance of the individual and the Company; pay and conditions throughout the business; and practice in companies with similar business characteristics. 	<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"> where there is a change in role or responsibility; an Executive Director's development or performance in role (e.g. to align a new hire's salary with the market over time); and where there is a significant change in the size and/or complexity of the Group. 	<p>With effect from 1 January 2024, Executive Directors' salaries (excluding Emily Prideaux) were increased by 4.0%. The average increase received by the wider workforce was 6.2%.</p> <table border="1"> <thead> <tr> <th>Executive Director</th> <th>2023 salary (£'000)</th> <th>2024 salary (£'000)</th> </tr> </thead> <tbody> <tr> <td>Paul Williams</td> <td>680.0</td> <td>707.2</td> </tr> <tr> <td>Damian Wisniewski</td> <td>524.5</td> <td>545.5</td> </tr> <tr> <td>Nigel George</td> <td>524.5</td> <td>545.5</td> </tr> <tr> <td>Emily Prideaux</td> <td>492.5</td> <td>545.5</td> </tr> </tbody> </table> <p>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.</p>	Executive Director	2023 salary (£'000)	2024 salary (£'000)	Paul Williams	680.0	707.2	Damian Wisniewski	524.5	545.5	Nigel George	524.5	545.5	Emily Prideaux	492.5	545.5
Executive Director	2023 salary (£'000)	2024 salary (£'000)																
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Nigel George	524.5	545.5																
Emily Prideaux	492.5	545.5																
Benefits	<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 fully expensed car or car allowance, fuel allowance, private medical insurance and life assurance.</p>															
Pension	<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 2024
Annual bonus	<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 182).</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>	<p>Maximum opportunity of up to 150% of salary may be awarded in respect of a financial year.</p>	<p>The maximum bonus potential for Executive Directors is 150% of salary. In line with recent years, bonuses for 2024 are subject to the following performance metrics:</p> <ul style="list-style-type: none"> • Total return (weighting: 37.5%). Performance measured against a comparator group of real estate companies. Targets and amounts vesting for threshold and maximum performance are outlined on page 191. • Total property return (weighting: 37.5%). 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 191. • Strategic targets (weighting: 25.0%). The strategic targets, ranges and weightings are outlined on page 180.
Long-term incentives	<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 182).</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>	<p>Maximum opportunity of up to 200% of salary may be awarded in respect of a financial year.</p>	<p>The Committee reviewed the Group's share price performance prior to determining the award levels for the 2024 PSP award. As the share price on 23 February 2024 was not materially different to the share price at the time the 2023 PSP awards were granted (£24.32), the Committee considered it appropriate to award a maximum opportunity of 200% of salary to Executive Directors.</p> <p>PSP awards for 2024 are subject to the following performance metrics:</p> <ul style="list-style-type: none"> • Total Shareholder Return (50%) • Total Property Return (40%) • Embodied carbon (5%) • Energy intensity reduction (5%) <p>The targets for Total Shareholder Return and Total Property Return remains the same as for the 2023 PSP awards detailed on page 193.</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 180.</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 (see page 135). 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 2024

Annual bonus strategic targets

The strategic targets for the 2024 annual bonus are broadly the same as those used for the 2023 annual bonus (see page 191). For the 2024 annual bonus we have amended our accident rate measure to capture significant (Direct) RIDDOR injuries and incidents (see footnote 3).

Performance measure	Link to strategic objectives ¹	Target range ²	Weighting % of bonus
Void management 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%
Tenant retention 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%
Staff satisfaction 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%
Accident rate The Group's RIDDOR Accident Frequency Rate (AFR) is calculated based on significant ('Direct') RIDDOR injuries and incidents during the year ³ , 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.	4	4.0 to 1.0	4.0%
Portfolio development potential⁴ This is measured by the percentage of the Group's portfolio by area where a potential development scheme has been identified, including committed acquisitions.	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 32 to 36).

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

3 The RIDDOR reportable injuries that we capture in our Accident Frequency Rate 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 55.

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

Long-term incentives

The PSP targets for total shareholder return and total property return remain the same as for the 2023 PSP awards detailed on page 193. 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 ⁴
Embodied carbon intensity ^{1,3} (new build commercial office)	5%	600 kg CO ₂ e/m ²	500 kg CO ₂ e/m ²
Energy intensity ^{2,3} (managed properties)	5%	average energy intensity of 127 kWh/m ² across 2024, 2025 and 2026	average energy intensity of 124 kWh/m ² across 2024, 2025 and 2026

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 end of year energy (gas and electricity) consumption of the managed portfolio.

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

	Operation	Implementation for 2024																		
Chairman	<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. The Chairman does not receive pension or participate in incentive arrangements.</p>	<p>Mark Breuer's inclusive Chairman fee for 2024 is £280,000 per annum (2023: £250,000). Further information on page 174.</p>																		
Non-Executive Directors	<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 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>The fees payable to Non-Executive Directors were increased effective from 1 January 2024 (further information on page 174).</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">(£'000)</th> <th style="text-align: right;">2023</th> <th style="text-align: right;">2024</th> </tr> </thead> <tbody> <tr> <td>Base fee</td> <td style="text-align: right;">52.5</td> <td style="text-align: right;">57.0</td> </tr> <tr> <td>Audit Committee Chair</td> <td style="text-align: right;">10.0</td> <td style="text-align: right;">12.5</td> </tr> <tr> <td>Other Committee Chairs</td> <td style="text-align: right;">10.0</td> <td style="text-align: right;">10.0</td> </tr> <tr> <td>Senior Independent Director</td> <td style="text-align: right;">10.0</td> <td style="text-align: right;">12.5</td> </tr> <tr> <td>Committee membership</td> <td style="text-align: right;">5.0</td> <td style="text-align: right;">5.0</td> </tr> </tbody> </table> <p>In addition to their chairmanship fee, a Committee Chair also receives the Committee membership fee.</p>	(£'000)	2023	2024	Base fee	52.5	57.0	Audit Committee Chair	10.0	12.5	Other Committee Chairs	10.0	10.0	Senior Independent Director	10.0	12.5	Committee membership	5.0	5.0
(£'000)	2023	2024																		
Base fee	52.5	57.0																		
Audit Committee Chair	10.0	12.5																		
Other Committee Chairs	10.0	10.0																		
Senior Independent Director	10.0	12.5																		
Committee membership	5.0	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 succession 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
Claudia Arney ¹	5 May 2021	18 May 2024
Dame Cilla Snowball	9 August 2021	31 August 2024
Helen Gordon	3 November 2023	31 December 2026
Lucinda Bell	9 November 2021	1 January 2025
Sanjeev Sharma	6 August 2021	1 October 2024

¹ Claudia Arney will step down as a Director at the 2024 AGM upon reaching her ninth anniversary of appointment. 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:

Stretching performance targets

Sufficiently stretching performance targets which promote long-term sustainable performance

Malus and clawback provisions

Enables the Committee to recover sums paid, or cancel awards, in specific circumstances

Discretion

The Committee has the means to apply discretion and judgement to vesting outcomes

Shareholding guidelines

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 2024 annual bonus and PSP awards are set out on page 180. When setting the targets to be achieved, the Committee aims to ensure that they are sufficiently stretching so as to reward genuine out performance 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
Annual bonus	To such time as payment is made.	Up to two years following payment.
Deferred bonus	To such time as the award vests.	No clawback provisions apply (as malus provisions apply for three years from the date of award).
PSP awards	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.
- 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.

Within-employment	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.
Post-employment	Executive Directors who step down from the Board are normally expected to retain a holding in 'guideline shares' ¹ 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.

¹ '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 2023, 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	2023 salary ¹	Target	Achieved	Value of beneficially held shares ²
			% of base salary		
Paul Williams	95,497	£680,000	200%	331%	£2,253,729
Damian Wisniewski	69,095	£524,500	200%	311%	£1,630,642
Nigel George	100,046	£524,500	200%	450%	£2,361,086
Emily Prideaux	6,081	£492,500	200%	29%	£143,512

¹ The base salaries shown in the table above are as at 31 December 2023. Further information on fixed pay during 2023 is provided on page 189.

² The value of the Executive Directors' beneficially held shares has been calculated using the average closing share price during the year ended 31 December 2023 of £23.60.

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 17% of his base salary.

Independent advice

The Committee has authority to obtain the advice of external independent remuneration consultants. Deloitte LLP have 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.
- Benchmarking of Chairman and Non-Executive Director remuneration.
- 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 £69,000. 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 184 to 187) 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.



Derwent London has been London Living Wage Foundation accredited since 2017

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.

During 2023, the Committee introduced an 'engagement' section within the explanatory booklet of the wider employee incentive plan, ESOP, which details our remuneration strategy and principles. This page 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.

Further information on the remuneration structure for our wider workforce is on the following pages:

- ➔ Sharesave Plan / See page 196
- ➔ Employee Share Option Plan / See pages 185 and 227
- ➔ Our people / See page 52

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 2022 to 2023.

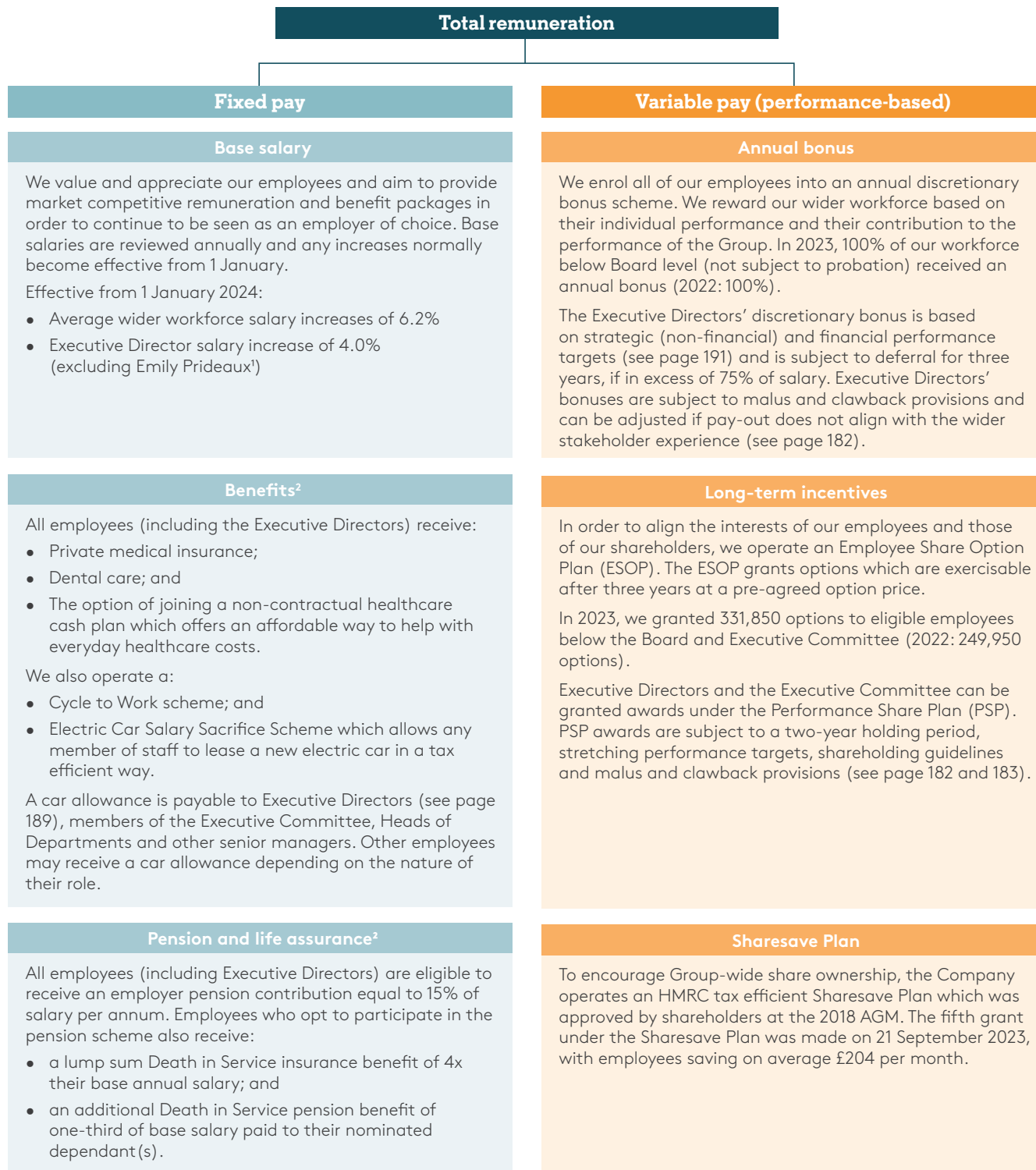
£m	2023	2022	% change
Staff costs ¹	28.8	26.0	10.8
Distributions to shareholders	88.7	87.0	2.0
Net asset value attributable to equity shareholders ²	3,508	4,076	(13.9)

¹ Staff costs includes salaries, employer pension contributions, social security costs and share-based payment expenses relating to equity settled schemes.

² 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

The remuneration structure for our wider workforce is similar to that of our Executive Directors³ and contains both fixed and performance-based elements (see below).



1 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.

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

3 A summary of our Remuneration Policy for Executive Directors is on page 178 to 180. Further information on the remuneration received by Executive Directors during 2023 is on pages 188 to 196.

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 2023. The Directors' remuneration used to calculate the percentage change is taken from the 'single figure' table on page 188.

As noted on page 173, the vesting outcome of the relative total return element of the 2022 annual bonus was determined after the publication of the 2022 Report & Accounts. As a result, the 2021 to 2022 bonus figure for the Executive Directors has been restated in the table below to reflect the actual bonus outcome. Full details of the total bonus earned in respect of 2022 is disclosed on page 188.

% change	2022 to 2023			2021 to 2022			2020 to 2021			2019 to 2020		
	Salary/fees	Benefits ⁷	Bonus	Salary/fees	Benefits	Bonus (restated)	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Average employee ^{1,2}	+2.6	(1.5)	(27.1)	+1.4	(9.9)	(24.5)	+0.3	(3.7)	+22.5	+4.7	(6.2)	(21.0)
Executive Directors												
Paul Williams ³	+7.8	+7.1	(59.8)	+3.0	(7.0)	+177	+2.0	(0.2)	(52.5)	+10.5	+0.1	(24.4)
Damian Wisniewski	+4.0	+3.8	(61.2)	+3.0	+1.0	+177	+2.0	(0.2)	(52.5)	+3.7	(1.4)	(29.0)
Nigel George	+4.0	+3.6	(61.2)	+3.0	+0.7	+177	+2.0	(0.0)	(52.5)	+3.7	(3.9)	(29.0)
Emily Prideaux ⁴	+9.4	+1.1	(59.2)	+9.8	+20.0	+253	n/a	n/a	n/a	n/a	n/a	n/a
Non-Executive Directors⁶												
Mark Breuer	0	-	-	0	-	-	n/a	-	-	n/a	-	-
Claudia Arney	0	-	-	+16.2	-	-	0	-	-	0	-	-
Cilla Snowball ⁵	+3.0	-	-	+15.7	-	-	0	-	-	0	-	-
Helen Gordon	0	-	-	+10.7	-	-	+3.0	-	-	0	-	-
Lucinda Bell	0	-	-	+16.2	-	-	0	-	-	+6.0	-	-
Sanjeev Sharma	0	-	-	+13.5	-	-	n/a	-	-	n/a	-	-
Former Non-Executive Directors												
Richard Dakin ⁶	n/a	-	-	+15.7	-	-	0	-	-	0	-	-

Average employee calculation

- The annual percentage change for the average employee is calculated based on the mean employee pay for employees of Derwent London plc, the parent company of the Group, and not those employed by other subsidiary companies, 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).
- The average employee salary figures have been impacted by the 8% increase in our workforce from 2022 to 2023 (from 184 to 199 employees). The average actual increase in base salaries for all employees effective from 1 January 2023 was 6.1%.

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, with the intention that Emily's salary would align with the other Executive Directors' salaries over three years as her role and experience develops (see page 189). 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.
- Richard Dakin stepped down from the Board on 28 February 2023. Richard Dakin received his normal fees for the period 1 January 2023 until his leaving date. There was no payment for loss of office in respect of Richard Dakin'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 2023, the Chief Executive's total remuneration as a ratio against the full-time equivalent remuneration of UK employees is detailed in the table below.

As noted on page 173, the vesting outcome of the relative total return element of the 2022 annual bonus was determined after the publication of the 2022 Report & Accounts. As a result, the 2022 CEO pay ratios and the total remuneration figure for the Chief Executive have been restated in the table below to reflect the actual bonus outcome. Full details of the total bonus earned in respect of 2022 is disclosed on page 188.

	Employee remuneration ⁶		CEO pay ratio ⁷
	Base salary	Total remuneration	
Year ended 31 December 2023^{1,2}			
25th percentile	£51,750	£63,380	18:1
50th percentile	£58,750	£80,512	14:1
75th percentile	£90,000	£127,822	9:1
Year ended 31 December 2022³			
25th percentile	£45,219	£60,909	25:1
50th percentile	£56,000	£81,266	19:1
75th percentile	£80,000	£124,481	12:1
Year ended 31 December 2021			
25th percentile	£48,500	£67,908	19:1
50th percentile	£63,750	£90,289	14:1
75th percentile	£91,750	£143,168	9:1
Year ended 31 December 2020⁴			
25th percentile	£47,000	£62,499	35:1
50th percentile	£64,000	£86,463	26:1
75th percentile	£95,266	£137,452	16:1
Year ended 31 December 2019⁵			
25th percentile	£40,993	£63,211	40:1
50th percentile	£68,462	£89,274	28:1
75th percentile	£67,500	£153,828	17:1
Year ended 31 December 2018			
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 Employee remuneration at each percentile has been impacted by a 8% increase in our workforce (from 184 to 199 employees) in the year ended 31 December 2023.

2 Chief Executive remuneration for the year ended 31 December 2023 is Paul Williams' 2023 'single figure' (see page 188).

3 Chief Executive remuneration for the year ended 31 December 2022 is Paul Williams' restated 2022 'single figure' (see page 188).

4 Chief Executive remuneration for the year ended 31 December 2020 is Paul Williams' 2020 'single figure' (see page 181 of the 2021 Report & Accounts), before the voluntary 20% salary waiver.

5 Chief Executive remuneration for the year ended 31 December 2019 is based on the aggregated total remuneration earned by John Burns and Paul Williams in respect of their tenures as Chief Executive during 2019.

6 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 185 and 227).

7 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 2023 was less compared to 2022 primarily as a result of a lower 2023 bonus outcome compared to 2022. Consequently, the CEO pay ratio for 2023 has fallen compared to 2022. 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 2023

Total remuneration (audited)

The table below sets out the remuneration paid to each Director for the financial years ended 31 December 2023 and 31 December 2022 as a single figure. A full breakdown of fixed pay and pay for performance in 2023 can be found on pages 188 to 196. As noted on page 173, the vesting outcome of the relative total return element of the 2022 annual bonus was determined after the publication of the 2022 Report & Accounts. As a result, the 2022 figures have been updated in the table below to reflect the actual bonus outcome.

Executive Directors

(£'000)	Fixed pay				Pay for performance				Other items in the nature of remuneration ²	Total remuneration
	Salary	Taxable benefits	Pension and life assurance	Subtotal	Bonus		Performance LTIPs ¹	Subtotal		
					Cash	Deferred				
2023										
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
2022										
Paul Williams	630	22	109	761	630	156	–	786	2	1,549
Damian Wisniewski	504	23	86	613	504	125	–	629	2	1,244
Nigel George	504	22	88	614	504	125	–	629	2	1,245
Emily Prideaux	450	19	76	545	450	111	–	561	2	1,108

Non-Executive Directors

(£'000)	2023			2022		
	Fees	Taxable benefits	Total	Fees	Taxable benefits	Total
Mark Breuer	250	–	250	250	–	250
Claudia Arney	83	–	83	83	–	83
Cilla Snowball	80	–	80	78	–	78
Helen Gordon	86	–	86	77	–	77
Lucinda Bell	83	–	83	83	–	83
Sanjeev Sharma	73	–	73	72	–	72
Former Director						
Richard Dakin ³	13	–	13	78	–	78

- 1 Performance LTIPs for 2023 relate to the 2021 PSP awards for which the performance conditions related to the year ended 31 December 2023. As the performance conditions have not been satisfied, the 2021 PSP awards will lapse on 12 March 2024 (see page 192).
- 2 Included in the column for 'other items in the nature of remuneration' is the grant under the Derwent London Sharesave Plan made on 21 September 2023. These have been calculated based on the middle market share price on the date of grant being £19.33 minus the value of the awards at the option price which was £14.87. Further information on the Derwent London Sharesave Plan is on page 196.
- 3 Richard Dakin stepped down from the Board on 28 February 2023. The fees for 2023 shown in the table above are the actual fees paid to Richard Dakin for the period 1 January 2023 to 28 February 2023.

Payments to former Directors and for loss of office

No payments were made to past Directors or in respect of loss of office during 2023. As disclosed in the 2022 Report & Accounts, Simon Silver was employed as an adviser reporting to Paul Williams and was paid a salary of £50,000 during 2023. Simon Silver's employment with Derwent London ended on 31 December 2023. PSP awards granted on 12 March 2021 to former Executive Director David Silverman remained capable of vesting. As disclosed on page 172, the 2021 PSP grant will not vest and therefore David's award will lapse in full. David Silverman has no further PSP awards outstanding.

Fixed pay

Base salaries and fees (audited)

Salaries for the Executive Directors (excluding Paul Williams and Emily Prideaux) were increased by 4.0% to £524,500 with effect from 1 January 2023. The average salary increase for the wider workforce was 6.2%. As disclosed in the 2022 Report & Accounts (pages 191 and 192), the Committee approved a 7.8% increase to Paul Williams' salary from 1 January 2023. The Committee approved a 9.4% increase to Emily Prideaux's salary from 1 January 2023, as part of a phased alignment with the other Executive Directors' salaries. Emily's salary has been fully aligned with the other Executive Directors' salaries from 1 January 2024, reflecting her development in role and performance (see page 173).

	2023 base salary/fee	2022 base salary/fee
Executive Directors		
Paul Williams	£680,000	£630,400
Damian Wisniewski	£524,500	£504,300
Nigel George	£524,500	£504,300
Emily Prideaux	£492,500	£450,000
Non-Executive Directors		
Mark Breuer	£250,000	£250,000
Claudia Arney	£82,500	£82,500
Cilla Snowball ¹	£79,583	£77,500
Helen Gordon ²	£85,833	£76,666
Lucinda Bell	£82,500	£82,500
Sanjeev Sharma	£72,500	£71,666
Former Director		
Richard Dakin ³	£12,917	£77,500

1 Cilla Snowball was appointed a member of the Audit Committee on 1 August 2023.

2 From 1 March 2023, Helen Gordon succeeded Richard Dakin as Chair of the Risk Committee.

3 Richard Dakin stepped down from the Board on 28 February 2023. The fees for 2023 shown in the table above are the actual fees paid to Richard Dakin for the period 1 January 2023 to 28 February 2023.

Benefits (audited)

Executive Directors are entitled to a fully expensed car or car allowance, fuel allowance, private medical insurance and life assurance. Further details of the taxable benefits paid in 2023 can be found in the table below.

	Car allowance ¹	Private medical insurance	Total 2023 taxable benefits
Executive Directors			
Paul Williams	£16,000	£7,412	£23,412
Damian Wisniewski	£16,000	£7,886	£23,886
Nigel George	£16,000	£7,115	£23,115
Emily Prideaux	£16,000	£2,934	£18,934

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 money purchase pension scheme.

	Paid into defined contribution scheme	Pension cash supplement	Total pension	Life assurance ¹	Total 2023 pension and life assurance
Executive Directors					
Paul Williams	£4,167	£97,025	£101,192	£9,386	£110,578
Damian Wisniewski	£7,500	£70,872	£78,372	£6,976	£85,348
Nigel George	£7,500	£70,872	£78,372	£8,713	£87,085
Emily Prideaux	£8,500	£65,375	£73,875	£5,661	£79,536

1 There was no change in the life assurance benefits received by the Executive Directors in 2023. The change in the annual cost is due to changes in premiums.

Annual report on remuneration continued

Pay for performance

Annual bonus (audited)

Determination of 2023 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 2023 performance, the annual bonus payout for Executive Directors is 31.0% of the maximum potential (2022: 83.1%; 2021: 30.9%). Further information is available on page 191.

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 172 and 173. The Committee determined that it was not appropriate to apply discretion to adjust the formulaic outcome.

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
Executive Directors				
Paul Williams	46.5%	316.2	-	-
Damian Wisniewski	46.5%	243.9	-	-
Nigel George	46.5%	243.9	-	-
Emily Prideaux	46.5%	229.0	-	-

Outstanding deferred bonus awards

In accordance with our previous Remuneration Policy, the proportion of the 2022 annual bonus earned in excess of 100% of salary was deferred into shares on 4 April 2023 and will be released on 4 April 2026, subject to continued employment. The annual bonus deferral requirements have been strengthened under the current Remuneration Policy. Going forward, the proportion of annual bonuses earned in excess of 75% of salary are deferred into shares and released after three years, subject to continued employment. Details of the deferred bonus shares held by Directors and employees are set out in the table below:

	At grant		During the year (number)					Market price at date of release £	Value at release £'000	Release date
	Date of award	Market price at date of grant ¹ £	Original grant	1 January 2023	Deferred	Released	31 December 2023			
Executive Directors										
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	-	-	
Other employees	04/04/2023	23.70	562	-	562	-	562	-	-	04/04/2026
			562	-	562	-	562	-	-	
Total			22,334	-	22,334	-	22,334	-	-	

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

2023 Annual bonus outcome

Bonus payable for financial-based performance	16.5% out of 75%
Bonus payable for strategic target performance	14.5% out of 25%

Financial-based metrics

Performance measure	Weighting % of bonus	Basis of calculation	Threshold ² %	Maximum ³ %	Actual %	Payable %
Total return	37.5	Total return versus other major real estate companies ¹	(2.8)	3.3	(11.7)	0.0
Total property return (TPR)	37.5	Versus the MSCI Quarterly Central London Office Total Return Index	(7.85)	(5.85)	(7.30)	16.5
Total bonus payable for financial-based metrics						16.5

- The major real estate companies contained in the comparator group for the 2023 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 2024 annual bonus.
- For achieving the threshold performance target, i.e. at the MSCI Index or median total return against our sector peers, 22.5% of the maximum bonus opportunity will become payable.
- 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 ¹	Target range ²	Maximum award	2023 achievement	Proportion awarded for 2023 %	
Void management This is measured by the Group's EPRA vacancy rate for the year calculated as the average of each quarter end figure ³ .	1 2	10% to 2%	5.0%	4.3%	3.6	
Tenant retention 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%	64.7%	2.9	
Staff satisfaction Staff surveys are used to assess this measure. In assessing this target the Committee will consider any variance in staff satisfaction scores between genders ⁴ .	3	80% to 90%	4.0%	87.5%	3.0	
Accident rate The Group's Accident Frequency Rate which is calculated based on total development, construction projects and managed portfolio RIDDOR injuries and incidents during the year, multiplied by 1,000,000, and divided by 'total work exposure hours'. This target is also conditional on each Executive Director completing a health and safety leadership tour during 2023 ⁵ .	4	4.4 to 2.1	4.0%	3.81	1.0	
Portfolio development potential This is measured by the percentage of the Group's portfolio by area where a potential development scheme has been identified, including committed acquisitions.	1	35% to 50%	7.0%	43.6%	4.0	
					25%	14.5

- Success against our strategic objectives is measured using our KPIs (see pages 37 to 41) 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 32 to 36).
- Payout accrues on a straight-line basis, between threshold and maximum performance.
- We have clarified within the performance measure description how we calculate the yearly average (calculated as the average of each quarter-end).
- The variance between genders in response to employee surveys is taken into account by the Committee when determining the payout for staff satisfaction. In 2023, the results showed a 7% variance between genders, with female satisfaction being at 97% and male satisfaction at 90%.
- All Executive Directors completed health and safety leadership tours during 2023. There were no work-based fatalities during 2023 (see page 55).

REMUNERATION COMMITTEE REPORT continued

Annual report on remuneration continued

Performance Share Plan (PSP) (audited)

Vesting of PSP awards

The Group granted share-based awards under the PSP on 12 March 2021. The grant was subject to performance conditions over a three-year performance period which ended on 31 December 2023. As shown in the table below, the PSP awards granted in 2021 will not vest, and will lapse in full on 12 March 2024.

Performance measure	Weighting % of award	Basis of calculation	Threshold ² %	Maximum ³ %	Actual %	% vesting/ estimated vesting
Total property return (TPR)	50	MSCI Quarterly UK All Property Total Return Index	1.65	3.65	(1.63)	0.0
Total shareholder return (TSR)	50	FTSE 350 Super Sector Real Estate Index ¹	(5.0)	4.6	(24.4)	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 2021).

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:

	Number of awards granted	Number of shares vesting based on performance (0.0%)
Executive Director		
Paul Williams	36,911	–
Damian Wisniewski	29,529	–
Nigel George	29,529	–
Emily Prideaux	24,728	–
Former Executive Director		
David Silverman ¹	29,529	–

1 As disclosed in the 2021 Report & Accounts, PSP awards granted on 12 March 2021 to former Executive Director David Silverman remained capable of vesting, subject to performance. David Silverman has no further PSP awards outstanding.

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 and 2021 grants have been removed from the table below as they both lapsed in full.

Grant	Grant date	Performance period	Vesting date	Holding period	Holding period ceases
2019 Grants	12 March 2019 14 August 2019	1 January 2019 to 31 December 2021	12 March 2022 14 August 2022	Two years	12 March 2024 14 August 2024
2022 Grant	9 March 2022	1 January 2022 to 31 December 2024	9 March 2025	Two years	9 March 2027
2023 Grant	14 March 2023	1 January 2023 to 31 December 2025	14 March 2026	Two years	14 March 2028

Grant of PSP awards

On 14 March 2023, the Committee made an award under the Group's 2014 PSP to Executive Directors on the following basis:

Executive Directors	Number of shares awarded	Face value of award £
Paul Williams	55,921	1,359,999
Damian Wisniewski	43,133	1,048,995
Nigel George	43,133	1,048,995
Emily Prideaux	40,501	984,984

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 £24.32. The performance period will run over three financial years ending on 31 December 2025 and, dependent upon the achievement of the performance conditions, the awards will vest on 14 March 2026 and will be subject to a two-year holding period as outlined in the table on page 192.

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 2023 Awards are:

Metric	Basis of calculation	Weighting of PSP	Threshold ¹	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 2025	50%	Median	Upper quartile and above
Total property return (TPR)	The Company's annualised TPR relative to the MSCI Quarterly UK All Property Total Return Index assessed over the three-year performance period ending 31 December 2025	40%	At Index	Index +2%
Embodied carbon intensity	Weighted average embodied carbon for all Projects during the three-year performance period ending 31 December 2025	5%	600 kgCO ₂ e/m ²	500 kgCO ₂ e/m ²
Energy intensity	Average energy intensity for 2023, 2024 and 2025, assessed based on total end of year electricity and gas consumption across the managed portfolio	5%	134 kWh/m ²	131 kWh/m ²

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

The threshold and maximum energy intensity targets for the 2023 PSP awards were originally set at 129 kWh/m² and 126 kWh/m², respectively. These aligned with the Group's energy intensity reduction pathway in place at the time the 2023 PSP awards were granted. We have subsequently revised our methodology for calculating energy intensity which has resulted in the Group's energy intensity reduction pathway being refined. Our ultimate target of achieving the 2030 UKGBC energy intensity target of 90 kWh/m² remains unchanged. However, our 2019 baseline, and consequently intervening milestone targets, have been rebased (see page 49).

The Committee considered it appropriate to amend the energy intensity targets for the 2023 PSP awards so that they align with the Group's refined energy intensity reduction pathway. The amended targets are not considered to be materially more or less difficult to satisfy and they continue to achieve their original purpose of incentivising the Executive Directors to deliver energy intensity reduction in line with the Group's energy intensity reduction pathway. The amended energy intensity targets are disclosed in the table above.

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 ¹ £	1 January 2023	Granted ²	Vested	Lapsed ³	31 December 2023			
Executive Directors									
Paul Williams	13/03/2020	33.14	36,210	-	-	(36,210)	-	-	13/03/2023
	12/03/2021	33.16	36,911	-	-	-	36,911	-	12/03/2024
	09/03/2022	29.36	42,942	-	-	-	42,942	-	09/03/2025
	14/03/2023	24.32	-	55,921	-	-	55,921	-	14/03/2026
			116,063	55,921	-	(36,210)	135,774	-	-
Damian Wisniewski	12/03/2019	32.53	5,253	-	-	-	5,253	-	12/03/2022
	13/03/2020	33.14	28,968	-	-	(28,968)	-	-	13/03/2023
	12/03/2021	33.16	29,529	-	-	-	29,529	-	12/03/2024
	09/03/2022	29.36	34,352	-	-	-	34,352	-	09/03/2025
	14/03/2023	24.32	-	43,133	-	-	43,133	-	14/03/2026
			98,102	43,133	-	(28,968)	112,267	-	-
Nigel George	13/03/2020	33.14	28,968	-	-	(28,968)	-	-	13/03/2023
	12/03/2021	33.16	29,529	-	-	-	29,529	-	12/03/2024
	09/03/2022	29.36	34,352	-	-	-	34,352	-	09/03/2025
	14/03/2023	24.32	-	43,133	-	-	43,133	-	14/03/2026
			92,849	43,133	-	(28,968)	107,014	-	-
Emily Prideaux	13/03/2020	33.14	9,052	-	-	(9,052)	-	-	13/03/2023
	12/03/2021	33.16	24,728	-	-	-	24,728	-	12/03/2024
	09/03/2022	29.36	30,653	-	-	-	30,653	-	09/03/2025
	14/03/2023	24.32	-	40,501	-	-	40,501	-	14/03/2026
			64,433	40,501	-	(9,052)	95,882	-	-
Former Executive Directors									
David Silverman	13/03/2020	33.14	28,968	-	-	(28,968)	-	-	13/03/2023
	12/03/2021	33.16	29,529	-	-	-	29,529	-	12/03/2024
			58,497	-	-	(28,968)	29,529	-	-
Simon Silver	13/03/2020	33.14	35,063	-	-	(35,063)	-	-	13/03/2023
			35,063	-	-	(35,063)	-	-	-
Other employees									
	13/03/2020	33.14	34,843	-	-	(34,843)	-	-	13/03/2023
	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
			127,696	116,698	-	(34,843)	209,551	-	-
Total			592,703	299,386	-	(202,072)	690,017	-	-

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

2 The PSP awards granted on 14 March 2023 will vest on 14 March 2026. The performance targets attached to these awards are detailed on page 193.

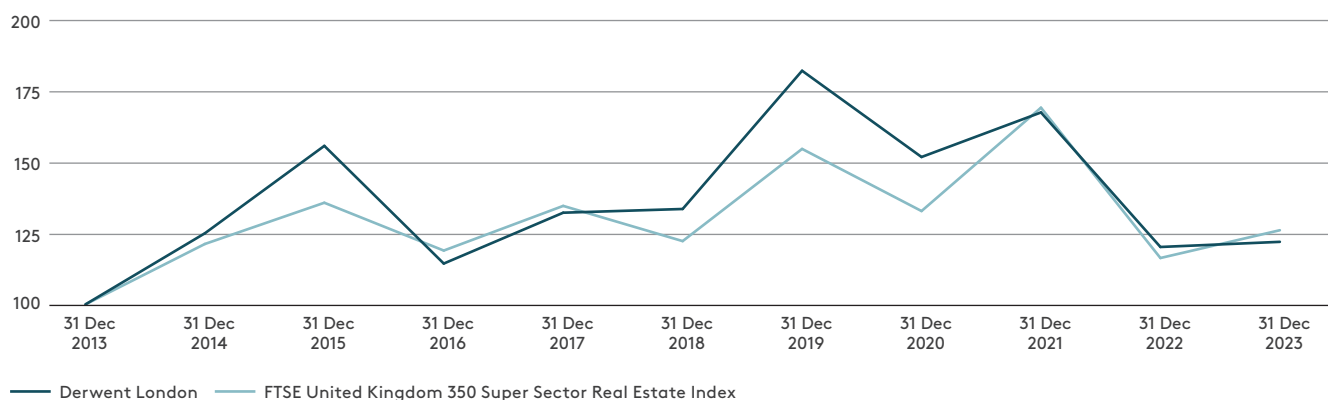
3 The PSP awards granted on 13 March 2020 lapsed in full during 2023. The weighted average exercise price of awards that lapsed in 2023 was £nil (2022: £nil).

	31/12/2023	31/12/2022	31/12/2021
Weighted average exercise price of PSP awards	-	-	-
Weighted average remaining contracted life of PSP awards	1.20 years	1.19 years	1.20 years

Pay for performance comparison

The graph below shows the value on 31 December 2023 of £100 invested in Derwent London on 31 December 2013, 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.

Total shareholder return (TSR)



Source: Datastream (Thomson Reuters)

Note: The TSR chart data is based on the 30 day average over the period 2 December to 31 December for each year.

Remuneration of the Chief Executive

The table below shows the remuneration earned by the Chief Executive over the past ten years. As noted on page 173, the vesting outcome of the relative total return element of the 2022 annual bonus was determined after the publication of the 2022 Report & Accounts. As a result, the 2022 total remuneration and annual bonus earned (% of maximum) figures for the Chief Executive have been restated in the table below to reflect the actual bonus outcome. Full details of the total bonus earned in respect of 2022 is disclosed on page 188.

Financial year ended	31/12/2014	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019 ^{1,2}		31/12/2020	31/12/2021	31/12/2022	31/12/2023
Chief Executive	John Burns	John Burns	John Burns	John Burns	John Burns	John Burns	Paul Williams	Paul Williams	Paul Williams	Paul Williams	Paul Williams
Total remuneration (single figure) (£'000)	2,648	2,529	1,403	1,681	2,219	1,399	2,100	2,214	1,238	1,549	1,133
Annual bonus (% of maximum)	92.6	74.2	23.3	53.6	68.5	97.0	97.0	66.3	30.9	83.1	31.0
Long-term variable pay (% of maximum)	50.0	65.7	24.9	26.5	46.0	65.75	65.75	81.6	18.1	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 21 September 2023, the Company granted options under the Derwent London Sharesave Plan. The three-year contract for the Options started on 1 November 2023. These Options are exercisable at a price of £14.87 per share from 1 November 2026 and are not subject to any performance conditions.

Executive Directors	Monthly saving amount	Number of shares under option	Option price	Market price at grant	Value of award ¹
Paul Williams	£250	623	£14.87	£19.33	£2,779
Damian Wisniewski	£125	311	£14.87	£19.33	£1,387
Nigel George	£250	623	£14.87	£19.33	£2,779
Emily Prideaux	£250	623	£14.87	£19.33	£2,779

¹ 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 2023	Granted	Exercised	Lapsed ¹	31 December 2023			
Executive Directors										
Paul Williams	09/04/2020	27.53	326	–	–	(326)	–	01/06/2023	–	–
	21/09/2022	19.61	458	–	–	–	458	01/11/2025	–	–
	21/09/2023	14.87	–	623	–	–	623	01/11/2026	–	–
			784	623	–	(326)	1,081		–	–
Damian Wisniewski	09/04/2020	27.53	163	–	–	(163)	–	01/06/2023	–	–
	15/04/2021	25.93	173	–	–	–	173	01/06/2024	–	–
	21/09/2022	19.61	458	–	–	–	458	01/11/2025	–	–
	21/09/2023	14.87	–	311	–	–	311	01/11/2026	–	–
			794	311	–	(163)	942		–	–
Nigel George	09/04/2020	27.53	326	–	–	(326)	–	01/06/2023	–	–
	21/09/2022	19.61	458	–	–	–	458	01/11/2025	–	–
	21/09/2023	14.87	–	623	–	–	623	01/11/2026	–	–
			784	623	–	(326)	1,081		–	–
Emily Prideaux	15/04/2021	25.93	347	–	–	(347)	–	01/06/2024	–	–
	21/09/2022	19.61	458	–	–	–	458	01/11/2025	–	–
	21/09/2023	14.87	–	623	–	–	623	01/11/2026	–	–
			805	623	–	(347)	1,081		–	–
Other employees	30/04/2019	25.80	139	–	–	(139)	–	01/06/2022	–	–
	09/04/2020	27.53	14,711	–	–	(14,711)	–	01/06/2023	–	–
	15/04/2021	25.93	9,270	–	–	(4,434)	4,836	01/06/2024	–	–
	21/09/2022	19.61	32,217	–	–	(4,635)	27,582	01/11/2025	–	–
	21/09/2023	14.87	–	48,738	–	(623)	48,115	01/11/2026	–	–
			56,337	48,738	–	(24,542)	80,533		–	–
Total			59,504	50,918	–	(25,704)	84,718		–	–

¹ On 1 June 2023, the options granted on 9 April 2020 became capable of exercise at a price of £27.53 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 2023).

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 2023					Number at 31 December 2022				
	Beneficially held ¹	Deferred shares ²	Conditional shares ³	Share options ⁴	Total	Beneficially held	Deferred shares	Conditional shares	Share options	Total
Executive Directors										
Paul Williams	95,497	6,570	135,774	1,081	238,922	95,497	–	116,063	784	212,344
Damian Wisniewski	69,095	5,256	112,267	942	187,560	69,095	–	98,102	794	167,991
Nigel George	100,046	5,256	107,014	1,081	213,397	100,046	–	92,849	784	193,679
Emily Prideaux	6,081	4,690	95,882	4,001	110,654	6,081	–	64,433	3,725	74,239
Total	270,719	21,772	450,937	7,105	750,533	270,719	–	371,447	6,087	648,253
Non-Executive Directors										
Mark Breuer	7,000	–	–	–	7,000	7,000	–	–	–	7,000
Claudia Arney	2,500	–	–	–	2,500	2,500	–	–	–	2,500
Cilla Snowball	–	–	–	–	–	–	–	–	–	–
Helen Gordon ¹	990	–	–	–	990	961	–	–	–	961
Lucinda Bell	1,000	–	–	–	1,000	1,000	–	–	–	1,000
Sanjeev Sharma	1,261	–	–	–	1,261	1,261	–	–	–	1,261
Total	12,751	–	–	–	12,751	12,722	–	–	–	12,722

There have been no other changes to the above interests between 31 December 2023 and 27 February 2024.

- 1 There was no change in the shares beneficially held by the Directors during the year ended 31 December 2023, except for Helen Gordon, who reinvested her dividend to purchase an additional 29 shares.
- 2 The 2022 annual bonus in excess of 100% of salary was deferred into shares on 4 April 2023 and will be released on 4 April 2026, subject to continued employment. Further information on the deferred bonus is on page 190.
- 3 Conditional shares are those which are subject to performance conditions. For further information on the Performance Share Plan see pages 192 to 194.
- 4 Share options principally relate to the Sharesave Plan (see page 196) and are unvested. For Emily Prideaux only, she also 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.

	2023
Total issued share capital as at 31 December 2023	112.3m
Investment Association share limits (in any consecutive 10-year period):	
Current dilution for all share plans	2.5%
Headroom relative to 10% limit	7.5%
5% for executive plans – current dilution for discretionary (executive) plans	1.1%
Headroom relative to 5% limit	3.9%