



Committee members

June Barnes (Chair)

Ian Barlow

Rosemary Boot

Sanjeev Sharma

Key activities in 2018/19

- New members appointed to the Committee
- Review of the impact of the 2018 UK Corporate Governance Code
- Approval of the remuneration for Executive Directors and senior management
- Review of workforce remuneration policies
- Amendment to Group policies
- Review of terms of reference

Key focus areas for 2019/20

- Review the remuneration policy prior to seeking approval at the 2021 AGM
- Review workforce remuneration arrangements and alignment with the Directors' remuneration policy
- Set the remuneration for Executive Directors and senior management
- Review of continuing evolution of governance standards and best practice
- Continue the workstreams already in process in relation to the 2018 UK Corporate Governance Code
- Consider additional ways to engage with employees on the remuneration policies in place for Executive Directors and senior management

→ The terms of reference of the Remuneration Committee are on the Company's website: www.urbanandcivic.com/about-us/corporate-governance/remuneration-committee



The Remuneration Committee continues to lead discussions on remuneration of Executive Directors and senior management and on the wider Group policies. We aim to apply best practice across our remuneration structure.

June Barnes

Chair of the Remuneration Committee

Directors' remuneration report

This Directors' remuneration report is divided into the following sections:

Remuneration at a glance

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Introduction by the Chair of the Remuneration Committee

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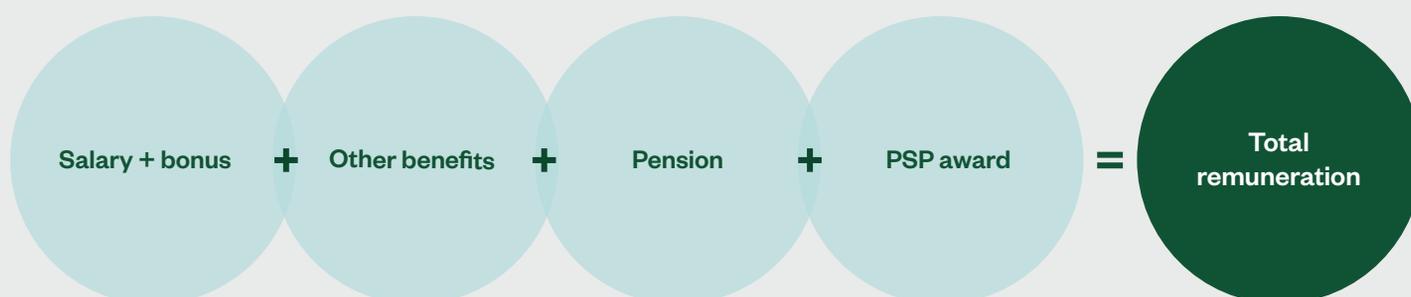
Directors' remuneration policy, as approved by shareholders at the 2018 AGM

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Annual report on remuneration setting out the operation of the policy during the year under review and how the policy will be implemented in 2019/20

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Remuneration at a glance



Cash settled remuneration	Benefits	Benefits	Share awards
Short term	Short term	Long term	Long term

Group performance in 2019

EPRA NAV

£527.5m

EPRA NAV per share

360.3p

Cash flow generation
from plot completions

£34.3m

TSR

7.8%

Dividends per share¹

3.6p

1. Paid during the year.

Remuneration across the Group

Total spend on pay

£14.9m

97%

of the workforce² received a bonus in respect of the year ended 30 September 2019

Average increase to Executive Directors' base salaries¹

2.5%

79%

of the workforce² were granted PSP awards during the year ended 30 September 2019

Average increase to employees' base salaries^{1,2}

2.5%

1. 1 October 2018 to 1 October 2019.

2. Employees other than Executive Directors.

INTRODUCTION

Dear Shareholder,

I am pleased to introduce the Directors' remuneration report for the financial year ended 30 September 2019.

I have chaired the Remuneration Committee since 2017. I led the evolution of the current Directors' remuneration policy, as approved by shareholders at the 2018 AGM, and have overseen its implementation since that date.

This introduction covers the key activities of the Committee over the year, work undertaken in relation to the 2018 UK Corporate Governance Code (the '2018 Code') and an overview of expected activities for the year ahead. This is followed by the Directors' remuneration policy and a report on the operation of the policy during the year under review. The annual report on remuneration contains details of payments during the financial year and how we intend to implement the remuneration policy for the next financial year. This part of the report is subject to an advisory vote at the 2020 AGM.

Introduction

The Remuneration Committee's key role is to ensure that the remuneration policy for Executive Directors is appropriately designed to promote the long-term success of the Company and is a fair reward structure to incentivise Executive Directors to deliver the Group's strategic objectives and to align their pay and incentives with the delivery of these objectives and with financial returns for shareholders. The Committee ensures that the remuneration policy and practices for senior management and the wider workforce are aligned with the policy for Executive Directors.

The remuneration structure takes into account the performance of the Group and of individuals. The Committee also considers market comparisons and the attraction, retention and motivation of high calibre individuals throughout the Group. The Committee is responsible for the remuneration structure for senior management, which has been defined as members of the Executive Management Committee, and has oversight of Group workforce reward policies and remuneration and benefits for all employees. The Committee works with the Group's HR Manager (who was appointed during the year) and, where appropriate, with external consultants, to ensure that remuneration levels for employees are in line with market expectations for their level and contribution to the Company. Executive management, in conjunction with the HR Manager, assesses the structure and groupings of job families which ensures analysis and comparison of comparable roles to ensure a consistency of approach across the Group. The Committee reviews all elements of remuneration, including salaries, pension, bonus and PSP awards, which provides a comparison of total remuneration rather than focusing on individual elements.

The Committee reviews the performance of Executive Directors against agreed objectives when considering remuneration. Objectives for all other employees, including senior management, are identified as part of the annual performance review process and are assessed in relation to remuneration awards.



The Committee ensures that the remuneration policy and practices for senior management and the wider workforce are aligned with the policy for Executive Directors.

The Executive Directors review the performance objectives of senior management and it has been agreed that they will report back to the Remuneration Committee with an assessment of performance against these objectives. This will enable the Committee to have a clear oversight of the performance objectives of senior management. The Board also reviews the business plans and budgets of projects, which reflect team objectives.

All employees have defined maximum bonus opportunities upon which the payment of any bonus depends.

During the year

We have spent considerable time reviewing the new governance requirements. We have looked at the ways in which we already comply with the 2018 Code and the actions required to ensure full compliance. Included in this report is a summary which sets out the work we have undertaken to date and the areas on which we remain focused. The Committee's terms of reference have been updated to reflect the recommendations of the 2018 Code and are available on the Company's website.

The Committee also reviewed the current Directors' remuneration policy during the year to ensure that it is working effectively, is aligned to the interests of shareholders and stakeholders and is operating in line with the Company's long-term business strategy, culture and values. No changes are proposed at the 2020 AGM and it is anticipated that any revisions to the policy will be proposed at the 2021 AGM. The structure of our remuneration arrangements for 2019/20 will therefore remain unchanged from that applied in 2018/19.

The Group has adopted a policy of paying more than the living wage benchmark published by the Living Wage Foundation and is committed to providing a fair wage for all employees. The Group operates generous benefits policies in which all employees are eligible to participate.

Membership and meetings

During the year, the membership of the Remuneration Committee was reviewed by the Nomination and Governance Committee and the Board. On 23 May 2019, Rosemary Boot and Sanjeev Sharma were appointed as members of the Committee. Duncan Hunter resigned as a Non-Executive Director and member of the Committee on 13 February 2019. There were no other changes to the Committee membership during the year. Jon Di-Stefano will be appointed as a member of the Committee with effect from 1 January 2020.

Attendance by the members of the Committee at the five scheduled meetings held during the year ended 30 September 2019 is shown below:

		Independent	Date of appointment to the Committee	Committee tenure as at 30 September 2019	Meetings attended/eligible to attend
June Barnes	Chair	Yes	01/07/17	2 years 3 months	5/5
Ian Barlow	Member	Yes	01/09/16	3 years 1 month	5/5
Rosemary Boot	Member	Yes	23/05/19	4 months	1/1
Sanjeev Sharma	Member	Yes	23/05/19	4 months	1/1

Committee meetings are attended by all members of the Committee and the Company Secretary. Other Directors and advisers attend by invitation. Throughout the year the Committee was advised by Aon Hewitt as independent remuneration consultants. No Director or employee is involved in discussions on their own pay.

Agenda items are linked to a structured calendar of items for discussion and/or decision to ensure that the Committee carries out a thorough and effective review of key regulatory and governance areas. This process is managed by the Company Secretary who updates the calendar on a regular basis to ensure that it is current and reflects up-to-date guidance and requirements. We receive regular updates on governance, market and best practice developments and review our role and the operation of our policies taking this into account. We aim to apply best practice in our remuneration policies.

A summary of the key agenda items discussed during the year is set out later in this report.

Employee engagement

We have three Executive Directors and c.90 permanent employees with 14 members of senior management, all of whom are members of the Executive Management Committee.

Average length of service is:

Executive Directors	9.76
Senior management	8.98
All other employees	5.22

The Group has established a learning and development function enabling employees the opportunity to enhance their skills and to develop in their roles. This helps employees to meet their career aspirations and provides an ideal opportunity to identify and cultivate succession plans throughout the Group, encouraging stability.

We continue to be committed to the retention and development of our workforce and to ensure that Urban&Civic continues to be a company that seeks to attract, retain and reward top talent, while not overpaying.

A description of our engagement with the workforce is found in the corporate governance report.

Corporate governance during the year

The Company is not required to report on its compliance with the 2018 Code until the financial year ending 30 September 2020 but, as reported last year, has sought early adoption. The Company Secretary carried out a detailed analysis of the provisions of the 2018 Code and presented the results and recommendations to the Committee, which reviewed proposed actions in conjunction with guidance from the Company's advisers. As a result, we have made some changes to our operation.

The following is a summary of the key provisions of the 2018 Code relating to remuneration committees and the actions taken to address them during the year. The Committee will continue to monitor and consider best practice and market trends in relation to these requirements.

Corporate governance during the year continued

Area	2018 Code provision	Action taken
<p>Performance objectives</p>	<p>Non-Executive Directors should scrutinise and hold to account the performance of senior management and individual Executive Directors against agreed performance objectives.</p>	<p>The Remuneration Committee has in place an established process for the review of the performance of Executive Directors. During the year, the Committee reviewed the process by which it reviews the performance objectives of senior management, as described elsewhere in this report.</p>
<p>Remuneration committee chair</p>	<p>Before appointment as chair of the remuneration committee, the appointee should have served on a remuneration committee for at least 12 months.</p>	<p>The current Chair of the Remuneration Committee had not served as a member of the Committee for 12 months at the time of appointment as Chair, which took place prior to the introduction of the 2018 Code. She had, however, attended several meetings as an observer in advance of the appointment, providing knowledge and experience of how the Committee operates.</p> <p>When forward planning for the appointment of the next Remuneration Committee Chair, the Nomination and Governance Committee will ensure that any candidate has previously served as a member of a the Remuneration Committee for 12 months.</p> <p>The terms of reference have been amended to reflect these requirements.</p>
<p>Senior management and workforce</p>	<p>The remuneration committee should determine the policy and set remuneration for the chair, executive directors and senior management. It should review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration.</p>	<p>The remit of the Remuneration Committee has been expanded to include the setting of the level and structure of remuneration (rather than just overview) for senior management and the review of workforce remuneration and related policies.</p> <p>The terms of reference have been amended to reflect the above requirements.</p>
<p>Post-employment shareholding requirements</p>	<p>The remuneration committee should develop a formal policy for post-employment shareholding requirements.</p>	<p>The current remuneration policy includes share ownership requirements for Executive Directors. The Committee has held some initial discussions on the introduction of post-employment shareholding requirements and will review further in 2019/20.</p>

Area	2018 Code provision	Action taken
Share awards	Share awards should be released for sale on a phased basis and be subject to a total vesting and holding period of five years or more.	PSP awards for Directors are already subject to a three-year vesting period and two-year holding period.
Discretion and judgement	Remuneration schemes and policies should enable the use of discretion to override formulaic outcomes and should include provisions to enable the company to recover and/or withhold payments.	The Remuneration Committee reviewed proposed amendments to the rules of the Group's Annual Bonus Plan and Performance Share Plan to update them in line with the 2018 Code recommendations. The amendments introduced discretion to override formulaic vesting outcomes and reviewed malus and clawback provisions. These amendments have been approved by the Board.
Pension alignment	Pension contribution rates for executive directors, or payments in lieu, should be aligned with those available to the workforce.	The Committee reviewed the pension provisions for Executive Directors and the workforce. The Group currently operates a non-contributory scheme offering a 10 per cent contribution to an employee's pension scheme (or salary equivalent). The rate for incumbent Executive Directors is 15 per cent salary but new Executive Directors will receive 10 per cent salary, in line with the workforce. The Committee will keep the rates for incumbent Directors under review in 2019/20.
Workforce engagement	The remuneration committee should report on what engagement has taken place with the workforce.	Our engagement with the workforce is described in more detail in the corporate governance report. Options are being considered to discuss remuneration policies and resultant pay with employees, through our employee engagement mechanism.
Policy and practices	Remuneration policy and practices should support clarity, simplicity, risk, predictability, proportionality and alignment to culture.	The Committee will address this as part of its review of the remuneration policy during 2019/20 and in its setting of objectives for the Executive Directors.



Main activities of the Committee during the year ended 30 September 2019

► Salary and bonus

Approval of salary increases to take effect from 1 October 2018 for Executive Directors and senior management, and review of awards for the wider workforce.

Assessment of the achievement of the Executive Directors' bonus objectives for the financial year ended 30 September 2018 and determination of the bonus for Executive Directors based on the achievement of these objectives.

Approval of bonus awards to senior management and review of awards to all other employees, based on recommendations by management and noting the performance metrics applied by management in proposing these awards.

Approval of the vesting of the deferred share bonus awards granted in respect of the financial year ended 30 September 2016, in accordance with the rules of the Annual Bonus Plan and the Deferred Share Bonus Scheme adopted by the Company in 2016.

Review and approval of the Executive Directors' bonus objectives for the year ending 30 September 2019 and interim review of the progress by the Executive Directors on the achievement of these objectives.

Review of shifts in salary and bonus trends across the Group.

► PSP awards

Assessment of the achievement of the performance conditions of the PSP awards granted in June 2016, in respect of the performance period 1 October 2015 to 30 September 2018.

PSP awards were granted in December 2018 which are expected to vest in December 2021 subject to performance conditions. The Committee reviewed and approved the PSP awards to Executive Directors, senior management and all other employees, and agreed the performance conditions in respect of the performance period 1 October 2018 to 30 September 2021.

Review of a schedule of headroom of shares held by the Employee Benefit Trust to ensure that there is sufficient capacity to issue shares on the exercise of PSP awards.

► Governance

Review and action relating to the introduction of the 2018 Code and agreement of 2019/20 workstream.

Review of schedule of compliance with share ownership guidelines for both Executive Directors and selected members of senior management.

Annual review of appointments of employees with third parties, outside of their Urban&Civic role.

Review of the performance and effectiveness of the Committee, taking into account the duties and responsibilities set out in its terms of reference.

Review and approval of 2018 Directors' Remuneration Report for inclusion in the 2018 Annual Report.

The Committee reviewed and updated its terms of reference to reflect its expanded remit and responsibilities under the 2018 Code and best practice guidelines.

Received training (in the form of briefings and presentations at Committee meetings) on reporting requirements, the implications of the 2018 Code and other remuneration related matters.

► Workforce

Review of management responses to a third party compensation review, which covered the methodology and benchmarking applied to workforce remuneration and included an analysis of market trends.

Approval of the structure and criteria for the assessment of employees' bonuses with objectives defined as 50 per cent corporate goals, 30 per cent personal goals and 20 per cent business unit goals, in line with the structure for Executive Directors.

Annual review of joiners and leavers.

Performance and reward in the year to 30 September 2019

Our remuneration framework is aligned with the Company's strategic direction and performance and there is a clear link between results and rewards. The Group's results for the year ended 30 September 2019 are discussed in the strategic report on pages 4 to 63. The Group has reported a total comprehensive income for the year of £12.6 million, IFRS net assets of £403.0 million and EPRA net assets of £527.5 million at 30 September 2019, 3.6 per cent and 9.6 per cent higher compared against the same respective net asset valuations at 30 September 2018. Reflecting performance against EPRA net asset growth targets, individual performance of the Executive Directors against their personal objectives and performance against cash generation targets, annual bonus awards for the Executive Directors for the year ended 30 September 2019 were between 61.4 and 64.4 per cent of salary (out of a possible 100 per cent). Further details are set out in the annual report on remuneration.

The Committee has reviewed achievement against objectives and believes that the remuneration of the Executive Directors reflects the performance of the Group.

Details of the changes to the salaries of the Executive Directors are set out in the annual report on remuneration.

Performance Share Plan awards

PSP awards granted in December 2016 are due to vest in December 2019, based on performance from 1 October 2016 to 30 September 2019. Following an assessment of performance, 72.2 per cent of the shares are expected to vest. Half of these awards were subject to an EPRA NAV performance condition and half were based on a relative TSR performance condition. Further details are set out in the annual report on remuneration.

The Committee intends to grant awards under the PSP rules for the performance period from 1 October 2019 to 30 September 2022 within six weeks of the announcement of the results for the year ended 30 September 2019. While award levels and performance targets have yet to be determined, award levels will be within the normal maximum annual grant limits and performance metrics will be based on EPRA NAV and absolute TSR conditions. We believe that the TSR measure directly aligns our executive team with the value created for shareholders over the long term.

The year ahead

The main focus of the Committee in the coming year will be to further develop its role in line with the provisions of the 2018 Code and to continue the development of the employees' reward framework, including the setting of senior management remuneration and the oversight of remuneration policies for all Group employees. We will ensure the alignment of workforce remuneration arrangements with the remuneration policy. We will also continue to review the ways we communicate senior pay issues.

We will continue to assess the role of the Committee to reflect corporate governance requirements, institutional shareholder guidelines and best practice.

We will be reviewing our current remuneration policy and remuneration arrangements during the year ahead and any changes will be proposed to shareholders at the 2021 AGM. Performance will be rewarded with transparent and competitive remuneration and will support the strategic aims and values of the Group.

We will continue to monitor gender pay.

Engagement with shareholders

We consulted our major shareholders when reviewing our remuneration policy in 2017 (prior to approval at the 2018 AGM), engaging with them on all of the proposed policy changes. During the year ended 30 September 2019, there were no changes to the remuneration policy or issues of concern raised on remuneration by shareholders and therefore there was no specific consultation with shareholders on remuneration. We intend to carry out a review of the remuneration policy next year, prior to seeking approval at the 2021 AGM. We will seek consultation with our major shareholders on any proposed changes and we will welcome and encourage engagement with shareholders during this process.

All Committee members attend the AGM and are available to answer any queries the shareholders may have.

If you would like to discuss any aspect of the remuneration policy, please contact me through the Company Secretary, Heather Williams on heather.williams@urbanandcivic.com.

2019 AGM

I hope you find this remuneration report clear and informative and I look forward to receiving your support for the resolution to approve the annual report on remuneration at the 2020 AGM.



June Barnes

Chair of the Remuneration Committee
27 November 2019

DIRECTORS' REMUNERATION POLICY REPORT

The following is the Directors' Remuneration Policy report, as approved by shareholders at the 2018 AGM. There have been no changes since that date. In the interest of clarity, some minor updates are made when necessary to reflect changes to base salaries which occur during the policy's effective period.

Introduction and overview

The Group's remuneration policy is designed to provide competitive rewards for its Directors, taking into account the performance of the Group and individual executives, together with comparisons of pay conditions throughout the markets in which the Group operates. It is the aim of the Committee to attract, retain and motivate high calibre individuals with a competitive remuneration package. It is common practice in the industry for total remuneration for Executive Directors to be significantly influenced by bonuses and long-term incentives.

The remuneration packages are constructed to provide a balance between fixed and variable rewards. Therefore, remuneration packages for Executive Directors normally include basic salary and benefits in kind with variable pay based on performance related annual bonus and long-term incentive plans.

Summary of remuneration policy

The Directors' remuneration policy set out below was approved by shareholders at the 2018 AGM.

Element	How component supports corporate strategy	Operation	Maximum	Performance targets and recovery provisions
Executive Directors				
Base salary	To provide a competitive salary level to attract and retain high calibre executives.	Basic salaries are reviewed on an annual basis. The Committee seeks to establish a basic salary for each position determined by individual responsibilities and performance taking into account comparable salaries for similar positions in companies of a similar size in the same market.	There is no prescribed maximum base salary or annual salary increase. The Committee is guided by the general increase for the broader employee population but may decide to award a lower increase for Executive Directors or indeed exceed this to recognise, for example, an increase in the scale, scope or responsibility of the role and/or to take into account relevant market movements. Current salary levels are set out in the annual report on remuneration.	Not applicable.
Pension	To provide a competitive level of contribution to pension arrangements.	Company contribution normally paid monthly into the Company's pension scheme, into a personal pension arrangement and/or as a cash supplement.	Up to 15 per cent of salary for existing Executive Directors. Up to 10 per cent for any new Executive Directors (in line with the rest of the workforce).	Not applicable.
Benefits	To provide a competitive level of benefits.	Car allowance (or company car), private medical insurance, permanent health insurance and life assurance provided. Other benefits may be provided where relevant.	Provided at approved cost.	Not applicable.
Annual bonus	To drive and reward annual performance of individuals, teams and the Group.	Based on performance during the relevant financial year. Bonus will be paid in cash.	Up to 100 per cent of base salary.	Performance period: normally one year. The majority (if not all) of the performance targets will be based on financial targets with any remainder based on personal/strategic targets. Clawback provision operates.

Consideration of shareholder views

The Company encourages two-way communication with both its institutional and private shareholders and the Committee is committed to considering shareholder feedback received. This feedback, plus any additional feedback received during any meetings from time to time, is considered as part of the Group's annual review of remuneration policy. In addition, the Remuneration Committee will seek to engage directly with major shareholders and their representative bodies should any material changes be made to the remuneration policy.

Consideration of employment conditions elsewhere in the Group

The Group employs around 90 people and the Committee considers the general base salary increase for all employees when determining the annual salary increases for the Executive Directors and considers quantum and the structure of pay across the Group more generally when reviewing the Executive Directors' remuneration policy.

Employees have not been consulted in respect of the design of the Group's senior executive remuneration policy, although the Committee will keep this under review.

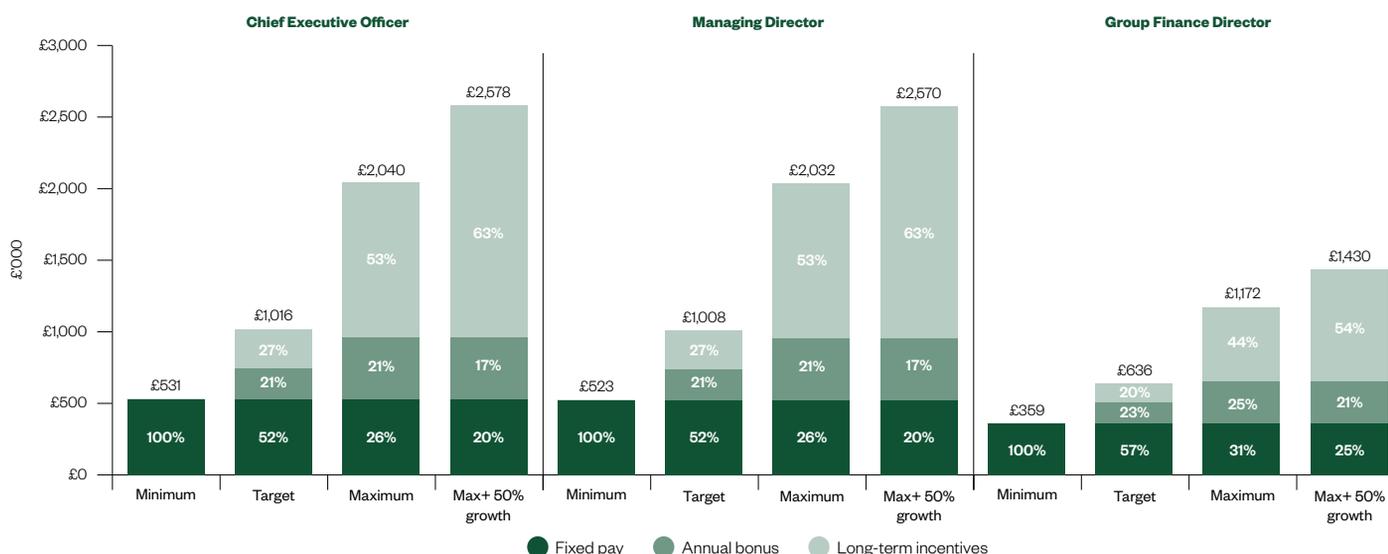
Element	How component supports corporate strategy	Operation	Maximum	Performance targets and recovery provisions
Executive Directors continued				
Long-term incentives – Performance Share Plan (PSP)	To drive and reward the long-term performance of the Group and to align the interests of management.	<p>Awards granted under the PSP have the following features:</p> <ul style="list-style-type: none"> • conditional awards or nil/nominal cost options; • vesting is dependent on the satisfaction of performance targets and continued service; and • awards are subject to a two-year holding period. 	<p>300 per cent of salary for CEO and MD.</p> <p>275 per cent of salary for other Executive Directors.</p>	<p>Performance period: normally three years.</p> <p>25 per cent of an award vests at threshold performance (0 per cent vests below threshold), increasing to 100 per cent pro-rata for maximum performance.</p> <p>Performance will be measured against TSR and/or relevant financial measures.</p> <p>Clawback provision operates.</p>
Share ownership guidelines	To further align executives with shareholders.	The Committee requires that Executive Directors satisfy a minimum shareholding requirement.	Minimum of 500 per cent of salary for the current CEO and MD and 250 per cent for any other Executive Director (including the current FD).	Not applicable.
Non-Executive Directors				
Fees	To provide fees reflecting time commitments and responsibilities of each role, in line with those provided by similarly sized companies.	<p>Cash fee normally paid on a monthly basis.</p> <p>Non-Executive Directors' fees are determined by the Executive Directors having regard to the need to attract high calibre individuals with the right experience, the time and responsibilities entailed and comparative fees paid in the market in which the Group operates.</p> <p>Taxable benefits may be provided where appropriate including the reimbursement of expenses.</p>	<p>There is no prescribed maximum individual fee or fee increase.</p> <p>The Board (excluding Non-Executive Directors) is guided by the general increase for the broader employee population, time commitment, scope and responsibility of the role and/or relevant market movements.</p> <p>Current fee levels are set out in the annual report on remuneration.</p>	Not applicable.

Notes:

1. A description of how the Company intends to implement the policy set out in this table is found in the annual report on remuneration.
2. Below Board level, a lower or no annual bonus may apply. In general, these differences arise from the development of remuneration arrangements that are market competitive for the various categories of individuals, together with the fact that remuneration of the Executive Directors and senior executives typically has a greater emphasis on performance related pay.
3. The choice of the performance metrics applicable to the annual bonus scheme reflects the Committee's belief that any incentive compensation should be appropriately challenging and tied to both the delivery of financial targets and specific individual objectives. Further details of the choice of performance measures and performance targets are set out in the annual report on remuneration.
4. The performance conditions applicable to the PSP (see the annual report on remuneration) are selected by the Remuneration Committee on the basis that they reward the delivery of long-term returns to shareholders and are consistent with the Company's objective of delivering superior levels of long-term value to shareholders.
5. The Committee operates the PSP in accordance with the plan rules and the Listing Rules and the Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of the plan. Dividend equivalents may be paid on PSP awards.
6. Executive Directors may participate in any all-employee share plan to the extent operated.
7. For the avoidance of doubt, in approving this Directors' remuneration policy, authority is given to the Company to honour any commitments entered into with current or former Directors (such as the payment of a pension, the payment of last year's annual bonus and the vesting/exercise of share awards granted in the past). Details of any payments to former Directors will be set out in the annual report on remuneration as they arise.

Reward scenarios

The charts below show how the composition of each of the Executive Directors' remuneration packages varies at different levels of performance under the policy, as a percentage of total remuneration opportunity and as a total value.



Notes:

- The minimum performance scenario comprises the fixed elements of remuneration only, including:
 - salary, as set out in the annual report on remuneration;
 - pension (15 per cent of salary); and
 - benefits are approximated.
- The on-target level of bonus is taken to be 50 per cent of the maximum bonus opportunity, and the on-target level of PSP vesting is assumed to be 25 per cent of the face value of the PSP award. These values are included in addition to the components/values of minimum remuneration.
- Maximum remuneration assumes full bonus pay-out (100 per cent of salary only) and the full face value of the PSP (i.e. 250 per cent of salary for the CEO and MD, and 175 per cent for the FD), in addition to fixed components of minimum remuneration.
- "Maximum plus 50 per cent growth" uses the same assumptions as the "Maximum" performance scenario, but also assumes that Urban&Civic's share price increases by 50 per cent over the three-year performance period.
- PSP award sizes are shown as 250 per cent of base salary for the CEO and MD, and 175 per cent of base salary for the FD. These levels are in line with the intended award sizes for the 2019 PSP grants. They are within the policy maximums of 300 per cent for the CEO and MD, and 275 per cent of base salary for the FD.

Approach to recruitment and promotions

The remuneration package for a new Director would be set in accordance with the terms of the Company's prevailing approved remuneration policy at the time of appointment and would take into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

Salary would be provided at such a level as required to attract the most appropriate candidate and may be set initially at a below mid-market level on the basis that it may progress towards the mid-market level once expertise and performance have been proven and sustained. The annual bonus potential would be limited to 100 per cent of salary and, depending on the timing of the appointment, the Committee may deem it appropriate to set different annual bonus performance conditions to the current Executive Directors for the first performance year of appointment. Grants under the PSP would be limited normally to 300 per cent of salary and can be made shortly following an appointment (assuming the Company is not in a close period). The Committee may provide an allowance or reimbursement of any reasonable expenses

(including tax thereon) in relation to the relocation of an Executive Director. Any ongoing costs will be met by the Company for a period of no more than 12 months.

In addition, the Committee may offer additional cash and/or share-based elements to replace deferred or incentive pay forfeited by an Executive leaving a previous employer if required in order to facilitate, in exceptional circumstances, the recruitment of the relevant individual. The Committee would seek to ensure, where possible, that these awards would be consistent with awards forfeited in terms of vesting periods, expected value and performance conditions.

For an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Service contracts for Executive Directors

The policy on termination is that the Group does not make payments beyond its contractual obligations. The Committee will seek to ensure that no unjustified payments for failure are made.

All Executive Directors are employed on rolling contracts subject to no more than 12 months' notice from either the Executive Director or the Company, given at any time. Service contracts do not provide explicitly for termination payments or damages but the Company may make payments in lieu of notice. For this purpose, pay in lieu of notice would consist of basic salary and other relevant emoluments for the relevant notice period excluding any bonus. In addition, the Company has discretion in certain circumstances to pay certain fees relating to the termination, for example, fees for legal advice received by the Executive Director. The Committee may pay any statutory entitlements or settle or compromise claims in connection with a termination of employment, where considered in the best interests of the Company.

There are no special provisions contained in any of the Executive Directors' contracts which provide for longer periods of notice or additional payments on a change of control of the Company. Further, there are no special provisions providing for additional compensation on an Executive Director's cessation of employment with the Group.

An annual bonus may be payable with respect to the proportion of a financial year served, although it will be pro-rated for time and paid at the normal payment date. Any share-based entitlements granted to an Executive Director under the Company's share plans will be

determined based on the relevant plan rules. In certain prescribed circumstances set out in the plan rules of the relevant share plan (for example, death, injury or disability, retirement or other circumstances at the discretion of the Committee), "good leaver" status may be applied. For good leavers, awards will usually vest at the normal vesting date, subject to the satisfaction of the relevant performance conditions at that time and will be reduced pro-rata to reflect the proportion of the vesting period actually served, although the Remuneration Committee has discretion to allow these awards to vest at an earlier date (although not earlier than the date of cessation) and/or disapply time pro-rata.

The Board allows Executive Directors to accept appropriate outside non-executive director appointments provided the aggregate commitment is compatible with their duties as Executive Directors. The Executive Directors concerned may retain fees paid for these services, which will be subject to approval by the Board.

Non-Executive Directors

All Non-Executive Directors have a remuneration agreement for an initial period of 12 months and thereafter on a rolling basis subject to three months' notice by either the Non-Executive Director or the Company, given at any time. In addition, temporary additional day rates can be provided to certain Non-Executive Directors. Full details on any additional day rates are set out in the annual report on remuneration.

In the event of termination of their appointment Non-Executive Directors are not entitled to any compensation.

ANNUAL REPORT ON REMUNERATION

How the remuneration policy was implemented in the year ended 30 September 2019

Directors' remuneration

The details set out on pages 118 to 125 of this report are subject to audit.

	Basic salary/fees ¹		Benefits ²		Bonus ³		Long-term incentives ⁴		Pension ⁵		Total fixed		Total variable		Total	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Executive Directors																
Nigel Hugill ⁶	421	408	35	34	271	354	884	310	63	61	519	503	1,155	664	1,674	1,167
Robin Butler ⁷	421	408	27	26	271	354	884	310	63	61	511	495	1,155	664	1,666	1,159
David Wood	288	280	19	17	177	234	513	278	43	42	350	339	690	512	1,040	851
Non-Executive Directors																
Ian Barlow	60	60	—	—	—	—	—	—	—	—	60	60	—	—	60	60
June Barnes ⁸	60	55	—	—	—	—	—	—	—	—	60	55	—	—	60	55
Rosemary Boot ⁹	18	—	—	—	—	—	—	—	—	—	18	—	—	—	18	—
Alan Dickinson ¹⁰	148	125	—	—	—	—	—	—	—	—	148	125	—	—	148	125
Jon Di-Stefano ¹¹	55	45	—	—	—	—	—	—	—	—	55	45	—	—	55	45
Sanjeev Sharma ⁹	18	—	—	—	—	—	—	—	—	—	18	—	—	—	18	—
Duncan Hunter ¹²	22	60	—	—	—	—	—	—	—	—	22	60	—	—	22	60

- Basic salary/fees includes salary and fees received during the period that each Director was a Director of Urban&Civic plc.
- Includes a fully expensed company car or cash alternative and private medical insurance.
- Further information on the determination of annual bonus payments is set out in the information following this table.
- The 2019 long-term incentive disclosure refers to the awards granted in December 2016 which had a performance period which ran from 1 October 2016 to 30 September 2019. Following an assessment of performance, 72.2 per cent of the shares are expected to vest in December 2019. As the awards have not yet vested, the figures shown in the table are based on the average share price in the three months to 30 September 2019, which is 316.0p. The 2018 long-term incentive disclosure refers to the awards granted in June 2016 which had a performance period which ran from 1 October 2015 to 30 September 2018. Following an assessment of performance, 59.7 per cent of the shares vested on 21 June 2019. These figures have been restated from last year's report using the actual share price on the vesting date (322.0p). The figures shown in the table in last year's report were based on the average share price in the three months to 30 September 2018 (303.98p). Further details relating to performance targets, weightings and outcomes can be found on page 120.
- Pension payments equivalent to 15 per cent of salary are made as a cash supplement to the Directors or directly to a pension scheme.
- Benefits for Nigel Hugill for 2018 have been restated to include a company car expense claim relating to 2018 which was paid in the 2019 financial year.
- As permitted by the UK Corporate Governance Code, Executive Directors may be permitted to act as a director of a non-Group company and to retain any earnings they receive for that role. During the year ended 30 September 2019, Robin Butler was a director of New Heritage Regeneration Limited and retained earnings of £20,000 for that role (2018: £20,000).
- Director's fee increased from £55,000 p.a to £60,000 p.a on 1 November 2018.
- Rosemary Boot and Sanjeev Sharma were appointed as Directors on 10 May 2019.
- Chairman's fee increased from £125,000 p.a to £150,000 p.a. on 1 November 2018.
- Appointed as Chair of the Audit Committee on 13 February 2019. Director's fee increased from £45,000 p.a. to £60,000 p.a. on that date. Resigned as Chair and member of the Audit Committee on 18 November 2019. Fee reduced to £50,000 on that date.
- Duncan Hunter resigned on 13 February 2019.

Determination of the annual bonus for the year ended 30 September 2019

The annual bonus for the year ended 30 September 2019 was capped at 100 per cent of salary, with 50 per cent of the annual bonus opportunity based on growth in EPRA NAV, 30 per cent based on personal/strategic objectives and 20 per cent based on cash generation objectives. The total bonus payable was 64.4 per cent of base salary for Nigel Hugill, 64.4 per cent of base salary for Robin Butler and 61.4 per cent of base salary for David Wood. Further details are set out below.

EPRA NAV growth

EPRA NAV at 30 September 2019 was £527.5 million. This resulted in 27.9 per cent of base salary (out of a possible 50 per cent) being payable to the Executive Directors. The targets for the year ended 30 September 2019, and the associated potential bonus payments, were as follows:

Annual bonus target	EPRA NAV	Bonus payable
Threshold	£501.8m	10 per cent of base salary
Target	£519.2m	25 per cent of base salary
Maximum	£548.2m	50 per cent of base salary

Determination of the annual bonus for the year ended 30 September 2019 continued

Personal/strategic objectives

Personal objectives for the year ended 30 September 2019 were set to measure the individual performance of Executive Directors and included:

Executive Director	Personal objective	Assessment of achievement
Nigel Hugill	<ul style="list-style-type: none"> Maintenance and enhancement of relationships with institutional investors. Development of long-term funding sources. Drive progress in achieving planning consents on strategic sites. Maintenance of high quality corporate governance. 	<ul style="list-style-type: none"> Continued positive relationship with key shareholders. Recovery and stability in the share price. Achievement of Premium Listing. Funding relationships are supportive and stable. Particularly strong relationship with Homes England. Key achievement during the year was the grant of outline consent at Waterbeach. Corporate Governance continues to develop as the organisation grows.
Robin Butler	<ul style="list-style-type: none"> The sourcing of additional strategic sites. Delivery of projects in line with budget and agreed timescales. Maintain strong leadership across the Group and management and motivation of staff. Development of appropriate management and succession planning structures. Drive overall performance of Catesby business. 	<ul style="list-style-type: none"> Continued presentation of development opportunities. Overall strong, consistent progress across the delivery of all sites. Excellent progress on strengthening management structures and processes as the organisation continues to grow. Performance is strong with significant achievement during a challenging period.
David Wood	<ul style="list-style-type: none"> Development of banking and funding relationships to ensure adequate funding of Group borrowing needs. Maintenance and enhancement of relationships with institutional investors. Achieve Premium Listing on time and on budget. Management and development of all external and Board reporting. 	<ul style="list-style-type: none"> Continued positive relationship with Homes England. Bank facilities with HSBC now in place. Good progress on building a relationship with institutional investors, working closely with the Chief Executive. Achievement of Premium Listing. Considerable progress in improving financial reporting at all levels.

The Committee scored the Executive Directors' individual performance based on an unweighted objective assessment of the level of attainment of each of the Executive Directors having regard to specific areas of responsibility. The Committee approved payments related to personal objectives in the range of 20.4 per cent to 23.4 per cent being paid to current Executive Directors as set out in the table below:

Executive Director	Maximum amount payable	Actual amount payable
Current Directors		
Nigel Hugill	30 per cent of base salary	23.4 per cent payable
Robin Butler	30 per cent of base salary	23.4 per cent payable
David Wood	30 per cent of base salary	20.4 per cent payable

Cash generation

Cash generated from completions on strategic sites during the year ended 30 September 2019 was £34.3 million. This resulted in 13.1 per cent of base salary (out of a possible 20 per cent) being payable to the Executive Directors. The targets for the year ended 30 September 2019, and the associated potential bonus payments, were as follows:

Annual bonus target	Revenue	Bonus payable
Threshold	£26.0m	4 per cent of base salary
Target	£33.3m	10 per cent of base salary
Maximum	£36.5m	20 per cent of base salary

Board changes/payments for loss of office

During the year, Rosemary Boot and Sanjeev Sharma were appointed to the Board as Non-Executive Directors on 10 May 2019. Duncan Hunter resigned as Non-Executive Director on 13 February 2019. On the same date, Ian Barlow was appointed as Senior Independent Director and Jon Di-Stefano was appointed as Chair of the Audit Committee (succeeding Ian Barlow) and a member of the Nomination and Governance Committee. On 23 May 2019, Rosemary Boot and Sanjeev Sharma were appointed as members of the Remuneration Committee and Rosemary Boot was appointed as a member of the Audit Committee. There were no other changes to the Board during the year ended 30 September 2019. Subsequent to the year end, on 18 November 2019, Jon Di-Stefano resigned as Chair of the Audit Committee and Ian Barlow resumed this role.

There were no payments for loss of office.

Payments to past Directors

There were no payments to past Directors.

Performance Share Plan (PSP) awards in respect of the performance period ended 30 September 2019

The awards granted on 7 December 2016 (in accordance with the Performance Share Plan 2016 rules) are expected to vest in December 2019. Half of these awards were subject to an EPRA NAV performance condition and half were based on a relative TSR performance condition. Following an assessment of performance, as shown in the table below, it is expected that 72.2 per cent of these awards will vest.

Measure	Threshold vesting (% of award)	Maximum vesting (% of award)	Threshold target	Maximum target	Achievement	Outcome
EPRA NAV growth	12.5%	50%	RPI + 3% p.a.	RPI + 12.5% p.a.	Actual EPRA NAV 9.2% equivalent to RPI +6.0%	24.4%
Urban&Civic TSR rank vs FTSE 350 Real Estate	12.5%	50%	Median rank	Upper quartile rank	95.6%	47.8%
Total						72.2%

As a result of this performance outcome, the following number of shares are expected to vest to the Executive Directors: Nigel Hugill 279,632 shares, Robin Butler 279,632 shares, and David Wood 162,207 shares.

Performance Share Plan (PSP) awards granted in the year ended 30 September 2019 which could vest in future years

On 7 December 2018, PSP awards were granted to Executive Directors (in accordance with the Performance Share Plan 2016 rules as amended and approved by shareholders on 8 February 2018) as set out below. Executives not on the Board of the Company are typically eligible for PSP awards.

The number of shares granted to each current Executive Director on 7 December 2018 under the PSP is set out below:

	Number of awards	Face value	Amount of base salary	End of performance period	Threshold vesting ¹	Weighting (of award) ²	Performance condition and performance range
Nigel Hugill	443,359	£1,261,800	300%	30 September 2021	25%	50%	EPRA NAV growth ³ TSR growth ⁴
Robin Butler	443,359	£1,261,800	300%	30 September 2021	25%	50%	EPRA NAV growth ³ TSR growth ⁴
David Wood	177,336	£504,700	175%	30 September 2021	25%	50%	EPRA NAV growth ³ TSR growth ⁴

1. Expressed as a percentage of shares subject to the performance condition.

2. Expressed as a percentage of the shares awarded under the PSP.

3. EPRA net asset value performance (50 per cent weighting) must increase by more than 5.0 per cent per annum for 25 per cent vesting and must increase by more than 12.0 per cent per annum for 100 per cent vesting.

4. Total shareholder return (50 per cent weighting) must increase by more than 5.0 per cent per annum for 25 per cent vesting and must increase by more than 12.0 per cent per annum for 100 per cent vesting.

Implementation of the remuneration policy for the year ending 30 September 2020

The following section sets out how the Remuneration Committee intends to implement the remuneration policy for the year ending 30 September 2020.

Base salary

Base salary levels for the Chief Executive, Managing Director and Finance Director have been increased by 2.5 per cent. These increases are in line with the increase in base salaries of the general workforce. Base salary levels for the Executive Directors as at 1 October 2019 and 1 October 2018 are shown below:

Director	Title	2019	2018	% increase
Nigel Hugill	Chief Executive	£431,100	£420,600	2.5
Robin Butler	Managing Director	£431,100	£420,600	2.5
David Wood	Group Finance Director	£295,600	£288,400	2.5

The next salary review date is expected to be 1 October 2020.

Pension

The Group will contribute 15 per cent of base salary for all Executive Directors (payable into a pension arrangement or as a salary supplement). New Executive Directors will have contribution to pension set at 10 per cent of base salary, in line with the rest of the workforce.

Benefits

Benefits provided will continue to include a fully expensed company car or cash alternative, private medical insurance, permanent health insurance and life assurance. Other benefits may be payable where appropriate.

Annual bonus

For the year ending 30 September 2020, the annual bonus structure will be unchanged from that operated in the prior year, as set out in the policy report on pages 114 to 117. The maximum bonus opportunity will be 100 per cent of base salary with 50 per cent of the annual bonus opportunity based on growth in EPRA NAV, 30 per cent based on personal/strategic objectives and 20 per cent based on cash generation. Annual bonus targets for the year ending 30 September 2020 are currently considered to be commercially sensitive although, as in previous years, retrospective disclosure will be provided in the 2020 annual report on remuneration. The Remuneration Committee retains discretion to reduce (but not increase) annual bonuses, for example, in the event that the share price diverges markedly from reported growth in EPRA NAV.

Long-term incentives

Award levels and performance targets are yet to be determined. Award levels will be within the normal maximum annual grant limits and performance metrics will be based on EPRA NAV and TSR conditions and measured over the performance period from 1 October 2019 to 30 September 2022. Full details of the award levels for Executive Directors and the performance targets will be provided in the relevant Stock Exchange announcement which will be published immediately following grant.

The Remuneration Committee intends to grant awards under the PSP within six weeks of the announcement of the results for the year ended 30 September 2019.

Clawback provisions

Consistent with best practice, the Company will operate clawback provisions in respect of annual bonus and PSP awards in the year ending 30 September 2020. The Committee may withhold ('malus') or recover ('clawback') awards/payments within a period of three years from award in the event that the Company materially misstates its financial results, there is an error in assessing the performance targets and/or participants cease employment as a result of misconduct on the part of the individual.

Non-Executive Directors

Non-Executive Directors' fees are reviewed annually and an increase was approved by the Board to take effect from 1 November 2019. The base fee for Non-Executive Directors is £50,000 p.a. (increased from £45,000 p.a.) with an additional £15,000 p.a. payable to the Senior Independent Director and to the chairs of the Audit, Remuneration and Nomination and Governance Committees.

Non-Executive Directors' fees as at 1 October 2018, 1 October 2019 and 1 November 2019 are shown below:

	1 November 2019	1 October 2019	1 October 2018
Alan Dickinson	£155,000	150,000 ¹	£125,000
Ian Barlow	£65,000	60,000	£60,000
June Barnes	£65,000	60,000 ²	£55,000
Rosemary Boot	£50,000	45,000	n/a ³
Jon Di-Stefano ⁴	£65,000	60,000	£45,000
Sanjeev Sharma	£50,000	45,000	n/a ³

1. Annual fee increased to £150,000 with effect from 1 November 2018.

2. Annual fee increased to £60,000 with effect from 1 November 2018.

3. Appointed to the Board on 10 May 2019.

4. Annual fee increased to £60,000 with effect from 13 February 2019 on appointment as Chair of the Audit Committee. Resigned as Chair and member of the Audit Committee on 18 November 2019. Fee reduced to £50,000 on that date.

It is expected that the Non-Executive Directors' fees will next be reviewed with effect from 1 October 2020.

Statement of Directors' shareholdings and share interests

Full details of unvested performance share awards in the Company held by Executive Directors in office at 30 September 2019, together with details of awards granted to all Directors who held office during the year, are shown below. Vested shares are included in the table on page 118.

	Number of awards	Date of grant	Share price at date of grant	Exercise price	Exercise period
Nigel Hugill	387,302	7 December 2016	204.75p	Nil	7 December 2019 ¹ to 6 December 2026
	405,153	8 February 2018	302.4p	Nil	8 February 2021 to 7 February 2028
	443,359	7 December 2018	284.6p	Nil	7 December 2021 to 6 December 2028
Robin Butler	387,302	7 December 2016	204.75p	Nil	7 December 2019 ¹ to 6 December 2026
	405,153	8 February 2018	302.4p	Nil	8 February 2021 to 7 February 2028
	443,359	7 December 2018	284.6p	Nil	7 December 2021 to 6 December 2028
David Wood	224,664	7 December 2016	204.75p	Nil	7 December 2019 ¹ to 6 December 2026
	254,629	8 February 2018	302.4p	Nil	8 February 2021 to 7 February 2028
	177,336	7 December 2018	284.6p	Nil	7 December 2021 to 6 December 2028

1. 72.2 per cent of the shares are expected to vest in December 2019; see table on page 120.

Directors' shareholdings

The table below sets out Directors' shareholdings, which are beneficially owned or subject to a performance or service condition.

	Interests in ordinary shares		Deferred shares under the bonus scheme		Share awards subject to performance conditions ¹		Share awards no longer subject to performance conditions		Interests in ordinary shares as a % of salary ²
	30 September 2019	30 September 2018	30 September 2019	30 September 2018	30 September 2019 ¹	30 September 2018	30 September 2019	30 September 2018	
Current Directors									
Nigel Hugill	1,361,589	1,270,091	130,174	164,001	1,235,814	953,678	154,473	98,217	1,042%
Robin Butler	1,413,318	1,273,843	79,135	164,001	1,235,814	953,678	96,250	98,217	1,082%
David Wood	94,775	93,627	76,078	75,566	656,629	623,765	109,209	22,960	106%
Ian Barlow	112,272	112,272	—	—	—	—	—	—	n/a
June Barnes	20,037	20,037	—	—	—	—	—	—	n/a
Rosemary Boot ³	9,100	n/a	—	—	—	—	—	—	n/a
Alan Dickinson	88,889	88,889	—	—	—	—	—	—	n/a
Jon Di-Stefano	4,000	4,000	—	—	—	—	—	—	n/a
Sanjeev Sharma ³	—	n/a	—	—	—	—	—	—	n/a
Past Directors									
Duncan Hunter	864,642⁴	864,642	—	—	—	—	—	—	n/a

1. Details of the unvested PSP awards of Executive Directors as at 30 September 2019 are shown in the table at the top of this page.

2. Based on the number of shares beneficially held, the average share price for the month ended 30 September 2019 (322.0p) and the relevant base salary at 30 September 2019. Share ownership guidelines as set out in the Directors' remuneration policy are that Executive Directors should satisfy a minimum shareholding requirement: minimum of 500 per cent for the current Chief Executive and Managing Director and 250 per cent for any other Executive Director, including the current Finance Director.

If holdings of unvested shares under the Deferred Share Bonus Scheme and of share awards no longer subject to performance conditions (both net of tax) are included in this calculation, the percentage of salary increases to: Nigel Hugill 1,158 per cent, Robin Butler 1,153 per cent and David Wood 215 per cent.

3. Appointed as a Director on 10 May 2019.

4. Holding as at 13 February 2019, the date on which Duncan Hunter resigned as a Director.

Directors' service contracts

Details of the service contracts of current Directors are set out below:

Executive Directors

Current Directors	Company notice period	Contract date	Unexpired term of contract ¹	Potential termination payment	Potential payment on change of control/liquidation
Nigel Hugill	12 months	28 April 2014	Rolling contract	12 months' salary and other relevant emoluments excluding bonus	Nil
Robin Butler	12 months	28 April 2014	Rolling contract	12 months' salary and other relevant emoluments excluding bonus	Nil
David Wood	12 months	1 July 2016	Rolling contract	12 months' salary and other relevant emoluments excluding bonus	Nil

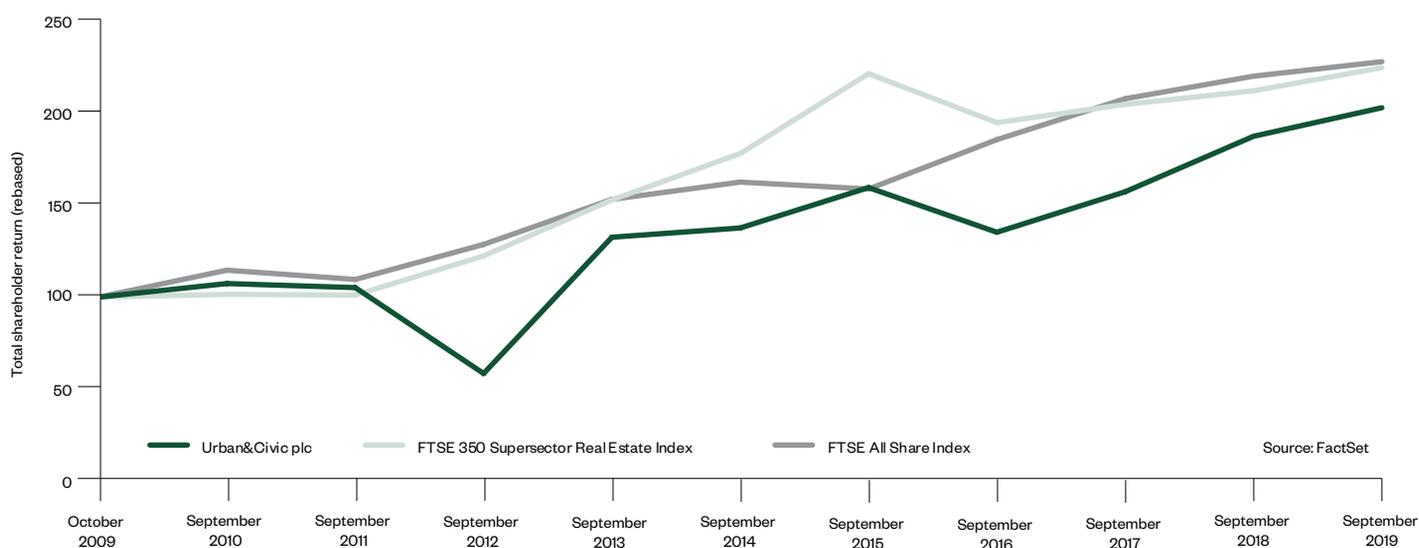
1. Contracts will continue until terminated by notice either by the Company or the Director.

Non-Executive Directors

	Notice period	Contract date
Ian Barlow	3 months	2 August 2016
June Barnes	3 months	23 September 2015
Rosemary Boot	3 months	9 May 2019
Alan Dickinson	3 months	23 September 2015
Jon Di-Stefano	3 months	29 August 2017
Sanjeev Sharma	3 months	9 May 2019

TSR performance graph and table

The graph shows the Company's performance, measured by TSR, compared with the FTSE All Share Index and the FTSE 350 Supersector Real Estate Index over the past ten years. The Committee considers these to be relevant indices for TSR comparison. Note that TSR prior to admission is based solely on the TSR of Terrace Hill (Urban&Civic was not listed at that time).



Chief Executive ten-year history

The table below sets out the single figure of total remuneration for the Chief Executive for the last ten years. Prior to the date of Listing (22 May 2014) we have shown the single figure for the Chief Executive of Terrace Hill.

Year	Incumbent	Single figure of total remuneration £'000	Annual bonus pay-out against maximum ¹	PSP vesting against maximum opportunity
2018/19	Nigel Hugill ²	£1,674	64.4%	72.2% ³
2017/18	Nigel Hugill	£1,167	86.6%	59.7%
2016/17	Nigel Hugill	£1,190	62%	28.7%
2015/16	Nigel Hugill	£675	31%	—
2014/15	Nigel Hugill	£661	29%	—
2013/14	Nigel Hugill	£515	n/a	n/a ⁴
2013/14	Philip Leech ⁵	£536	n/a	—
2012/13	Philip Leech	£652	n/a	—
2011/12	Philip Leech	£345	n/a	—
2010/11	Philip Leech	£400	n/a	n/a ⁶
2009/10	Philip Leech	£295	n/a	—

1. A discretionary annual bonus scheme without a maximum was operated historically (under Terrace Hill). As a result it is not possible to show the annual bonus payment as a percentage of the maximum opportunity.
2. Appointed Executive Chairman of Urban&Civic on 22 May 2014. Resigned as Chairman and was appointed as Chief Executive on 24 March 2016.
3. Expected vesting figure. See table on page 120.
4. No awards were granted with a performance period ended in 2013/14.
5. Chief Executive of Terrace Hill until 22 May 2014.
6. No awards were granted with a performance period ended in 2010/11.

Percentage change in remuneration of Chief Executive and employees

	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000	% change
Chief Executive			
Salary	421	408	3.2
Benefits	35	34	2.9
Bonus	271	354	(23.4)
Total	727	796	(8.7)
Average employee^{1,2}			
Salary	92	100	(8.0)
Benefits	11	7	57.1
Bonus	35	36	(2.8)
Total	138	143	(3.5)

1. Including all Executive Directors.
2. 2018: excluding costs relating to staff employed at the Hampton Hotel at Stansted Airport, which was sold on 16 October 2017.

Relative importance of the spend on pay

	Year ended 30 September 2019	Year ended 30 September 2018	% change
Staff costs (£m) ^{1,2}	12.4	11.4	8.8
Dividends paid during the year (£m)	5.2	4.5	16
EPRA net asset value (£m)	527.5	481.2	9.6
Total shareholder return (per cent)	7.9	19.1	(58.6)

1. Including all Executive Directors.
2. 2018: excluding costs relating to staff employed at the Hampton Hotel at Stansted Airport, which was sold on 16 October 2017.

Details of the Remuneration Committee, advisers to the Committee and their fees

The Committee determines the specific remuneration packages for each of the Executive Directors and no Director is involved in any decisions as to his own remuneration. The Committee has access to information and advice provided by the Chief Executive and the Group Finance Director and has access to independent advice where it considers appropriate. Aon Hewitt acts as independent adviser to the Committee and the Committee is satisfied that there are no connections with the Group that may impact their objectivity and independence. Aon Hewitt does not provide any other services to the Company and was paid £24,420 in respect of the year ended 30 September 2019.

Statement of voting

The table below shows the voting outcomes of the resolutions put to shareholders regarding the Directors' remuneration report (at the AGM in February 2019) and the Directors' remuneration policy (at the AGM in February 2018).

Resolution	For the resolution ¹	%	Against the resolution	%	Votes withheld ²
Directors' remuneration report (2019)	118,406,557	99.10	1,069,992	0.90	4,618
Directors' remuneration policy (2018)	123,681,708	99.99	9,360	0.01	15,051

1. Includes discretionary votes.

2. A vote withheld is not a vote in law and is not counted in the calculation of votes for or against a resolution.

As at the date of the meeting there were 145,044,582 ordinary shares of 20p each in issue.



June Barnes

Chair of the Remuneration Committee

27 November 2019