

CAPITAL & COUNTIES PROPERTIES PLC

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. CONSTITUTION

These terms of reference were adopted by resolution of the Board dated 1 August 2011 and amended by resolutions passed on 12 December 2012, 4 November 2014, 27 July 2015, 20 July 2017 and 5 June 2018.

The Remuneration Committee is a committee of the Board of Directors of Capital & Counties Properties PLC ("Capital & Counties") and answerable to the Board. The meetings and proceedings of the Committee shall be governed by the appropriate clauses of Capital & Counties' Articles of Association.

2. MEMBERSHIP AND ATTENDANCE

Members of the Remuneration Committee will be appointed by the Board on the recommendation of the Nomination Committee and (with the exception of the Chairman's appointment) in consultation with the Chair of the Committee and shall comprise the Chair of the Committee and a minimum of two non-Executive Directors, all of whom shall be considered independent. The current members of the Committee are Ms Boyle (Chair of the Committee), Mr Murphy and Mr Strang, all of whom are "independent" Non-Executive Directors of Capital & Counties. The quorum shall be two members.

The members of the Committee will normally serve for a term of three years after which time they may be reappointed for a maximum of two further three year terms of service (provided, except in the case of the Chairman, that the criteria for membership of the Committee continue to be met).

The Committee will be chaired by its Chair, who shall be an independent non-Executive Director of Capital & Counties appointed by the Board of Capital & Counties, or, in his absence, by another independent non-Executive Director and member of the Remuneration Committee.

Other Directors may attend meetings by invitation of the Chair or a majority of the Committee.

The Chief Executive will attend meetings when the Committee considers any matter relating to Executive Directors (other than himself) or to Directors of a subsidiary company, or other remuneration issues where the Committee requests his advice or input.

Relevant members of the senior management and external advisors will attend meetings at the invitation of the Committee.

The Company Secretary (or nominee) shall act as the Secretary of the Committee and shall minute the proceedings and resolutions of all Committee meetings.

At the beginning of any meeting, each Director should declare to the Secretary the existence of any potential conflict of interest affecting him in respect of any matter to be discussed and should absent himself from any discussion of or voting on any such matter.

3. FREQUENCY OF MEETINGS

The Committee shall meet at least twice a year and otherwise as required, including:

- (a) For the purpose of approving the Directors' Remuneration Report in the company's Annual Report, once annually in the period of two months prior to the date of signing the company's Annual Report;
- (b) As appropriate on each occasion, in the month prior to the granting of share options or any share or profit related benefits; and
- (c) Additionally, as requested from time to time by the Chair or a member of the Committee, in order to consider and to determine remuneration issues as set out in 5 hereunder.

4. REPORTING REQUIREMENTS

Minutes of all meetings of the Remuneration Committee shall be maintained and kept in a minute book designated for that purpose. The minutes, or a summary of them, shall be submitted to the Board of Directors of Capital & Counties at the next following full Board Meeting, unless it would be inappropriate to do so in the opinion of the Committee Chair.

The agenda for each full Board Meeting shall provide an opportunity for the Chair of the Remuneration Committee to report verbally on any matters of importance arising from the Committee's activities, and the Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed

The Committee will produce an annual report on the Company's remuneration for the Group's Annual Report as set out below, and report the frequency of, and attendance by members at, Remuneration Committee meetings in the annual report.

5. DUTIES AND RESPONSIBILITIES

5.1 The Committee will:

- (i) have responsibility for setting the remuneration policy for all Executive Directors, the Chair of the Company and such other members of the executive management as it is designated to consider. In determining such policy the objective shall be to offer remuneration which will attract, retain and motivate individuals of the quality required to run the company successfully;
- (ii) when setting remuneration policy the Committee shall have regard to the risk appetite of the company and alignment to the Company's long-term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company;
- (iii) when setting remuneration policy, review and have regard to remuneration trends across the Company or Group and the differential between the total remuneration of the highest and lowest groups and the views of shareholders and other stakeholders;
- (iv) review the ongoing appropriateness and relevance of the remuneration policy;
- (v) review and approve the design of all share incentive plans for approval by the Board and shareholders and consider the inclusion of a requirement for shares received on vesting or exercise to be held for a specified period thereafter;
- (vi) approve the design of, and determine targets for, any performance-related pay schemes operated by the Company, approve the total annual payments made under such schemes, and ensure that any performance measures are transparent, stretching and rigorously applied;

- (vii) monitor and assess any performance measures applicable to performance-related schemes and ensure each measure is fully explained and linked to the enhancement of shareholder value;
- (viii) determine the policy for and scope of pension arrangements for each Executive Director;
- (ix) ensure that contractual terms on termination, and any payments made, are within the approved remuneration policy (or if outside the policy approved by shareholders in general meeting), fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- (x) within the terms of the approved remuneration policy, determine the total individual remuneration package of each Executive Director including, where appropriate, bonuses, pension, incentive payments and share options;
- (xi) exercise any discretion or judgement on remuneration issued in accordance with the remuneration policy;
- (xii) consider the application of any clawback provision and the extent to which it should be applied;
- (xiii) in determining such packages and arrangements, give due regard to all relevant legal and regulatory requirements, the contents of the UK Corporate Governance Code as well as the UK Listing Authority's Listing Rules and associated guidance;
- (xiv) be aware of, and advise on, any major changes in employee benefit structures throughout the company or group;
- (xv) agree the policy for authorising claims for expenses from the Chief Executive and the Chairman;
- (xvi) ensure that provisions regarding disclosure of remuneration, including pensions as set out in the Large & Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the UK Corporate Governance Code, are fulfilled and produce an annual report on the Company's remuneration for the Group's Annual Report (the Directors' Remuneration Report) containing a Statement by the Chair of the Committee, the Company's Remuneration Policy and an Annual Report on Remuneration. Every three years (or sooner if changes are proposed to the Remuneration Policy) the Policy Report shall be put to shareholders for a binding vote at a General Meeting. The Annual Report on Remuneration shall be put to an advisory vote of the shareholders at each AGM;
- (xvii) ensure that the Company maintains contact as required with its principal shareholders, about remuneration;
- (xviii) obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the committee shall have full authority to appoint remuneration consultants to commission or purchase any reports, surveys or information, and to obtain such outside legal advice or other professional advice on any matters within its terms of reference as it deems necessary, within any budgetary constraints imposed by the Board;
- (xix) if the Committee has appointed remuneration consultants, the Annual Report on Remuneration should identify such consultants, and include a statement of their independence;
- (xx) be exclusively responsible for establishing the selection criteria, and for selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;

- (xxi) report the frequency of, and attendance by members at, Remuneration Committee meetings in the Company's Annual Reports; and
 - (xxii) make available to the public, on the Company's website, the Committee's terms of reference. These will be reviewed annually and, where necessary, updated, with the approval of the Board.
 - (xxiii) be responsible for reviewing the results that relate to the Committee resulting from the Board's annual Performance Evaluation. The Committee will review its constitution and terms of reference with a view to ensuring that it is operating at maximum effectiveness, recommending any changes to the Board for approval.
- 4.2 The remuneration of non-Executive Directors, including the Deputy Chairman, will be a matter for determination by the Chairman and Executive members of the Board.
- 4.3 No Director or manager shall be involved in any decisions as to their own remuneration.

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