The Directors' Remuneration Policy as set out below (Policy) will take effect from the conclusion of the AGM to be held on 4 May 2023, subject to approval by the shareholders at that meeting. This Policy would remain applicable for the following three years. However, the Committee will keep a watching brief to ensure that it remains appropriate for the best interests of the business at each stage in its evolution and in the broader remuneration landscape and may revisit the Policy earlier. The Committee consulted extensively with shareholders and took into account their varying views when making adjustments to the Policy. Further details of the consultation process are set out in the Chair's letter on pages 82 and 83.

The Committee has received clear advice that formal limits are required in the Policy and has retained sufficient flexibility to enable it to continue to act in the interests of the Company and its shareholders. The limits will not lead to pressure on reward levels and the Committee is satisfied that it has adopted a suitably conservative approach to date and will continue to do so.

No significant changes to the Policy are proposed and, other than minor updating to remove legacy items, the only changes are to the malus and clawback provisions to add insolvency and to limit reputational damage to malus (and not clawback) consistent with developments in practice over the last three years, and to ensure that the share ownership guidelines refer to the RSS in addition to legacy LTIP grants.

Remuneration Policy for Executive Directors

SALARY	
Purpose and link to strategy	— To continue to retain and attract quality leaders. — To recognise accountabilities, skills, experience and value.
Operation	— Paid monthly in cash. — Reviewed but not necessarily increased annually by the Committee. — In undertaking reviews, the Committee will take into account a variety of factors, including Company and individual performance, market conditions, the level of salary increases awarded to other employees of the Group, and a comparison against both a relevant property peer group and a group of entities of comparable size selected by the Committee (currently the larger REITs and an appropriate pan-sector group of companies with a comparable market capitalisation and/or portfolio size). — The Committee is aware of the limitations of benchmarking and of the need to avoid inflationary upward trends. However, benchmarking is considered at both base salary and total remuneration level, and the Committee generally considers that pay will be within a range of +/- 10% of a median benchmark but also takes into account such other factors as it considers appropriate and is not constrained by this default.
Maximum potential value	— The base salary for any existing Executive Director shall not exceed £850,000 (or the equivalent if denominated in a different currency), with this limit increasing annually at the rate of UK CPI from the date of the 2017 AGM.
Performance measures	— Not applicable.

BENEFITS	
Purpose and link to strategy	— Provide a range of benefits in line with market practice. — To continue to retain and attract quality leaders.
Operation	— Executive Directors may receive such contractual and non-contractual benefits as the Committee considers to be appropriate and consistent with market practice in the relevant market in which the Executive Director is based. — These benefits currently include a car allowance, enhanced sick pay, private medical insurance (for the Executive Director and their spouse/life partner), permanent health insurance and life assurance. — Whilst the Committee does not consider it to form part of benefits in the normal sense, Executive Directors can participate in corporate hospitality (including travel and, where appropriate, with a family member), whether paid for by the Company or another, within its agreed policies with any tax liability met on the Executive Directors' behalf. — In addition, Executive Directors will be paid any statutory entitlements.
Maximum potential value	— The aggregate value of such benefits received by each Executive Director (based on the value included in the individual's annual P11D tax calculation or a broadly equivalent basis for a non-UK based Executive Director) shall not exceed £100,000 or the equivalent if denominated in a different currency (with this maximum increasing annually at the rate of UK CPI from the date of the 2017 AGM). — In addition to the benefits outlined, where Executive Directors are relocated to work in a different country, the Company may pay global relocation support (up to a maximum of £400,000) or the equivalent if denominated in a different currency; and/or provide tax equalisation arrangements in relation to all elements of remuneration.
Performance measures	— Not applicable.

PENSION	
Purpose and link to strategy	— Provide market competitive retirement benefits. — To continue to retain and attract quality leaders.
Operation	— In line with all UK employees, where either annual or lifetime pension allowances are exceeded Executive Directors may receive a cash allowance (Pension Choice) to be paid as, or as a combination of: (i) an employer contribution to the Company's defined contribution pension plan; (ii) a payment to a personal pension plan; or (iii) a salary supplement. — The level of contribution will not exceed the average level paid to staff in the relevant country (currently 10% in the UK).
Maximum potential value	— See above, currently 10% but this may change if the all-employee level changes.
Performance measures	— Not applicable.

ANNUAL BONUS (ANNUAL INCENTIVE PLAN OR AIP)	
Purpose and link to strategy	— Align Executive Director remuneration with annual financial and Company strategic targets as determined by the Company's Business Plan for the relevant financial year. — To differentiate appropriately, in the view of the Committee, on the basis of performance. — Partial award in shares aligns interests with shareholders and supports retention.
Operation	— Awards are subject to continued employment, save in the leaver circumstances described in the Payment for loss of office section of this Policy. — Awards are paid in a mix of cash and deferred shares, with the deferred shares element being at least 40% of the total award. — The Committee reserves discretion to reduce any formulaic outcome if it is not considered appropriate in all the circumstances. — Subject to clawback and malus provisions in situations of personal misconduct and/or where accounts or information relevant to performance are shown to be materially wrong and the bonus paid was higher than should have been the case and/or, in the case of malus, where the individual's actions contributed to a significant adverse impact on the reputation of the Company or Group or a group insolvency. — The recovery and withholding provisions also apply to the deferred element of the AIP delivered under the Deferred Bonus Share Scheme (DBSS).
Maximum potential value	— The maximum bonus opportunity is 200% of base salary (CEO) and 150% (CFO).

Performance measures	— The annual bonus operates by reference to financial and personal performance measures set and assessed over one year. The weighting of the financial measures will be at least 60% of the total opportunity. It is expected that the financial performance measures may include some or all of the following:
	  — Absolute net debt
	  — Administrative expenses
	  — Adjusted Earnings Per Share
	— These measures are aligned to the Company's financial KPIs, as explained in the Company's Strategic Report, and reflect effective delivery of the business model. The Committee reserves the right to change, remove or include these or such other measures as it considers to be an appropriate means of assessing the performance of the Executive Directors.
	— The level of vesting at entry/threshold performance for each performance measure is set annually, but will be between 0% and 25% of maximum (with vesting normally then being on a straight-line or stepped basis from the threshold to the stretch level set for full vesting). On-target and maximum performance levels will also be set. See page 96 of the implementation report.
	— The Committee retains discretion to amend the vesting level (up or down) where it considers it to be appropriate, but not so as to exceed the maximum bonus potential and will fully disclose the exercise of any discretion in the Annual Remuneration Report that follows such exercise of discretion.
	— Once set, performance measures and targets will generally remain unchanged for the year, except targets may be adjusted by the Committee to take account of significant transactions such as acquisitions and/or disposals, changes in accounting standards, or in other exceptional circumstances such as timing of transactions that have a material impact on the Business Plan.

ANNUAL BONUS (DEFERRED SHARE ELEMENT)	
Purpose and link to strategy	— The AIP award is split between cash and a substantial deferred award of shares which aligns interests with shareholders and supports retention.
Operation	— The deferred shares element is currently awarded under the Deferred Bonus Share Scheme (DBSS) (but may be delivered under a different plan with equivalent terms). — The deferral period is currently two years, and may not be shorter. — The deferred shares are subject to the leaver conditions as set out in the Payment for loss of office section of this Policy. — The awards are typically structured as nil-cost share options, but can take other forms such as a conditional award of shares. — Participants are entitled to a dividend equivalent for the period from grant until the vesting date, delivered as additional shares when the shares are transferred to the participant. — Subject to clawback and malus provisions in situations of personal misconduct and/or where performance in the year to which the bonus relates is shown to be materially different from that assumed and, in the case of malus, where there has would otherwise be material reputational damage and/ or a group insolvency.
Maximum potential value	— Awards under the DBSS are granted to deliver the deferred element of the annual bonus, and so no separate maximum applies.
Performance measures	— No further performance targets apply to the deferred shares element of the AIP as these represent previously earned bonuses.

RESTRICTED SHARE SCHEME (RSS)	
Purpose and link to Strategy	— Incentivise the creation of long term returns for shareholders. — Align interests of Executive Directors with shareholders and support retention. — To create alignment with the workforce.
Operation	— Executive Directors are eligible to participate in an annual award under the RSS. — Awards are subject to a three-year underpin period. — Awards are subject to continued employment for three to five years from grant (with one-third of awards contingent on employment to each such anniversary) and only released on the fifth anniversary of grant), save as set out in the Payment for loss of office section of this Policy. — Participants are entitled to a dividend equivalent for the period from grant until the date of release of the shares or, where a holding period applies, to the end of the holding period, delivered as additional shares when the shares are transferred to the participant. — The Committee has discretion to settle awards as a cash payment in place of the transfer of shares. — The Committee reserves discretion to reduce any formulaic outcome if it is not considered appropriate in all the circumstances. — Subject to clawback and malus provisions in situations of personal misconduct and/or where performance in the year prior to grant is shown to be materially different from that assumed and/or, in the case of malus, where there has would otherwise be material reputational damage and/ or a group insolvency.
Maximum potential value	— A discretionary annual award up to a value of 100% of base salary. — The Committee reserves the discretion to increase the maximum award to 150% of base salary in exceptional circumstances.

Performance measures	— Awards will normally vest in full, subject to the following underpin: — that the Group's underlying performance and delivery against its strategy and plans (which may change in response to structural and cyclical changes over time) is sufficient to justify the level of vesting having regard to such factors as the Committee considers to be appropriate in the round. — in normal circumstances, such factors will include consideration of absolute and relative TSR, net debt and Total Property Return (TPR). — when considering these factors, the Committee will assess overall performance in the round, with a default to full vesting unless there has been material underperformance. — The Committee retains the discretion prior to making the award to amend the underpin. — Once set, the Committee may only amend the underpin in respect of outstanding awards in the event that exceptional circumstances occur which make it appropriate to do so, provided that the amended underpin is not, in the view of the Committee, materially less difficult to satisfy.

COLLEAGUE ARRANGEMENTS	
Purpose and link to strategy	— In order to be able to offer participation in these plans to employees generally, the Company is required by the relevant UK legislation to allow Executive Directors to participate on the same terms, or chooses so to do.
Operation	— Executive Directors are eligible to participate in all-employee incentive arrangements on the same terms as other employees. This currently comprises the following arrangements: — Eligible UK employees may participate in the Sharesave and Share Incentive Plan (SIP). — All employees of Hammerson France are eligible to participate in a profit share plan, which rewards performance against such measures as the Committee considers to be appropriate.
Maximum potential value	— Maximum participation levels for Executive Directors are the same as apply to all employees.
Performance measures	— Not generally applicable. An award of free shares under the SIP can be made to all participants and may be subject to a Company performance target.

For details regarding remuneration of other Company employees, please refer to the Employee pay and conditions elsewhere in the Group section of this Policy.

The Payment for loss of office section of this Policy contains details of the impact of a change of control on awards made under AIP, the DBSS and the RSS.

The Committee will determine components of remuneration for new Executive Directors, as outlined in the Recruitment section of this Policy.

Performance measures for the AIP and RSS are set by the Committee taking into consideration a number of factors, including alignment to strategy, the Business Plan, need for consistency between years, changes to the Group's portfolio, market conditions, and need to ensure that targets are sufficiently challenging but also provide motivation to succeed.

It is a provision of this Policy that all pre-existing obligations and commitments that were entered into prior to this Policy taking effect and/or prior to an individual joining the Board will continue and can be honoured on their existing terms. In particular, these may include continued participation in legacy defined benefit pension arrangements together with other obligations and commitments under service contracts, incentive schemes, pension and benefit plans. This includes payments from any outstanding awards other incentive plans provided they were consistent with the Policy at the time they were awarded.

A summary of key changes to the Policy is included in the Committee Chair's letter.

Share ownership guidelines

All Executive Directors are expected to accumulate and maintain a holding in ordinary shares in the Company equivalent to no less than 250% of base salary.

Executive Directors are normally required to achieve the minimum shareholding requirement within seven years of the date of appointment.

Shares to be included in the calculation are:

- Shares held beneficially by the Executive Director and the Executive Director's spouse/life partner.
- Shares held under the DBSS (on a net of tax/ NI basis),
- Shares held under the RSS to the extent that they have satisfied the performance underpin but are subject to a holding period (on a net of tax/NI basis).
- Shares held by the Executive Director under the Share Incentive Plan.

An annual calculation as a percentage of salary is made against the guidelines for each Executive Director as at 31 December each year based on the closing middle market quotation of a share price on the last business day in December. The closing exchange rate as at 31 December is used for Executive Directors whose salary is denominated in a currency other than sterling. No formal sanctions exist for non-compliance.

Post-cessation share ownership

On cessation of employment, Executive Directors are expected to maintain a shareholding equivalent to 250% of base salary for a period of two years. The Committee has discretion to reduce this guideline if it is no longer appropriate. Shares will be valued at the higher of the value on cessation and subsequently. Vesting of RSS grants and DBSS awards will be lodged in escrow to provide an enforcement mechanism.

Recruitment

Statement of Principles

The Company will pay total remuneration for new Executive Directors that enables the Company to attract appropriately skilled and experienced individuals, but is not, in the opinion of the Committee, excessive.

The Company will not pay new Executive Directors any inducements to join the Company over and above buy-outs of existing forfeited awards, as outlined in this section of the Policy.

The Company will disclose to the market on its website in a timely manner the basis of a package agreed with a new Executive Director.

Approach and limits

Annual salary, pension, contractual and non-contractual benefits, annual bonus and long term incentive arrangements (including performance measures and/or conditions and maximum award levels), as described in the Remuneration Policy Table, will be the starting point for the structure of any package. The level of variable remuneration that may be awarded to a new Executive Director will not exceed the maximum AIP and RSS limits that can be awarded in line with the principles set out in the Remuneration Policy Table, with the exception of any compensation for variable remuneration forfeited. Consistent with the regulations; the limits contained within the Remuneration Policy Table for base salary or any other element of fixed pay do apply to a new Executive Director either on joining or for any subsequent salary review within the period of this Policy unless the Committee considers there are exceptional circumstances. However, the Committee would seek to avoid exceeding those limits in practice.

The Company may provide a new Executive Director with global relocation support and/or tax equalisation arrangements as set out in the Remuneration Policy Table.

For a new Executive Director who is an internal appointment, the Company may also continue to honour commitments made prior to the appointment as Executive Director even if those commitments are otherwise inconsistent with the Policy in force when the commitments are honoured. Any relevant existing incentive plan participation may either continue on its original terms or the performance conditions and/or measures may be amended to reflect the individual's new role, as the Committee considers appropriate.

Compensation for variable remuneration forfeited by a new Executive Director

The Company may, where appropriate, compensate a new Executive Director for variable remuneration that has been forfeited as a result of accepting the appointment with the Company. Where the Company compensates a new Executive Director in this way, it will seek to do so under the terms of the Company's existing variable remuneration arrangements as set out in the Remuneration Policy Table.

The Company may compensate on terms that are more bespoke than the existing arrangements where the Committee considers that to be appropriate.

The Committee may also make awards under a long term incentive scheme that does not require shareholder approval if it falls within Listing Rule 9.4.2 (an arrangement established for a director specifically to facilitate, in unusual circumstances, the recruitment of an individual). In such instances, the Company will disclose a full explanation of the detail and rationale for such recruitment-related compensation.

In making such awards, the Committee will seek to take into account the nature (including whether awards are cash or share-based), vesting period and performance measures and/or conditions for any remuneration forfeited by the individual when leaving a previous employer. Where such awards had outstanding performance or service conditions (which are not substantially completed), the Company will generally impose equivalent conditions.

In exceptional cases, the Committee may relax those requirements where it considers this to be in the interests of shareholders, for example through a significant discount to the face value of the replacement awards.

Service agreements for a new Executive Director

The Committee's approach is for the service agreements of new Executive Directors to have due regard to market practice at the date of appointment, the Company's current Policy and the service agreements in place for existing Executive Directors.

The key termination provisions for service agreements for newly appointed Executive Directors will be:

Notice period	No greater than 12 months' notice (either notice to or from the Executive Director) for UK-based Directors. For non UK-based Directors, contracts are designed to meet local laws and have a similar overall effect in terms of the potential cost to the Group. A longer period of notice from the Company may apply to new appointments for a limited time if the Committee considers this is appropriate, but would then reduce to no more than 12 months.
Post-termination restrictions	Compensation in respect of restrictive covenants will be paid as required for enforceability reasons under applicable local statutory (or collective bargaining) requirements. Appropriate post-termination restrictions to protect the Group's confidential information, its customer and supplier connections and/or to prevent poaching of its senior workforce will be included.
Payment in lieu of notice (PILON)	Employment can be terminated by the Company with immediate effect (for any reason) by making a payment in lieu of the outstanding period of notice (PILON). The PILON comprises base pay, and the value of employer's pension contributions, private medical insurance and car allowance. The Company will have discretion to make any PILON on a phased basis, subject to mitigation. No PILON will be made in the event of gross misconduct.
Expiry date	There will be no fixed expiry date. The appointment of new Executive Directors will be terminable in accordance with the notice period.
Change of control and liquidated damages	The Executive Director will not have a right to liquidated damages, whether triggered by a change of control of the Company or otherwise.

The terms summarised above will be subject to any local statutory (or collective bargaining) requirements where applicable. For treatment of incentive awards in connection with termination please see the Payment for loss of office section of this Policy.

Payment for loss of office

Committee considerations on leaving office

The Committee considers the circumstances under which an Executive Director is leaving the Company's employment. In circumstances where a Director is terminated for cause, the Committee typically has limited discretion in connection with remuneration payments. In other circumstances, a range of discretions is available to the Committee.

The following tables set out a summary of obligations contained in the Executive Directors' service agreements which could give rise to, or impact on, remuneration payments for loss of office.

Service agreements and notice periods for current Executive Directors

	Rita-Rose Gagné	Himanshu Raja
Date of service contract	29 September 2020	19 April 2021
Notice period	12 months' notice (both from and to the Executive Director).	
Payment in lieu of notice (PILON)	Employment can be terminated by the Company with immediate effect by making a PILON in respect of the outstanding notice period comprising base salary and the value of benefits in respect of pension, private medical insurance and car allowance. No PILON in event of gross misconduct. The Company has the discretion to make any PILON on a phased basis, subject to mitigation.	

Rita-Rose Gagné and Himanshu Raja will be eligible to be considered at the Committee's discretion for payment of an award under the AIP even if the Company or Director has served notice of termination provided that the Director is employed as at the bonus award date. The treatment of leavers under the AIP, DBSS and RSS arrangements is in accordance with the relevant plan's rules. The Company will pay any additional statutory entitlements where applicable.

Annual bonus and long term incentives

The following table describes the provisions which apply to leavers who are Executive Directors and the discretions available under the AIP, DBSS and RSS. Further detail as to the potential exercise of discretion by the Committee is set out in the Use of discretion section of this Policy.

		Leaving reason						
		Ill-health, injury, disability	**Death**	**Redundancy, sale of Company or business resignation**	**Retirement**	**Voluntary resignation**	**Termination for cause**	**Change of control b**
AIP In all cases, any bonus payable is subject to the normal deferral arrangements, unless the Committee determines otherwise	a	Remains eligible for bonus. Any bonus payable will be time pro-rated unless the Committee decides otherwise.		Remains eligible for full payment of the bonus for a completed performance period. In addition, the Committee has discretion to make pro-rated payments for any performance period not completed.		No right to receive any bonus. Committee has discretion to pay a bonus provided the Executive Director is in employment at the bonus payment date.	No bonus payable.	Bonuses may be awarded under the AIP at the time of the change of control. Unless the Committee determines otherwise, a bonus will be time pro-rated.
DBSS (Deferred share element of AIP)		Full vesting on normal vesting date. Committee may accelerate vesting.				Awards lapse, save that the Committee has discretion to allow up to full vesting on the normal vesting date or the Committee may accelerate vesting.	Awards lapse.	Awards vest in full.
RSS		Awards remain capable of vesting, subject to the underpin. Awards will vest on the normal vesting date subject to the underpin, save that the Committee may accelerate vesting. Unless the Committee determines otherwise, vesting will be time pro-rated.				Awards lapse, save that the Committee has discretion for awards to remain capable of vesting (subject to the underpin) on a time pro-rated basis and may accelerate vesting.	Awards lapse.	Awards vest, subject to the underpin and, unless the Committee determines otherwise, will be time pro-rated.

a Where the date of notice and the date of cessation fall in different performance periods, the provisions relating to AIP as stated above apply in respect of the AIP award for each performance period separately.

b On a corporate event affecting the Company, bonuses and awards under the AIP, DBSS and RSS will be governed by the rules of these plans. The information given here is for summary purposes.

In respect of all-employee plans, including the Company's HMRC-approved, all-employee share plans, the Sharesave and the SIP, and the profit share plan for employees of Hammerson France, the Executive Directors are subject to the same leaver provisions as all other participants.

Use of discretion

The Committee can exercise discretion in various areas of the Policy as set out in this Report. In addition, the Committee has discretion to amend the Policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval. The Committee retains the discretion to override the formulaic outcomes of incentive schemes. In exercising discretion in respect of the AIP or RSS, the Committee will take into account all factors it determines to be appropriate at the relevant time, including but not limited to the duration of the Executive Director's service and its assessment of the contribution towards the success of the Company during that period; whether the Executive Director has worked any notice period or whether (and if so, the extent that) a PILON is being made; the need to ensure an orderly handover of duties and continuity in the business operations of the Company; and the need to settle any claims which the Executive Director may have. In exercising any discretion, the members of the Committee will take account of their duties as Directors.

Other

If the Company terminates an Executive Director's employment by reason of redundancy, the Company will make a redundancy payment to the Executive Director in line with any applicable Company redundancy policy (which includes any entitlement to statutory redundancy pay) and any applicable collective bargaining agreement.

Payment to a departing Executive Director may be made in respect of accrued benefits and accrued untaken holiday.

In connection with an Executive Director ceasing employment, the Company may, if the Committee determines it is in the best interests of the Company, enter into new contractual arrangements with the departing Executive Director including (but not limited to) settlement, confidentiality, restrictive covenants and/or consultancy arrangements on such terms as it considers appropriate. In such case, the Company will make appropriate disclosures of such terms. If a settlement agreement is entered into with the Executive Director, the Company may make payments that it considers reasonable in settlement of potential legal claims, for example unfair dismissal, or where agreed under the settlement agreement. This may include any entitlement to compensation in respect of statutory rights under employment protection legislation in the UK or in other jurisdictions.

A departing gift may be provided (and any tax liability met on the Executive Director's behalf) up to a value of £5,000 (plus the related taxes) per Executive Director on termination of office. The Company may agree to provide other ancillary or non-material benefits in connection with (including in a defined period following) termination, not exceeding a value of £5,000 in aggregate.

Legal fees

Consistent with market practice, the Company may pay reasonable legal fees (and any associated tax costs) on behalf of the Executive Director for entering into a statutory settlement agreement and may pay a contribution of up to £50,000, plus VAT, towards fees for outplacement services as part of a negotiated settlement.

In the case of a corporate transaction, the Company may agree to pay reasonable legal fees (and any associated tax costs) on behalf of the Executive Director for advice on the effect of the corporate transaction on the Executive Director's personal position as a director (including, where appropriate, as to the terms of their employment).

The Company may agree to pay reasonable legal fees (and any associated tax costs) on behalf of the Executive Director for advice related to any proposed changes to their terms and conditions of employment during their period of employment.

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

Other appointments: new and existing Executive Directors

Executive Directors are able to accept, with the consent of the Company's Board of Directors, non-executive appointments outside the Company (provided that such appointments do not lead to a conflict of interests) on the basis that such external appointments can enhance their experience and skills and add value to the Company.

Any fees received by an Executive Director for such external appointments can be retained by the individual (except where the Executive Director is appointed as the Company's representative).

Chair and Non-Executive Directors' remuneration

Remuneration Policy for Non-Executive Directors

Purpose and link to strategy

Ensure the Company continues to attract and retain high-quality Chair and Non-Executive Directors by offering market-competitive fees.

Current fees (per annum) as at April 2023 are:

	£
Chair	300,000
Non-Executive Director	61,500
Senior Independent Director	10,000
Chair of Audit Committee	15,000
Audit Committee member	5,000
Chair of Remuneration Committee	15,000
Remuneration Committee member	5,000
Designated Non-Executive Director for Colleague Engagement	8,000

Operation

The Chair's fee is determined by the Committee. Other Non-Executive Directors' fees are determined by the Board on the recommendation of the Executive Directors.

Fee levels are reviewed periodically taking into account independent advice and the time commitment required of Non-Executive Directors.

Fees paid aim to be competitive with other listed companies which the Committee (in the case of the Chair) and the Board (in respect of Non-Executive Directors) consider to be of equivalent size and complexity but are not set by reference to a prescribed benchmark. Fees are paid monthly in arrears.

The Chair does not receive any additional fee in respect of membership of any of the Committees.

Other Non-Executive Directors may receive additional fees for membership and/or chairmanship of the Remuneration and Audit Committees. No additional fee is currently paid to the Chair or members of the Nomination and Governance Committee. There is also an additional fee for the Senior Independent Director and the Designated Non-Executive Director for Colleague Engagement. The level of additional fees is set to reflect the responsibilities of the role.

Maximum limit

Aggregate total fees payable annually to all Non-Executive Directors are subject to the limit as stated in the Company's Articles of Association (currently £1,000,000). The Committee reserves the right to provide additional fees within the stated limit, including for membership of any additional Committee the Board may establish.

Other benefits

There are no other benefits currently available to any of the Non- Executive Directors. Whilst the Company does not consider that reimbursing travel and accommodation expense (including to the Company's London office) is a benefit in the normal sense, should any assessment to tax be made on such reimbursement, the Company reserves the ability to settle such liability on behalf of the Non- Executive Director.

Non-Executive Directors are not eligible for performance-related bonuses or participation in the Company's share plans, nor do Non-Executive Directors receive any pension benefits.

Whilst the Company does not consider it to form part of benefits in the normal sense, Non-Executive Directors can participate in corporate hospitality (including travel and, where appropriate, with a family member), whether paid for by the Company or another, within its agreed policies.

A departing gift may be provided (and any tax liability met on the Non-Executive Director's behalf) up to a value of £5,000 (plus the related taxes) per Non-Executive Director on termination of office.

The Chair and the Non-Executive Directors do not have service agreements with the Company. Their appointments are governed by letters of appointment, which are available for inspection on request. The letters of appointment of Non-Executive Directors are reviewed by the Chair and the Executive Directors every three years.

Appointments of Non-Executive Directors are for a term of three years, subject to the right of either party to terminate the appointment on not less than three months' notice or immediately should a conflict of interest arise. If any Non-Executive Director is not re-elected at the Company's Annual General Meeting, the appointment will cease automatically.

On termination of an appointment, a Non-Executive Director is only entitled to such fees as may have accrued to the date of termination, together with the reimbursement in the normal way of any expenses properly incurred prior to that date.

The dates of the appointments of the Non-Executive Directors in office as at 31 December 2022 are set out below.

	Date of original appointment to Board	Commencement date of current term	Unexpired term as at April 2023
Robert Noel	1 September 2020	1 September 2020	5 months
Habib Annous	5 May 2021	5 May 2021	1 year, 1 months
Méka Brunel	1 December 2019	1 December 2022	2 years, 8 months
Mike Butterworth	1 January 2021	1 January 2021	9 months
Adam Metz	22 July 2019	22 July 2022	2 years, 3 months
Carol Welch	1 March 2019	1 March 2022	1 year, 11 months

Employee pay and conditions elsewhere in the Group

Consideration of the remuneration of the wider workforce forms an important part of the policy review. Set out below is a summary of employee pay and conditions. Remuneration packages for all Group employees may comprise both fixed and variable elements. Generally, the more senior the individual, the greater the variable pay offer as a proportion of overall pay due to the ability of senior managers to impact more directly upon the Group's performance. As well as assessing the remuneration packages of the Executive Directors, the Committee reviews the remuneration of the senior management team and is kept informed of remuneration developments across the Group, including the salary increases and employee benefits of the wider employee population.

The Committee has regard to market data and to internal relativities when considering the appropriateness of pay levels for its Executive Directors and members of the Committee bring their own experience and knowledge in considering any proposals.

In 2022, Habib Annous (as Chair of the Committee) and Carol Welch (as Designated Non-Executive Director for Colleague Engagement) met with the employee forum to discuss executive remuneration and explain how it aligns with the wider Company pay policy. The consultation was supportive, in particular, of the increased weighting on sustainability from 8% to 10%. The forum requested that the Committee consider including an element on Social within the 25% attributable to personal performance for the AIP. The Committee has welcomed the feedback and intends to incorporate this for the 2023 AIP targets.

Summary of 2023 remuneration structure for employees below Board level

Element	Approach/Policy
Base salary	An assessment is made each year on pay increases across the Group. The assessment may include benchmarking exercises for different roles. Other factors taken into consideration are the Group's performance, competition in the marketplace and general economic climate, specifically rates of inflation and wage growth. Pay increases are expected to be in line with market rate and any increase awarded to an individual will reflect competence and experience. Exceptional pay increases are sometimes awarded to bring pay in line with market practice or recognition of an individual's development within a role or on promotion. More usually exceptional personal performance is recognised through variable pay.
Annual bonus	An annual cash bonus scheme is operated throughout the Group. Although there are some minor differences in application of the scheme according to jurisdiction of employment, the same principle applies to all employees in that there is an opportunity to receive a bonus based on personal, team or Group performance or a mixture of both. Generally, the more senior the employee the more the weighting is towards Company performance. The maximum cash bonus opportunity varies according to seniority. In addition to Executive Directors, Group Executive Committee members have a proportion of their award deferred into shares.
Pension	The pension offering forms an important part of the reward package across the Group. All employees may participate in one of a number of defined contribution pension arrangements across the UK and Ireland. Employee and employer contribution structures vary depending on the scheme.
Share schemes	A variety of all-employee and discretionary share schemes are in operation across the Group. Generally, where local legislation allows, eligible employees, including Executive Directors, may participate in an all-employee share scheme such as the Sharesave scheme operated in the UK and Ireland. In addition, a number of UK employees have the opportunity to join the UK Share Incentive Plan (SIP), with the potential for an annual SIP Free Share Award based on Group stretch performance. Employees of Hammerson France are eligible to participate in a profit share plan which rewards performance against certain performance measures. Senior employees in the UK may participate in restricted share awards on a similar basis to the Executive Directors and in France in the Free Shares Award Scheme.
Employee benefits	Benefits offered by the Group include life assurance, private medical care, car allowances, permanent health insurance and health checks. The offer of a particular benefit to an employee will depend on location within the business, their role and seniority.

Shareholder engagement

During 2022, the Company consulted with its major shareholders together with the principal proxy advisory firms and again received feedback on the proposals. Following that consultation, the Committee concluded that there was no significant majority view to change the current arrangements and believes the current approach and the proposed 2023 Policy is the most appropriate at this stage in the Company's evolution. Positive feedback was received on the inclusion of social metrics within the personal objectives. Despite the current trend away from more traditional LTIPs to Restricted Share Schemes (RSS) as adopted by the Company in 2020, some shareholders retain an inherent preference across their portfolios for more traditional LTIPs. While seeking to renew the current policy at the 2023 AGM including the use of the RSS, the Committee agrees that each form of long-term incentive has merits and plans to keep this under review for the future. Further details are set out in the Chair's letter at the start of this report.

Illustration of application of the Policy

Set out below is an illustration of the reward mix for the Executive Directors at minimum, on-target and maximum performance under the Policy.

Illustration of application of the Policy (£000s)

Rita-Rose Gagné

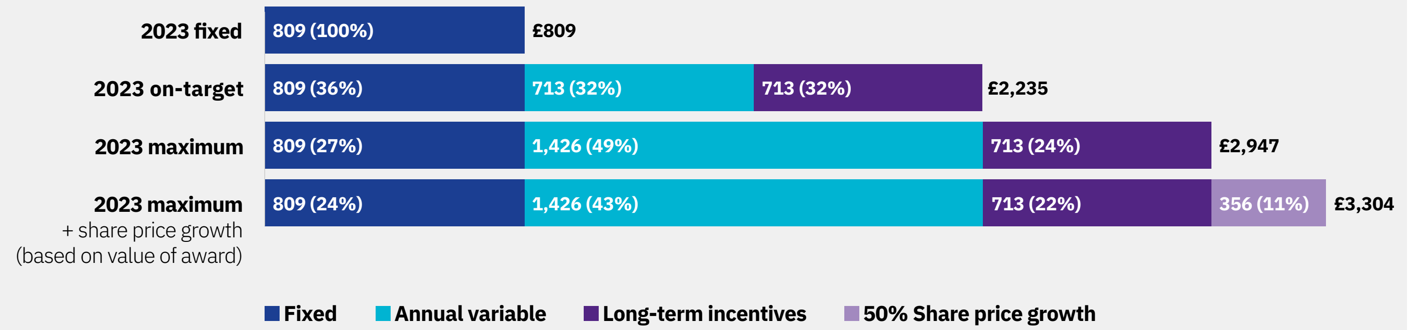
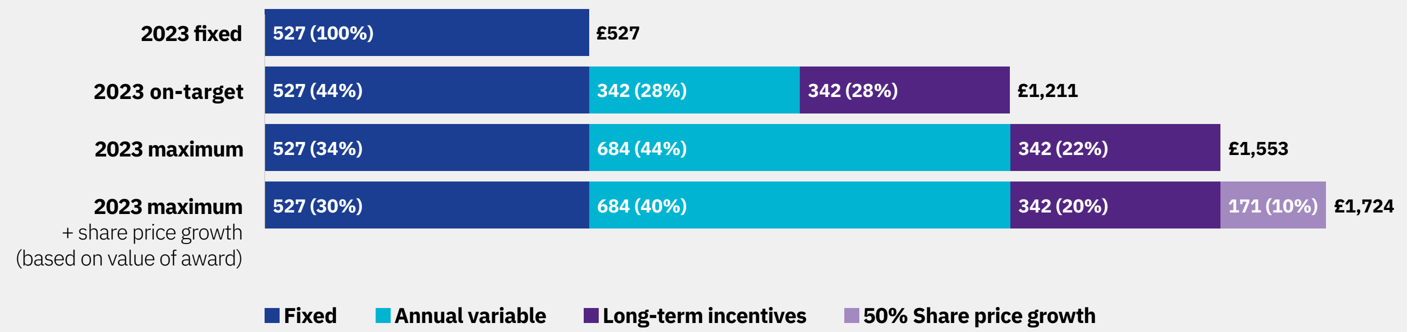


Illustration of application of the Policy (£000s)

Himanshu Raja



Assumptions: Executive Director remuneration scenarios 2023

Element	Approach/Policy
Fixed	Consists of base salary, contractual and non-contractual benefits, pension and participation in the UK all-employee share plans. Base salary is the salary to apply after salary increases take effect on 1 April 2023. Benefits are as shown in the Single Figure Table for 2022 in the Annual Remuneration Report. Pension contributions are based on salary after salary increases take effect on 1 April 2023.

	Base Salary £000	Benefits £000	Pension £000	Total Fixed £000
Rita-Rose Gagné	713	25	71	809
Himanshu Raja	456	25	46	527

Element	Approach/Policy
On-target	Based on what the Executive Director would receive if performance was in line with expectation (excluding share price appreciation and accrual of dividend equivalent payments): AIP: consists of on-target levels (50% of maximum bonus opportunity). RSS: Assumes maximum vesting of awards (100% of salary for the CEO and 75% for the CFO).
Maximum	Based on the maximum remuneration receivable (excluding share price appreciation and accrual of dividend equivalent payments): AIP: consists of the maximum bonus opportunity in 2023 (200% of base salary for CEO, 150% of base salary for the CFO). RSS: assumes maximum vesting of awards (100% of salary for the CEO and 75% for the CFO).
Impact of share price appreciation	50% of maximum RSS award value.