

INTRODUCTION TO CORPORATE GOVERNANCE

I have been proud of the loyalty and commitment of our people this year and how all our teams at Workspace have demonstrated strong adherence to our values during these difficult market conditions. Maintaining good governance and operating under a clear purpose are more important than ever in challenging times and I believe Workspace will come out of this crisis stronger than ever.

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Stephen Hubbard

Chairman



INTRODUCTION TO CORPORATE GOVERNANCE CONTINUED

Governance
at a glance

Key Board decisions

The major decisions taken by the Board and its Committees during the year included:

SUPPORTING CUSTOMERS

Approved the offering of a 50% rent reduction to the Group's customers who had been affected by Government restrictions related to Covid-19 (see pages 50 and 123).

NET ZERO CARBON PATHWAY

Confirmed the Board's target to become net zero carbon by 2030 and approved the strategy (see pages 40 to 41 and 123).

APPROVED GREEN BOND

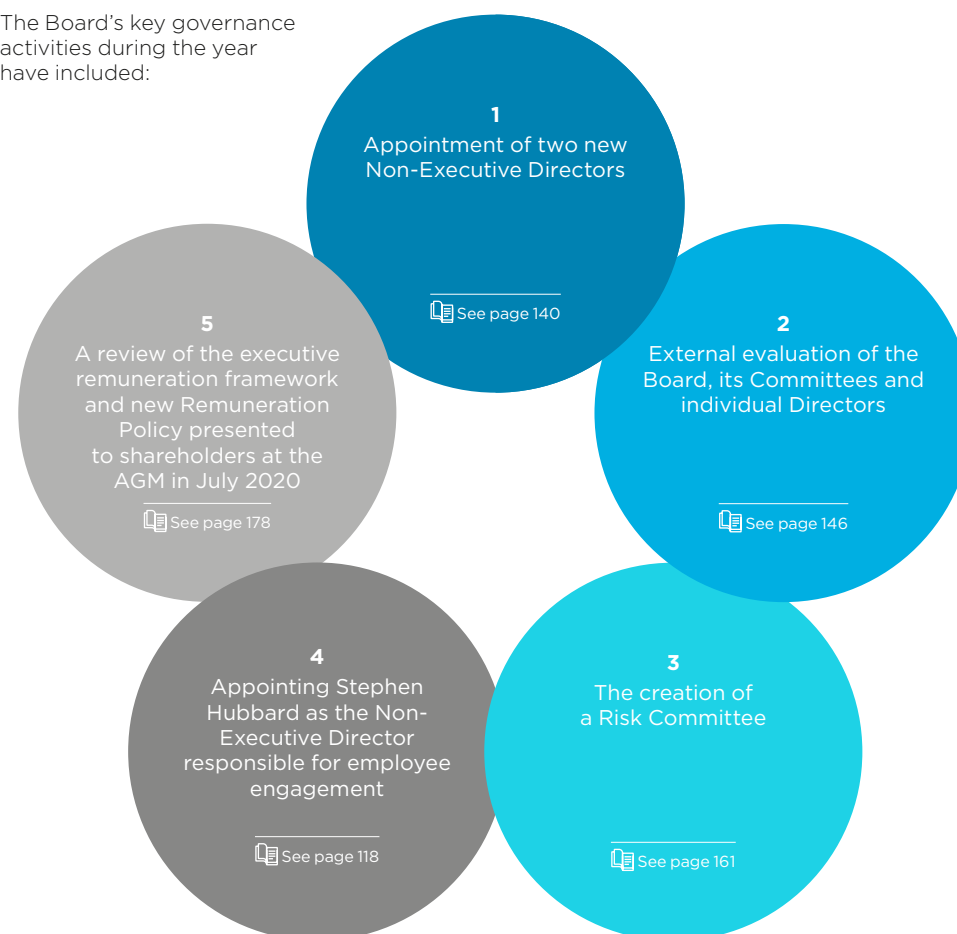
Approved the issuance of a £300m green bond for a term of seven years (see pages 42, 115 and 123).

Key activities in 2020/21

See page 111

Key governance activities

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



INTRODUCTION TO CORPORATE GOVERNANCE CONTINUED

Compliance statement

The Board confirms that, for the year ended 31 March 2021, we have complied with all of the provisions of the UK Corporate Governance Code 2018. The application of the Code's Principles is evidenced throughout the Annual Report and the table to the right shows how the Governance section has been structured around the Code Principles (A to R).

Further information on the Code can be found on the Financial Reporting Council's website at www.frc.org.uk.

How we comply with the UK Corporate Governance Code 2018

Composition, succession and evaluation

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Board leadership and company purpose

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Audit, risk and internal control

AUDIT COMMITTEE REPORT

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RISK COMMITTEE REPORT

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Division of responsibilities

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Remuneration

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INTRODUCTION TO CORPORATE GOVERNANCE CONTINUED

Chairman's
governance
letter

2 June 2021

Dear Shareholder

Having assumed the role of Chairman in July 2020, I present our Governance report for the year. The Board remains committed to maintaining effective corporate governance and integrity, enabling us to deliver our strategy for the long-term benefit of all our stakeholders.

Board changes and succession planning

Through the Nominations Committee, we focus on Board succession planning and composition, to ensure that we have the appropriate balance of skills, independence, experience and diversity. Maria Moloney will have served nine years on the Board in May 2021, and so will retire at our 2021 AGM. On behalf of the Board, I would like to thank Maria for her valued contribution to the business over the years and, in particular, for her Chairmanship of the Remuneration Committee. Suzi Williams, who joined the Board in January 2020, has succeeded Maria as Chair of the Remuneration Committee.

We welcomed Rosie Shapland and Lesley-Ann Nash during the year, as two new Non-Executive Directors. Rosie, a Chartered Accountant, was previously an audit partner at PwC. Rosie will assume the role of Chair of the Audit Committee from the conclusion of the AGM in 2021. Both Rosie and Lesley-Ann bring a wealth of experience, complementing the existing skills already evident on the Board. These appointments were subject to a formal, rigorous and transparent procedure, led by the Nominations Committee. More information on Rosie and Lesley-Ann's inductions and the search process can be found on pages 140 to 142.

Ishbel Macpherson stepped down from the Board in July 2020 and I would like to take this opportunity to thank Ishbel for her contribution to the Board during her tenure.

Board evaluation and effectiveness

There is always the ability to improve, and we take the regular Board evaluation process as an important opportunity to reflect upon our own performance. This year, our Board evaluation was undertaken externally by Fidelio Partners and I am pleased to report that the Board and its Committees were considered to be working effectively. It was pleasing to note that Board members feel proud of the Company and excited by the opportunities Workspace faces. The Board also recognised and respected the contribution and achievement of the Executive Committee through the Covid-19 crisis, referencing in particular the response to the first lockdown of offering a 50% rent reduction to all business centre customers in the first quarter.

Details of the evaluation process, the findings of the review and our progress against the 2019/20 objectives can be found on pages 146 to 148.

Governance during Covid-19

2020 has been a turbulent year with Covid-19 and uncertainty surrounding Brexit. To ensure that the Board was able to actively support the business as the Covid-19 pandemic developed, additional Board and Committee meetings were held to provide leadership and effective risk oversight. The Board also moved rapidly to a new form of remote working, supporting the Executive and providing key approvals and decisions when required. Regular updates were provided to the Board by the CEO. In addition, town hall meetings, hosted by the CEO and members of the Executive Team, answering anonymous questions raised by staff (see page 118) provided valuable insights for the Board.

To ensure the safety of employees and our shareholders, we held the 2020 AGM as a closed meeting. At the time of writing, we are expecting all restrictions on meetings and movement to be lifted in June 2021, and on that basis preparations are being made to hold an open AGM on 22 July 2021, subject of course to any Government guidance in place at the time.

The Board continues to be supported by the work of our Committees whose full reports follow across pages 136 to 197. As noted, key recommendations from the Nominations Committee have centred on Board succession planning. A new Risk Committee was also established during the year and is a compelling addition to our governance structure. The Audit Committee has maintained its focus on monitoring the integrity of financial reporting and its oversight on the effectiveness of the external audit. The Remuneration Committee has continued to oversee the alignment between pay and performance, with consideration of balanced and fair outcomes in the context of the external environment.

INTRODUCTION TO CORPORATE GOVERNANCE CONTINUED**Employee engagement**

Employee engagement remains an important part of my role which I will continue to develop during my tenure. I have really enjoyed meeting with employees as part of this programme (both in person and virtually) and discussing a broad range of topics. Regular engagement with our employees is an important channel for gathering customer insights, broader market information, as well as helping to maintain a positive company culture and a proactive working environment. Awareness and understanding of employees' views informs our discussions at the Board and Executive Committee level.

Details on employee engagement can be found on page 118.

Looking forward

The team at Workspace have worked incredibly hard in navigating the challenges faced by the business over the past year brought about by the coronavirus pandemic. They have shown real dedication and resolute attention to their work. I would like to thank them all for their commitment to the business and for continuing to nurture the vital relationships we hold with our customers. I am also confident that Workspace has a culture, both within and outside of the boardroom, that will result in the right decisions and actions being taken to promote the long-term success of the business.

**Stephen Hubbard**

Non-Executive Chairman

BOARD LEADERSHIP AND COMPANY PURPOSE

The determination, engagement and loyalty of our employees, the strength of our relationships with our stakeholders and strong governance are fundamental to our long-term success.

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Graham Clemett
Chief Executive Officer



BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

Overview

Attendance at Board and Committee meetings

	Board	Audit	Remuneration	Risk	Nominations
Stephen Hubbard ¹	9/9	1/1	8/8	-	3/3
Graham Clemett	9/9	-	-	-	-
Dave Benson	9/9	-	-	-	-
Chris Girling ⁴	9/9	3/3	4/4	2/2	3/3
Maria Moloney ³	8/9	3/3	7/8	-	3/3
Lesley-Ann Nash ²	3/3	1/1	1/1	1/1	-
Damon Russell ⁴	9/9	3/3	4/4	2/2	3/3
Rosie Shapland ²	3/3	1/1	1/1	1/1	-
Suzi Williams ³	9/9	3/3	8/8	-	3/3
Ishbel Macpherson ⁵	4/4	1/1	4/4	-	1/1
Daniel Kitchen ⁵	4/4	-	4/4	-	1/1

1. Stephen Hubbard was appointed as Chairman in July 2020. In accordance with the Code, Stephen stepped down as a member of the Audit Committee.
2. Rosie Shapland and Lesley-Ann Nash were appointed to the Board on 6 November 2020 and 1 January 2021 respectively. Rosie and Lesley-Ann attended their first Board and Committee meetings in January 2021.
3. Suzi Williams was appointed as Chair of the Remuneration Committee on 1 January 2021. Maria Moloney attended her last meeting of the Committee in November 2020, although she remained a member until the handover to Suzi was completed in January 2021. Maria did not attend the Board or the Remuneration Committee meetings in April 2020 due to personal circumstances.
4. Chris Girling and Damon Russell stepped down from the Remuneration Committee during the year. They attended their last meeting in July 2020.
5. Daniel Kitchen and Ishbel Macpherson stepped down from the Board on 9 July and 24 July 2020 respectively.

Complying with the Code Principles

PRINCIPLE C
The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.

The Board regularly discusses our strategy and objectives and our progress against them. Read more on page 111.

The Risk Committee regularly reviews our risk framework and internal control processes with input from the Audit Committee on financial risks. Read more on pages 155, 161 and 166.

PRINCIPLE A
A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.

There have been a number of changes to the Board this year. We were pleased to welcome Rosie Shapland and Lesley-Ann Nash as Non-Executive Directors in November 2020 and January 2021 respectively.

Read more about their appointments and our effective and experienced Board on pages 140 to 148.

PRINCIPLE D
In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.

We have continued with our programme of stakeholder engagement this year, including with our people, customers and suppliers. Read more on pages 118 to 121.

We continue to have a thorough programme of investor engagement. Read more on pages 116 to 117.

PRINCIPLE B
The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.

The Board sets the tone from the top by considering culture and values throughout its decision-making.

Read more about how the Board monitored and assessed the Group's purpose, values and culture on page 113.

PRINCIPLE E
The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.

We value the contribution that our people make to the success of our business and we provide benefits and support mechanisms to maintain physical and mental wellbeing.

Read more on our workforce policies and practices on page 114.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED**BOARD OF DIRECTORS** CONTINUED

Our Board

Led by our Chairman, Stephen Hubbard, the Board provides the leadership of the Company and is collectively responsible and accountable to shareholders for the Company's long-term success, leadership, strategy, values, culture, control and management.

COMMITTEE MEMBERSHIP

- Nominations Committee
- Audit Committee
- Remuneration Committee
- Risk Committee
- Executive Committee
- Investment Committee
- Disclosure Committee
- Chair

CHAIRMAN**Stephen Hubbard**

Independent
Non-Executive Director

COMMITTEE MEMBERSHIP**APPOINTED**

Board: July 2014
Chairman: 9 July 2020

CURRENT EXTERNAL APPOINTMENTS

Stephen is Non-Executive Chairman of LXI REIT PLC and a member of the advisory board of Redevco, a pan-European property holding company.

PREVIOUS APPOINTMENTS

Stephen was Chairman of CBRE UK until he retired in December 2019. He joined Richard Ellis in 1976 and held the position of Head of EMEA and UK Capital Markets from 1998 to 2012.

RELEVANT SKILLS AND BUSINESS EXPERIENCE

- Many years' experience of operating within the property sector.
- An outstanding track record in the investment market and has advised on several landmark transactions involving international capital.
- Broad range of knowledge and experience at board level.
- Extensive experience in leadership and executive management.
- Experience of public company boards and their operation.
- Experience of regeneration and development projects.
- Strong financial skills.

EXECUTIVE DIRECTORS**Graham Clemett**

Chief Executive Officer

COMMITTEE MEMBERSHIP**APPOINTED**

Board: July 2007
CEO: 24 September 2019

CURRENT EXTERNAL APPOINTMENTS

Graham is currently the Senior Independent Non-Executive Director and Chairman of the Audit Committee at The Restaurant Group plc.

PREVIOUS APPOINTMENTS

Previously, Graham was Finance Director for UK Corporate Banking at RBS Group PLC. Prior to that, Graham spent eight years at Reuters Group PLC, latterly as Group Financial Controller.

RELEVANT SKILLS AND BUSINESS EXPERIENCE

- Detailed knowledge of Workspace operations and extensive experience of the property sector gained through his 13 years' experience with the Group.
- Strong commercial, strategic and communication skills.
 - Previously CFO of the Group, having joined in 2007.
 - Graham is a chartered accountant.
 - Strong financial skills.
 - Extensive experience in leadership and management and establishing an open and transparent culture.
 - Significant experience of financing and capital raising.
 - Extensive investor relations experience.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED**BOARD OF DIRECTORS** CONTINUED**EXECUTIVE DIRECTORS** CONTINUED

Dave Benson
Chief Financial Officer

COMMITTEE MEMBERSHIP**APPOINTED**

1 April 2020¹

CURRENT EXTERNAL APPOINTMENTS

Dave does not have any current external appointments.

PREVIOUS APPOINTMENTS

Prior to joining Workspace, Dave was the Corporate Finance Director of Whitbread PLC. He previously held senior finance roles at Kier Group plc and Keller Group PLC. He qualified as a Chartered Accountant with Deloitte.

RELEVANT SKILLS AND BUSINESS EXPERIENCE

- Strong financial skills, having gained experience in a series of dynamic businesses. Dave is a Chartered Accountant.
- A good understanding of technology and its commercial applications.
- High level of commercial expertise, business and strategy development gained with Whitbread plc and in other public companies.
- Strong communication and leadership skills.
- Experience of infrastructure and development projects.
- Extensive experience of corporate transactions, acquisitions and integrations.
- Experience of investor relations, capital markets and investor roadshows.
- Detailed knowledge of risk management and internal control systems.

1. Dave joined the Board as Chief Financial Officer on 1 April 2020. From 1 April 2020, Dave became a member of the Executive Committee, the Investment Committee and the Disclosure Committee.

NON-EXECUTIVE DIRECTORS

Chris Girling
Senior Independent
Non-Executive Director

COMMITTEE MEMBERSHIP**APPOINTED**

February 2013¹

CURRENT EXTERNAL APPOINTMENTS

Chris, a Chartered Accountant, is currently a Non-Executive Director and Chairman of the Audit Committee of Johnson Service Group PLC and Non-Executive Director and Chairman of the Audit Committee of South East Water Limited. He is also Chair of Trustees for the Slaughter and May Pension Fund.

1. Chris was appointed Chairman of the Audit Committee in July 2014.

PREVIOUS APPOINTMENTS

Chris was Group Finance Director of Carillion PLC from 1999 to 2007 and Vosper Thornycroft PLC from 1991 to 1999. Chris retired as a Non-Executive Director of Keller Group PLC in May 2019.

RELEVANT SKILLS AND BUSINESS EXPERIENCE

- CFO of FTSE 250 companies for 17 years.
- Recent and relevant financial experience as a Chartered Accountant.
- Detailed knowledge of risk assessment and management systems.
- Experience of infrastructure and development projects.



Maria Moloney
Independent Non-Executive
Director

COMMITTEE MEMBERSHIP**APPOINTED**

May 2012¹

CURRENT EXTERNAL APPOINTMENTS

Maria is currently on the Board and a Trustee of the Northern Ireland Cancer Centre in Belfast.

PREVIOUS APPOINTMENTS

Maria was previously on the Board of the Belfast Harbour Commissioners, the Industrial Development Board for Northern Ireland, the Northern Ireland Transport Holdings Company, the Independent Television Commission (London) and The Broadcasting Authority of Ireland (Dublin).

RELEVANT SKILLS AND BUSINESS EXPERIENCE

- Strong marketing and commercial skills.
- A lawyer by background, with significant legal and corporate governance experience.
- Business and strategy development.
- Strategic business assessments across diverse market sectors.

1. Maria was Chair of the Remuneration Committee until 1 January 2021.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED**BOARD OF DIRECTORS** CONTINUED**NON-EXECUTIVE DIRECTORS** CONTINUED**Suzi Williams**

Independent Non-Executive Director

COMMITTEE MEMBERSHIP**APPOINTED**

January 2020¹

CURRENT EXTERNAL APPOINTMENTS

Suzi is a Non-Executive Director at Zegona Communications where she Chairs their Nomination and Remuneration Committee. She is also a Non-Executive Director at Telecom Plus.

PREVIOUS APPOINTMENTS

Suzi was a Non-Executive Director and Chair of Remuneration at The AA plc until the successful sale to private equity earlier in 2021. Prior to that, she held a variety of strategic marketing and commercial roles in blue chip consumer businesses from Procter and Gamble Europe and BBC Worldwide to KPMG. Most recently she was Chief Brand and Marketing Officer at BT plc for ten years until 2016.

RELEVANT SKILLS AND BUSINESS EXPERIENCE

- Deep experience leading strategic brand development, commercial marketing, growth and innovation at publicly listed companies.
- Adviser and coach to a number of start up businesses in the technology space.
- Seasoned Plc Non-Executive Director and Remuneration Committee Chair.

1. Suzi was appointed Chair of the Remuneration Committee with effect from 1 January 2021.

**Damon Russell**

Independent Non-Executive Director

COMMITTEE MEMBERSHIP**APPOINTED**

May 2013¹

CURRENT EXTERNAL APPOINTMENTS

Damon holds advisory roles for a number of private companies in the digital media, sport and educational sectors. He is currently Chief Executive of Spoke Interactive, a media service provider, and a Director of The Dating Lab, a business that provides online dating services to some of the world's leading media brands. Previously, he co-founded Telecom Express, which was sold to AMV BBDO, part of the Omnicom Group. In 2004, Damon led a successful management buyout.

He has over 30 years' experience in this fast-paced and ever-evolving, dynamic industry.

PREVIOUS APPOINTMENTS

Damon was previously Non-Executive Director of iannounce before its merger with Legacy.com in May 2013.

RELEVANT SKILLS AND BUSINESS EXPERIENCE

- Extensive digital and media technology experience.
- Strong strategic and commercial understanding.
- Significant experience in alliances, ventures and partnerships.
- Knowledge of service-related industry requirements and key client relationships.

1. Damon was appointed Chairman of the Risk Committee in September 2020.

**Rosie Shapland**

Independent Non-Executive Director

COMMITTEE MEMBERSHIP**APPOINTED**

November 2020¹

CURRENT EXTERNAL APPOINTMENTS

Rosie is currently a Non-Executive Director at Foxtons Group plc, where she is Chair of their Audit Committee and a member of their Remuneration and Nomination Committees, and PayPoint plc, where she is Chair of their Audit Committee and a member of their Nomination and Remuneration Committees. Rosie is a Chartered Accountant.

PREVIOUS APPOINTMENTS

Rosie was previously an audit partner at PwC.

RELEVANT SKILLS AND BUSINESS EXPERIENCE

- Many years' experience of operating within the finance sector.
- A broad range of plc Board experience.
- Investment and corporate transactions.
- Strong financial skills.

1. Rosie will succeed Chris Girling as Chair of the Audit Committee in July 2021.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED**BOARD OF DIRECTORS** CONTINUED**NON-EXECUTIVE DIRECTORS** CONTINUED**Lesley-Ann Nash**

Independent Non-Executive Director

COMMITTEE MEMBERSHIP**APPOINTED**

January 2021

CURRENT EXTERNAL APPOINTMENTS

Lesley-Ann is currently a Non-Executive Director of St. James's Place plc, where she is a member of their Audit and Risk Committees. Lesley-Ann is a trustee of North London Hospice

PREVIOUS APPOINTMENTS

Lesley-Ann was previously a Director in the Cabinet Office of HM Government and a Managing Director at Morgan Stanley, as well as having previously worked at UBS and Midland Bank.

RELEVANT SKILLS AND BUSINESS EXPERIENCE

- Deep global capital markets experience on both buy and sell sides.
- Extensive knowledge of central and local government and experience of policy development, procurement and major programme delivery.
- A track record of promoting inclusion and diversity and delivering meaningful cultural change.
- Deep financial fluency gained as a fellow of the Chartered Institute of Management Accountants (CIMA).
- PLC Board experience.

COMPANY SECRETARY**Carmelina Carfora**

Company Secretary

APPOINTED

March 2010

Carmelina is Secretary to the Board and its Committees, monitoring compliance with its procedures and providing advice on governance matters. At the direction of the Chairman, she is responsible for making sure the Board receives accurate, timely and relevant information. She also co-ordinates the induction of new Board members and the provision of ongoing training and development of the Board.

Carmelina's other responsibilities include: corporate governance, monitoring and compliance with legislation (including data protection legislation) and the administration of share schemes.

BOARD AND COMMITTEE MEMBERSHIP

As at 31 March 2021

	BOARD	NOMINATIONS COMMITTEE	AUDIT COMMITTEE	REMUNERATION COMMITTEE	RISK COMMITTEE	EXECUTIVE COMMITTEE	INVESTMENT COMMITTEE	DISCLOSURE COMMITTEE
CHAIRMAN								
Stephen Hubbard Non-Executive Chairman	●	●		●				
EXECUTIVE DIRECTORS								
Graham Clemett Chief Executive Officer	●					●	●	●
David Benson Chief Financial Officer	●					●	●	●
NON-EXECUTIVE DIRECTORS								
Chris Girling Senior Independent Non-Executive Director	●	●	●		●			
Maria Moloney Non-Executive Director	●	●	●					
Suzi Williams Non-Executive Director	●	●	●	●				
Damon Russell Non-Executive Director	●	●	●		●			
Rosie Shapland Non-Executive Director	●	●	●	●	●			
Lesley-Ann Nash Non-Executive Director	●	●	●	●	●			
MEMBERS OF THE EXECUTIVE COMMITTEE								
Angus Boag Development Director						●	●	
John Robson Asset Management Director						●	●	
Claire Dracup Head of People						●		
Will Abbott Chief Customer Officer						●		
Richard Swayne Investment Director						●	●	
Carmelina Carfora Company Secretary						●	●	

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

Q&A with the Executive Team

CARMELINA CARFORA
COMPANY SECRETARY



Carmelina keeps the Board up to date and informed, as well as advising the business on all corporate governance matters.

Q What changes in regulation have you had to contend with this year and has Brexit had an impact?

A The biggest challenge we found this year was keeping the business and the Board up to date with the very rapidly changing law and regulation relating to Covid-19. This included issues around health and safety but also making sure that we held a valid AGM despite Government restrictions and, of course, constantly making sure we were considering our obligations under the Market Abuse Regulation.

As an entirely UK-focused business, Brexit has not had a major impact on us from a regulatory point of view. We had to update some policies to make sure they referred to the new UK law versions of former EU laws, and we did some work to ensure our data protection compliance was not affected.

“

We received very positive feedback on the unconscious bias training we held during the year.

”

Q Over the last year, there has been a greater spotlight on diversity and inclusion. What is Workspace doing in this area?

A This has been an area of great focus for Workspace this year.

The Executive Committee and all senior managers attended full day training sessions on unconscious bias and we plan to roll training out to all employees following the very positive feedback we received.

We have reviewed our recruitment process and are producing interview guides, as well as working more closely with recruitment agencies to improve the diversity of job applicants.

Finally, we plan to improve our data collection and analysis in this area so that we can better report and measure progress.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED**Board activities
2020/21****Principal Board activities
during 2020/21**

The Board met nine times during the year, including the Annual General Meeting. Details of Director attendance can be found on page 105.

Since and including March 2020, all full meetings of the Board and its Committees have, in the main, been conducted virtually with full attendance. The agendas have been developed with active consideration of the status of the Covid-19 pandemic and the current priorities of the Group.

One meeting every year is arranged specifically to consider the Group's strategy and the five-year plan. The Board discusses market trends, capital structure, portfolio evolution and other strategic matters impacting the long-term success of the Group.

An overview of our Board's key activities is detailed to the right.

Strategy

- An annual strategic review in September 2020 to approve the five-year plan. Members of the Executive Committee joined the Board to provide insights and stimulate discussion on a number of different topics. Following the strategy day, certain ideas generated were further considered and refined for incorporation into the business plan.
- We sought presentations from external advisers who provided an update on the property and equity markets.
- Considered the impact of Brexit, Covid-19 and market uncertainty on our business.

Operations

- Updates considered with regard to customer support during Covid-19 and the implementation of social distancing measures to benefit customers.
- Requested updates on the social media campaign and marketing programme targeting the easing of restrictions and return to the office.

**Stakeholder
engagement**

- Received updates on our investor engagement programmes and received reports from brokers and analysts.
- Received an update from the Chairman on his employee engagement meetings with staff in his role as NED responsible for employee engagement. See pages 118 to 119.
- The Chief Executive Officer provided regular updates on employee communication and engagement during Covid-19 lockdown periods. See page 118 for employee engagement activity.

**Property portfolio,
development and
investment**

- Provided with regular updates on asset management, leasing and investment activities.
- Received an update on planned and key refurbishment and redevelopment projects.
- Reviewed and approved the half- and full-year valuations of the Group's property portfolio.

**Corporate reporting
and performance
monitoring**

- Regularly reviewed the Group's financial structure and rolling forecasts and approved the 2020/21 budget.
- Approved the issuance of a green bond in March 2021 (see pages 115 and 123).
- Approved the extension of the revolving credit facility (see page 115).
- Recommended the payment of the final dividend paid to shareholders in August 2020. See page 74 for more information on dividends.
- Reviewed and approved the full and half-year results and trading statements.
- Conducted a review of the Company's viability over the next five-year period (see page 81).

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

BOARD ACTIVITIES 2020/21 CONTINUED

Risk management and internal control

- Reviewed the Group's principal risks and considered emerging risks which could impact the five-year plan.
- Requested verbal updates from the Chairman of the Audit Committee and, more recently, the Chairman of the Risk Committee on the key areas discussed. See pages 149 to 166 for work performed by both Committees.

People and succession planning

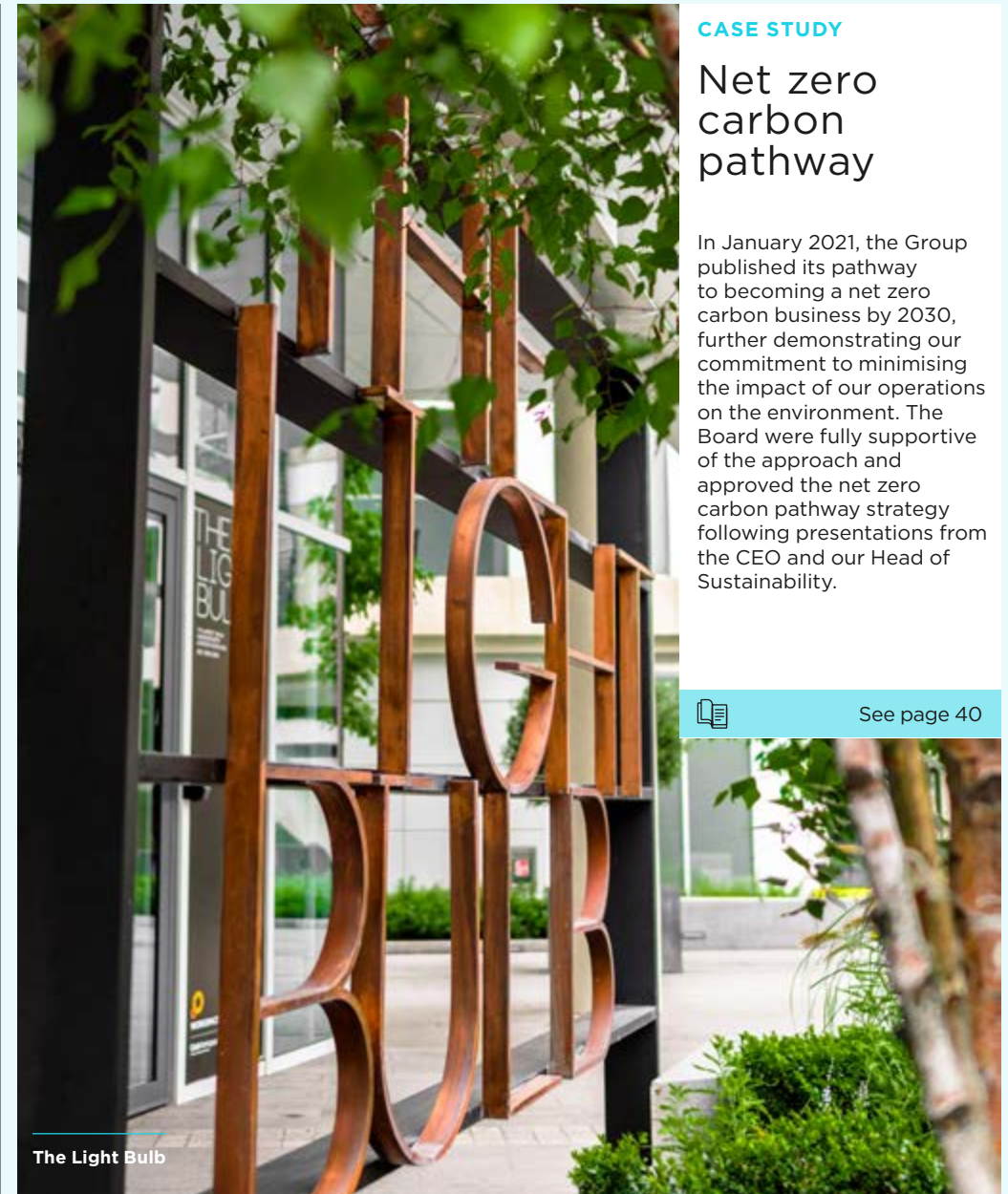
- Approved changes to the Board with the appointment of two new Non-Executive Directors, Rosie Shapland and Lesley-Ann Nash. See page 140 for details of the recruitment process.

Governance

- Participated in an externally facilitated evaluation of the Board, its Committees and all Directors.
- Performed an annual review of the Committees' terms of reference.
- Reviewed the membership of the Board Committees. A number of changes were approved, which included the formation of a Risk Committee (see page 161 and changes to the membership of the Remuneration Committee (see page 169).
- Considered conflicts of interest and related parties.
- Reviewed regular governance updates from the Company Secretary.
- Discussed a legal update from the Group's legal advisers, Slaughter and May.

ESG

- Requested updates from the Head of Sustainability on the Group's ESG targets.
- Approved and published our strategy to become a net zero carbon real estate portfolio by 2030 (see www.workspace.co.uk/investors for our net zero carbon pathway).



The Light Bulb

CASE STUDY

Net zero carbon pathway

In January 2021, the Group published its pathway to becoming a net zero carbon business by 2030, further demonstrating our commitment to minimising the impact of our operations on the environment. The Board were fully supportive of the approach and approved the net zero carbon pathway strategy following presentations from the CEO and our Head of Sustainability.



See page 40

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

BOARD ACTIVITIES 2020/21 CONTINUED

Purpose, values and culture



STRATEGIC LINK

Customer-led growth
Doing the Right Thing

Our purpose, to give businesses the freedom to grow, provides the Group with an aspirational framework for making decisions, accomplishing tasks and interacting with stakeholders. Our purpose informs our values, which in turn set the cultural tone for the Group. Our culture is one of transparency. Workspace is committed to a free and open culture in dealings between its officers, employees, customers, suppliers and all other stakeholders. Our purpose, values and culture are described in detail throughout the Strategic Report.

The Board sets the Group's strategy and makes decisions through the lens of our purpose, values and culture. Our Section 172(1) Statement on pages 122 to 123 provides further detail on how the Board considers its stakeholders when making decisions. The Board also approves the Group's key policies and practices so that they underpin the Group's values and culture. The Executive Committee is responsible for communicating these policies throughout our business.

During the year under review, the Board has continued to assess how our purpose is articulated and

Values

See page 17

Our stakeholder engagement programme

See page 20

Section 172(1) Statement

See page 122

understood by our customers, employees, investors and other stakeholders, and how our values and culture are embedded throughout our business. The Board monitors this by meeting with, and receiving regular reports from, executive management. These reports include information gleaned from our stakeholder engagement activities, including customer and employee surveys and feedback from staff interactions with customers and suppliers. The Board also maintains an active dialogue with shareholders and the Chairman regularly meets with employees in his role as the designated Director for employee engagement.

CASE STUDY

Putting our values into action

Our purpose and values sit at the heart of our brand. This year, we used these to define a new tone of voice as we developed our brand positioning.

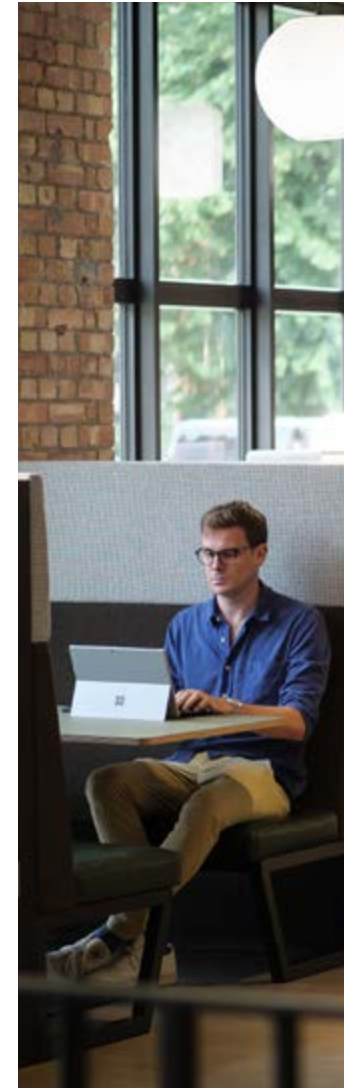
A clear tone of voice creates consistency across all customer touchpoints and reflects our brand and culture. In all internal and external communication we strive to be **Positive, Original, Warm** and **Assured**.

To embed this in the business, the marketing team held tailored workshops for each department to help teams adopt the tone of voice.

All teams have now completed this with the majority already using the new tone of voice in their daily communications.



See page 16



BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED**BOARD ACTIVITIES 2020/21** CONTINUED

Workforce policies and practices

STRATEGIC LINK

Doing the Right Thing

“ We expect all the Group’s officers and employees to conduct themselves and our business with honesty and integrity. ”

Policies and procedures

The Board reviews and approves all key policies and practices which could impact our employees and influence their behaviours. Policies are reviewed to check that they are aligned with the Group’s values. This includes the Group’s Code of Conduct and its additional policies relating to anti-bribery and corruption, modern slavery, data protection and whistleblowing. Further information on the Group’s key compliance policies can be found on pages 83 to 85.

Training and communication

All policies are available to employees and published on the Group’s intranet, with some also included in the employee handbook. We also take the opportunity to remind employees of our policies and any changes

made to them through our internal monthly publication, ‘The Workspace Wrap’. In addition, all new employees are provided with training at induction sessions and we provide annual refresher training to all staff in data protection and other key areas.

Whistleblowing

The Board recognises that effective and honest communication is essential to maintain our business values, and we encourage our employees to speak out if they witness any wrongdoing. This is reinforced in our whistleblowing procedures and in our Code of Conduct, both of which can be found on our intranet. See page 85 for further details on our Whistleblowing Policy.

**Workforce remuneration policies**

The Remuneration Committee has oversight of wider remuneration practices and policies. A schedule of the remuneration arrangements applicable to the wider workforce was presented to the Committee during the year. The Committee was satisfied that the schedule was clear and comprehensive and that no further information was required at that time. As appropriate and by invitation, the CEO attends the Remuneration Committee, for example in May 2020, when he provided an overview of remuneration for members of the Executive Committee and their direct reports.

**CASE STUDY**

Employee inductions

This year our new Training Manager reviewed and improved our staff induction process. Inductions are now held on a monthly basis, with new employees undertaking a 2.5 day induction programme to introduce them to Workspace. The induction begins with an introduction to the Group’s strategy by a member of the Executive Committee, followed by sessions on key areas such as customer journey, brand and marketing, sustainability, health and safety, security, IT, HR and compliance. The HR and compliance sessions are used in particular to inform employees of the Code of Conduct and the other policies and procedures that they are required to follow.



See page 45

Brickfields

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED**BOARD ACTIVITIES 2020/21** CONTINUED

Financing

STRATEGIC LINKOperational excellence
Doing the Right Thing

During the year, the Group has secured ongoing financing, by issuing its first green bond and extending its existing revolving credit facility.

Green bond

In March 2021, the Group issued its first green bond, in connection with our new Green Finance Framework, following strong demand from institutional investors.

The bond is a Sterling-denominated senior unsecured guaranteed green bond issuance in an aggregate principal amount of £300m and for a term of seven years, bearing interest at a rate of 2.25% per annum. The bonds were admitted to the Official List of the Irish Stock Exchange plc (trading as Euronext Dublin) and to trading on

The Global Exchange Market of Euronext Dublin with a BBB rating. Following their issue, the Company's average debt facility maturity increased from 3.9 years to 4.9 years and its weighted average cost of debt reduced to 3.6%.

The proceeds will be used to finance or refinance eligible green refurbishment and redevelopment projects, reinforcing the key role Workspace plays in the employment-led regeneration of areas across London as a long-term owner of historic and character buildings in the capital. The Green Finance Framework has received a second party opinion from DNV, an external environmental, social and corporate governance research and analysis provider, confirming

its alignment with the International Capital Market Association's Green Bond Principles. Both the Green Finance Framework and the second party opinion are available on the Company's website at: <https://www.workspace.co.uk/investors/doing-the-right-thing/introduction>

See pages 42, 78 and 123 for further information on the green bond.

RCF extension

During the year, the Company also agreed a one-year extension to its existing revolving credit facility, which was due to mature in June 2022.

Health and safety

**STRATEGIC LINK**

Doing the Right Thing

Health and safety has been a key area of focus for the Board throughout this year, particularly due to Covid-19. The wellbeing of our employees, customers and suppliers was the Board's highest priority and the Board has been in regular dialogue with the Executive Committee on the steps being taken to make our business centres safe. The Board was kept up to date with new Covid-19-related legislation and guidance affecting the Company at all times.

Our business centres

Risk assessments relating to the use of our head office and business centres by employees, customers, suppliers and other visitors were conducted, and are updated at regular intervals. Various policies and procedures have been put in place to ensure the health and safety of everyone using our business centres, including additional cleaning and provision of hand sanitiser, signage reminders about social distancing and hygiene, one-way systems and restrictions on the number of people permitted in enclosed spaces such as meeting rooms and lifts. These policies and procedures were, and continue to be, regularly reviewed and updated to take into account changing law and guidance.

Further information on the measures taken can be found on page 201.

Staff wellbeing

The Board is particularly conscious of the potential impact of Covid-19 and home working on the Group's employees. Our staff have been kept up to date with our Covid-19 policies and procedures through central communications and through their line managers, and several mental health-focused seminars have been offered to employees.

Further information on the Group's health and safety activities can be found on page 200.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED**BOARD ACTIVITIES 2020/21** CONTINUED

Shareholder engagement

STRATEGIC LINK

Operational excellence

292

During 2020/21, we engaged with 292 current and potential institutional investors

4

In 2020/21, we attended four virtual conferences

Engaging with shareholders

We have an active and constructive dialogue with our shareholders, and we regularly seek their views on major issues such as governance, strategy and financial structure. The Board receives a monthly investor relations report, recording movements in the shareholder register and a record of investor engagement, including any notable views expressed by investors in meetings with management. Our Investor Relations team manages a comprehensive calendar of engagement, including formal announcements, conference calls, roadshows, AGM and events, as well as ad hoc outreach contact with financial analysts, business media, investors, private client fund managers, retail investors and equity sales teams to make sure that our strategy and value creation are well understood by both shareholders and influencers.

The Government restrictions around movement as a result of Covid-19 impacted shareholder engagement during the year, with all

meetings and conferences held virtually. Unfortunately we were unable to conduct investor tours during the year. Tours and site visits are a valuable tool for educating investors on our offer and showcasing our properties and we look forward to restarting these as soon as restrictions allow.

Investor meetings and conferences

During 2020/21, we engaged with 292 institutional investors via virtual meetings or calls. Investor meetings are attended by various senior executives, including the CEO, CFO, Chairman, Senior Independent Director and Executive Committee members, as well as the Head of Investor Relations and the Head of Finance.

We regularly participate in industry and property conferences globally. These were all held virtually in 2020/21 but we attended four investor conferences.

OUR INVESTOR RELATIONS CALENDAR OF EVENTS

Calendar of events		Investor meetings	Investor tours
2020/21			
April	Business update on impact of Covid-19 pandemic	✓	-
	Investor engagement		
May	UK Property Conference	✓	-
June	Full-year results		
	Virtual investor roadshow	✓	-
July	AGM & Q1 Business Update		
August			
September	Half-year end		
	UK Property Conference	✓	
October			
November	Half-year results		
	Virtual investor roadshow	✓	-
December			
January	Q3 Business Update		
February			
March	Year-end		
	Fixed income investor roadshow for green bond	✓	-
	US and EMEA property conferences (virtual)	✓	-

Debt market

This year, we issued our first corporate green bond, raising £300m to finance and refinance eligible green projects. We conducted a fixed income investor roadshow ahead of the issuance and investors were very supportive with the bond oversubscribed. The CEO and CFO also regularly engage with our private placement investors, primarily based in the US, so that they remain fully informed of corporate developments and to discuss financial performance, future strategy and cash flows.

Annual General Meeting ('AGM')

The 2020 AGM was held on 9 July 2020 as a closed meeting at Canterbury Court, Kennington Park, 1-3 Brixton Road, London SW9 6DE. All resolutions passed with over 90% votes in favour.

Our 2021 AGM will be held on Thursday 22 July 2021 at Edinburgh House, 170 Kennington Lane, London, SE11 5DP. Safeguarding the health and safety of our employees, shareholders and guests is a priority.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED**BOARD ACTIVITIES 2020/21** CONTINUED**Shareholder engagement** continued

At the time of publication of this report, we are expecting restrictions on gatherings to be lifted by the date of the AGM and therefore we intend to hold the AGM in person as we would in normal years. Any changes to these arrangements will be announced via the Regulatory News Service. We will make sure all necessary social distancing measures are taken to enable the AGM to proceed safely and, as a result, we will be limiting attendance to the Company's shareholders, members of the Board and other necessary attendees only. With health and safety in mind, we would encourage shareholders to consider voting by proxy rather than attending in person if they feel able to do so.

Shareholder engagement remains a priority for Workspace. As we did last year, we encourage all our shareholders to submit questions for the Board in advance of the AGM, and answers will be published on the Company's website. Further details can be found in the AGM Notice.

Annual Report

Our Annual Report is available to all shareholders. Through our electronic communication initiatives, we aim to make our Annual Report available to a universal audience. Shareholders can opt to receive a hard copy in the post or PDF copies via email or from our website. Additionally, if a shareholder holds their shares via a nominee account and encounters difficulty receiving our Annual Report via their nominee provider, they are welcome to contact the Company Secretary to request a copy.

Corporate website

We have upgraded our website during the year, including the investor site. The web address is www.workspace.co.uk/investors. It contains our Annual Reports, half- and full-year results presentations and our financial and dividend calendar for the upcoming year. Our website also outlines our company strategy, business model, property portfolio and has a detailed section covering our ESG activities.

Senior Independent Director

If shareholders have any concerns, which the normal channels of communication to the CEO, CFO or Chairman have failed to resolve, or for which contact is inappropriate, then our Senior Independent Director, Chris Girling, is available to address them.

Other shareholder contacts

Contact details for our Investor Relations team, Company Secretary and Company Registrars are available on page 243 of this report as well as on our website.

**Will Abbott****CASE STUDY****Capital Markets Day**

Just after the year end, we held a virtual capital markets day to provide investors and analysts with a deep dive into our marketing capabilities and new brand proposition.

Will Abbott, Chief Customer Officer, took centre stage to unveil the brand proposition, Home to London's Brightest Businesses, before outlining Workspace's unique strength in marketing and the value of its in-house operating platform.

Dearbhla Mac Fadden, appointed Head of Marketing during the year, then presented the new brand advertising campaign, set to go live in May 2021.

Investor feedback was positive, with attendees commenting that the event showcased Workspace's unique position in the market.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED**BOARD ACTIVITIES 2020/21** CONTINUED

Employee engagement

**STRATEGIC LINK**

Doing the Right Thing

Throughout the year the Board meets and receives feedback from a wide range of employees across the business. The Board and Executive Committee review and approve key policies, practices and strategic decisions, making sure that they align to the Group's key values and purpose.

This year efforts were made to increase open engagement between employees and the Board.

New Chairman

Following the appointment of Stephen Hubbard as the new Chairman, an internal communications plan was developed to help introduce Stephen to staff and position him as the Board's employee engagement representative.

The objective was to clearly differentiate his role from that of the CEO's. The communications also aimed to provide greater transparency to staff around the Chairman and Board's corporate governance role in the Group's long-term sustainable success, including supporting our purpose, values and strategy.

A series of email and intranet communications outlined Stephen's priorities, with emphasis on sustainability and Group culture, and thanked employees for steering the business through the Covid-19 crisis.

The Board's employee engagement programme was launched with Stephen carrying out formal and informal meetings with staff at head office and other business centres. Shortly afterwards, the Chairman's quarterly breakfast engagement sessions started in September 2020. See page 119 for further details.

New Non-Executive Directors

Induction sessions were organised for new Non-Executive Directors, involving meetings with a range of senior employees and external advisers to build a solid understanding of the Group. Due to Covid-19 restrictions, tours of our major business centres have been postponed but will take place later in 2021.

Our two new Non-Executive Directors, Rosie Shapland and Lesley-Ann Nash, were introduced via the monthly staff newsletter, The Wrap, in the lighter, human-interest Q&A section, asking them questions about their hobbies and interests outside of work.

Workspace Winners Awards

This year we launched the Workspace Winners employee awards to celebrate our values and culture in action, and to recognise employees who have excelled or had a positive impact on the business. The creation of the four quarterly awards received strong support from the Board. The judging panel comprises a Board member and CEO Graham Clemett, alongside six members of staff from across the business, who are responsible for choosing winners whose actions align to our values.

Town hall events

With many staff working from home during lockdown, we broadcast three live-streamed employee events to help bring everyone together and share business updates from senior management. Board members Graham Clemett, CEO, and Dave Benson, CFO, hosted a Teams update to run staff through highlights from the half-year financial results. Two further events included updates from Graham and other members of the Executive Committee. Employees were able to submit questions anonymously, which Graham answered live. A recording of each event was shared on the Group's intranet.



70%

of employees logged into the virtual employee updates

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED**BOARD ACTIVITIES 2020/21** CONTINUED**Employee engagement** continued

Stephen Hubbard hosts an engagement session at The Frames

**CASE STUDY****Chairman's breakfast sessions**

Employees were invited to put themselves forward for monthly breakfast sessions with the Chairman, Stephen Hubbard, to discuss the Workspace business. Hosted in small groups across a variety of business centres, the engagement events were positioned as a forum for employees to provide candid feedback or suggest ideas:

- Each session involves a different and diverse group of eight employees
- Chatham House Rules apply, meaning notes are taken but comments remain anonymous
- Groups were chosen to represent a diverse cross section of the Company from both centre and head office staff

The discussions proved especially useful in gauging employee sentiment regarding working from home, effectiveness of social distancing measures, how our Covid-19 customer support has been received and views on the competitor landscape.

Ideas discussed are fed back to the Board and ultimately help inform improvements to the business.



See page 22

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

BOARD ACTIVITIES 2020/21 CONTINUED

Business relationships



STRATEGIC LINK

Customer-led growth
Operational excellence
Doing the Right Thing

Engaging with customers, suppliers and partners

Maintaining positive relationships with our customers, suppliers and partners is essential in our ongoing success.

The Board recognises the contribution that these businesses make to our ongoing operation.

Effective corporate governance principles rely on open, transparent and productive stakeholder engagement, and we work hard to incorporate stakeholders' views into our decision-making process.

The Board engages with key stakeholders on a regular basis to identify strategic actions, for example approving the rent discount offered to customers during the pandemic.

Our customer-facing teams provide ongoing daily feedback from customers, from the initial viewing through their entire relationship with us.

We have numerous suppliers and partners across development, facilities management and finance, and we work hard to ensure our values are aligned and that we are working toward a common goal.



BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED**BOARD ACTIVITIES 2020/21** CONTINUED

Community and environment engagement

STRATEGIC LINK

Doing the Right Thing

Environment engagement

The Board has supported a variety of impactful environmental initiatives throughout the year and has received presentations from the Sustainability team on a range of topics including: net zero carbon target, science-based targets, Task Force on Climate-related Financial Disclosure (TCFD), customer engagement, Energy Performance Certifications (EPCs) and ESG objectives and targets.

This year, the Board also endorsed the decision to divide the Doing the Right Thing Committee into two separate groups: the Charity & Social Committee, which will focus on fundraising, volunteering and social activities, and the ESG Committee, which will focus on the environmental, social and governance aspects of our business and supply chain.

Pathway to net zero carbon emissions by 2030

The Board recognises that the building industry significantly contributes to the global carbon footprint. Following a review of Workspace's business and value chain emissions, the Board strongly endorsed our pathway document, outlining how we will become a net zero carbon business by 2030. This marks a significant acceleration of our commitments previously made as part of the Better Buildings Partnership (BBP) Climate Change Commitment to deliver a net zero carbon real estate business by 2050.

The green bond

The Board approved the issue of our first green bond, to raise £300m of debt to finance/refinance green refurbishment projects, such as Brickfields in Hoxton.

Community and social impact

The Board receives updates from the Sustainability team on our community and social impact work, including our InspiresMe programme supporting disadvantaged young people in London. This year we organised virtual CV and interview workshops with charities XLP and Inspire.

The Board is also kept apprised of fundraising activities, including for our charity partner Great Ormond Street Hospital and Kitchen Social to fund school meals for children.

The Board has endorsed our plans to bring all third-party contractors onto the Living Wage by April 2022.

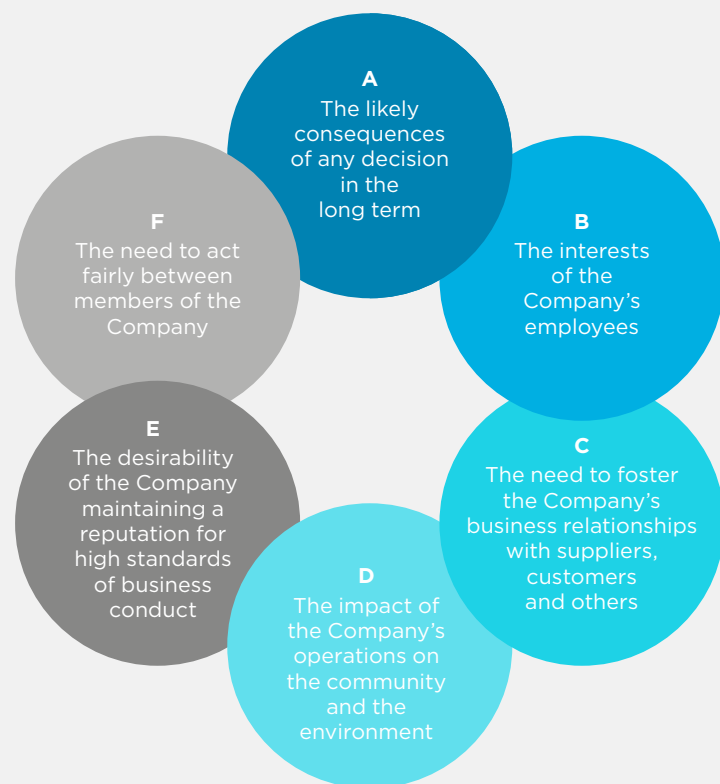
All new Board members now receive ESG inductions from our Sustainability team.



BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

Section 172(1) Statement

The Board of Workspace Group PLC confirms that during the year it has acted in good faith to promote the long-term success of the Company (and its Group) for the benefit of its shareholders, while having due regard to the matters set out in Section 172(1) of the Companies Act 2006, being:



The Board has identified the Company's key stakeholders to be its shareholders, employees, customers, suppliers, debt financiers and local communities, and also considers the impact of operations on the environment to be of key importance.

Further detail on stakeholder engagement and Section 172(1) matters can be found throughout our Annual Report:

	Relevant Disclosures	Page
A. The likely consequences of any decision in the long term	Our Purpose	page 113
	Our business model	pages 11 to 19
	Our strategy and approach to market trends	pages 26 to 33
	Dividend	page 2
B. The interests of the Company's employees	Employee engagement	page 118
	Looking after our people	pages 45 to 49
	Diversity and inclusion	pages 47 and 145
C. The need to foster the Company's business relationships with suppliers, customers and others	Customer support	page 50
	Supplier engagement	page 50
	Anti-bribery & corruption and modern slavery	page 84
	D. The impact of the Company's operations on the community and the environment	Supporting our communities
Sustainability and TCFD		pages 86 to 98
Net zero carbon pathway		page 40
Green financing		page 42
E. The desirability of the Company maintaining a reputation for high standards of business conduct	Compliance policies	pages 84 to 85
	Culture and values	page 113
	Whistleblowing	page 85
	Internal controls	page 164
F. The need to act fairly as between members of the Company	Shareholder engagement	page 116
	AGM	page 201

How the Board considers Section 172(1) matters

The Board is fully aware of the need to consider Section 172(1) when making decisions. Some of the key methods used by the Board to achieve this include:

- A Board strategy day is held each year where the Board discusses long-term strategy (see page 111).
- The Board regularly considers the Group's purpose, values and policies related to business conduct (see pages 113 and 114).
- A stakeholder impact analysis, setting out the expected impacts of the proposed decision on different stakeholder groups and how any negative impacts might be mitigated, is conducted and discussed by the Board when key strategic decisions are proposed.
- A Board Risk Committee was established this year to oversee the Company's risk management framework and the actions that are in place (or will be put in place) to mitigate risk in the short, medium and long term (see page 161).
- The Board considers ESG matters (see page 121).
- The Board directly engages with employees and investors, and receives feedback from the CEO and CFO on meetings with investors and analysts, and regular reports from the Executive Committee and external advisers on engagement with other stakeholders such as customers, suppliers and the wider community (see pages 116 to 121).
- Stephen Hubbard, Chairman of the Board, holds focus groups with employees in his role as the designated Non-Executive Director for employee engagement (see page 119).

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED**SECTION 172(1) STATEMENT** CONTINUED

Key decisions in 2020/21

Some of the key decisions considered by the Board in 2020/21, and how the Board had regard to Section 172(1) matters when discussing them, are outlined to the right.

In addition, this year the Board has in particular had regard to Section 172(1) matters in its response to Covid-19. In addition to supporting our customers with a rent reduction, the Group has been focusing on implementing measures to protect its strong financial position, supporting its employees while working from home and on their return to work, offering wellbeing events and resources to its employees and customers, and making sure our business centres are a safe and hygienic environment for our customers, employees, suppliers and visitors.

Read more about our response to Covid-19 on pages 16, 45, 47, 50, 63, 115 and 201.

Supporting customers with a 50% absolute rent reduction

The Government restrictions on movement put in place in March 2020 as a result of the Covid-19 pandemic had an immediate and material effect on the businesses of many of the Group's customers. The Group began offering its business centre customers the opportunity to defer a proportion of their rent payments on a case-by-case basis, but it became increasingly apparent that many customers were experiencing significant reductions in income and cash flow. Guided by its commitment to Doing the Right Thing, in April 2020 the Group decided to go further and offer a rent reduction of 50% to customers in business centres affected by the Government restrictions, to apply from the start of lockdown on 24 March until 30 June 2020. The Board received detailed information from the Executive Committee supporting this decision. It was clear that sharing the burden of a challenging and uncertain period would have a positive impact on fostering the Group's relationships with customers in the immediate term. The short-term negative impact on revenue, and therefore potentially to shareholder returns, as a result of the discount was also considered, but the Board balanced this against the longer-term customer retention and loyalty this decision was expected to generate. It was concluded that it would ultimately be to the benefit of the Group's success in the long-term and the long term interests of its shareholders as well as to the benefit of its customers. See page 50 for further information on the rent reduction.

Publishing our net zero carbon pathway

In January 2021, the Group published its net zero carbon pathway, setting out its commitment to becoming a net zero carbon business by 2030 through reducing the Group's operational and embodied carbon emissions in alignment with the goal of limiting global warming to 1.5°C. In making its decision to approve the publication, the Board received presentations from executive management and the Group's Head of Sustainability, and discussed in detail the likely impact of the Company's commitment to its net zero carbon pathway, particularly in the long term. As well as the clear benefits to the environment, the Board noted that ESG matters have become increasingly important to all the Group's stakeholders. In particular, the Group's customers are increasingly interested in energy saving and recycling, its employees want reassurance that they are working for a responsible business and its investors seek greater transparency on climate-related risks and mitigations. The Board concluded that the net zero carbon pathway would be to the clear benefit of the Group and its stakeholders. See page 40 for further information on our net zero carbon pathway.

Launching our first green bond

In March 2021, the Board approved the launch of the Company's first green bond, in connection with the Group's new Green Finance Framework and following strong institutional demand. The Board reviewed and discussed in detail information from executive management and external advisers. In considering the impact it would have on the Group's stakeholders, the Board particularly noted the positive impact the green bond was expected to have on the Group's commitment to the environment and local communities. The proceeds will be used to finance or refinance eligible green refurbishment and redevelopment projects (in line with its Doing the Right Thing strategy and its net zero carbon pathway), reinforcing the key role Workspace plays in the employment-led regeneration of areas across London as a long-term owner of historic and character buildings in the capital. The Board also considered that the green bond would be in the interests of other stakeholder groups. The issue of the bond improves the Company's balance sheet and reduces its average cost of debt, thereby strengthening the Company's financial position to the ultimate benefit of its investors, employees, customers and suppliers. See pages 42 and 115 for further information on our green bond and Green Finance Framework.

DIVISION OF RESPONSIBILITIES

There is a clear division between executive and non-executive responsibilities. This provides a framework of accountability and oversight.

Overview	page 125
Board role and responsibilities	page 126
Our governance framework	page 128
How we govern	page 129

Carmelina Carfora
Company Secretary



DIVISION OF RESPONSIBILITIES CONTINUED

Overview

Our governance framework

Our governance framework supports the development of good governance practices across the Group. The Board has overall responsibility for governance within the Group.

The Board delegates certain of its responsibilities to its Audit, Risk, Nominations and Remuneration Committees. Further details of the work, composition, role and responsibilities of the Audit, Risk, Nominations and Remuneration Committees are provided in separate reports on pages 136 and 197. Each of the Committees has Terms of Reference which were reviewed by the Committees and the Board during the year. These are available on the Group's website at www.workspace.co.uk/investors/about-us/governance/committee-terms-of-reference. The performance of each of the Committees is assessed annually as part of the evaluation process described later in this report.

The Board delegates all operational matters to the Executive Committee, except for matters specifically reserved to the Board. The schedule of matters reserved for the Board is reviewed at least once a year and can be accessed on the Company website at www.workspace.co.uk/investors/about-us/governance/committee-terms-of-reference. Further information on the relationship between the Board and the Executive Committee, and the matters which are reserved to the Board, can be found on page 131.

Complying with the Code Principles

PRINCIPLE F

The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.

Read about the role of our Chair on page 126.

PRINCIPLE H

Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.

Read about the role of our Non-Executive Directors on page 129. Read about the time commitment required of Non-Executive Directors on page 129.

PRINCIPLE G

The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.

Read about our Board composition on pages 106 to 108. Read about the independence of our Non-Executive Directors on page 129. Read about the division of responsibilities between the Board and Executive Committee on pages 126 to 127 and 131.

PRINCIPLE I

The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

Read about the Company Secretary's role in supporting the Board on page 127. Read about information flow and support to the Board on pages 134 to 135. Read about training and development for the Board on page 135.

DIVISION OF RESPONSIBILITIES CONTINUED

Board roles and responsibilities

The roles and responsibilities of the Chairman and Chief Executive Officer are separate, with a clear division of responsibilities between them. The Chairman is responsible for the leadership of the Board, and the Chief Executive Officer manages and leads the business. In addition, the role specifications described on the right set out the clear division of responsibility between executive and non-executive members of the Board.

Non-Executive

CHAIRMAN:

STEPHEN HUBBARD

- Primarily responsible for the operation, leadership and overall effectiveness of the Board.
- Sets agendas which support efficient and balanced decision-making.
- Ensures that the Board plays a full and constructive part in the development of the Group's strategy and that there is sufficient time for boardroom discussion.
- Facilitates the effective contribution of the Non-Executive Directors and monitors that all Directors receive accurate, timely and clear information.
- With the Nominations Committee, monitors that the Board remains appropriately balanced to deliver the Group's strategic objectives and to meet the requirements of good corporate governance.
- Promotes effective engagement with the Group's shareholders and other key stakeholders.
- Oversees the annual Board evaluation and identifies any actions required.
- Leads initiatives to assess the culture across Workspace and ensures that the Board sets the correct tone.
- Reviews, with the Board, diversity and inclusion initiatives.

The Chairman is not involved in an executive capacity with any of the Group's activities.

SENIOR INDEPENDENT DIRECTOR:

CHRIS GIRLING

- Being available and providing an alternative communication channel for shareholders and other stakeholders, if required, and being available to meet with investors on request.
- Provides a sounding board for the Chair.
- If necessary, deputises for the Chairman in his absence and counsels all Board colleagues.
- Acts as an intermediary for Non-Executive Directors when necessary.
- At least annually leads a meeting of the Non-Executive Directors without the Chairman present, to appraise the Chairman's performance and address any other matters which the Directors might wish to raise. He then conveys the outcome of these discussions to the Chairman.

INDEPENDENT NON-EXECUTIVE DIRECTORS:

CHRIS GIRLING, DAMON RUSSELL, SUZI WILLIAMS, MARIA MOLONEY, ROSIE SHAPLAND AND LESLEY-ANN NASH

- Constructively challenge and assist in the development of strategy.
- Scrutinise, measure and review the performance of management.
- Promote the highest standards of integrity and corporate governance.
- Review the succession plans for the Board and key members of senior management.
- Determine appropriate levels of remuneration for the senior executives.
- Review the integrity of financial reporting and the systems of risk management and financial controls.
- Serve on or chair various Committees of the Board.

DESIGNATED NON-EXECUTIVE DIRECTOR FOR EMPLOYEE ENGAGEMENT:

STEPHEN HUBBARD

- Represents the Board in discussions with employees.
- Develops, implements and provides feedback on employee engagement initiatives in conjunction with management.
- Provides an employee voice in the boardroom.
- Communicates to employees the outcomes and developments made by the Board on specific matters.

DIVISION OF RESPONSIBILITIES CONTINUED

BOARD ROLES AND RESPONSIBILITIES CONTINUED

Executive

CHIEF EXECUTIVE OFFICER: GRAHAM CLEMETT

- Responsible for leading and managing the business and is accountable to the Board for the financial and operational performance of the Group, and the execution of the strategy set by the Board.
- Leads the Group Executive Committee in the day-to-day running of the Group's business in order to execute objectives successfully.
- Regularly reviews the Group's organisational structure and recommends changes as appropriate.
- Sets overall policies for recruitment, management, staff development and succession planning and provides updates to the Remuneration Committee.
- Oversight of employee initiatives, diversity and inclusion, and employee wellbeing.
- Together with the Chairman and CFO, represents the Company to its customers, suppliers, shareholders and other stakeholders.
- Leads on the Group's ESG strategy and the net zero carbon pathway.
- Corporate communications and the IR strategy.

CHIEF FINANCIAL OFFICER: DAVE BENSON

- Supports the CEO in developing the strategic direction of the Group and works closely with the CEO and Board to develop and implement the Group's strategy.
- Provides financial leadership to the Group and aligns the Group's business and financial strategy and management of the Company's capital structure.
- Responsible for financial planning and analysis, treasury and tax.
- Leads and monitors the effectiveness of the key finance functions and appropriate development of the finance team.
- Responsible for the IT function and co-ordinates and delivers IT projects to support the growth and strategic priorities of the Group.

COMPANY SECRETARY: CARMELINA CARFORA

- Secretary to the Board and its Committees.
- Compliance with Board procedures and supporting the Chairman.
- Makes sure the Board has high-quality information, adequate time and the appropriate resources.
- Considers Board effectiveness in conjunction with the Chair.
- Facilitates the Directors' induction programmes and assists with professional development.
- Provides advice, services and support to all Directors as and when required.
- Responsible for organising the Annual General Meeting.

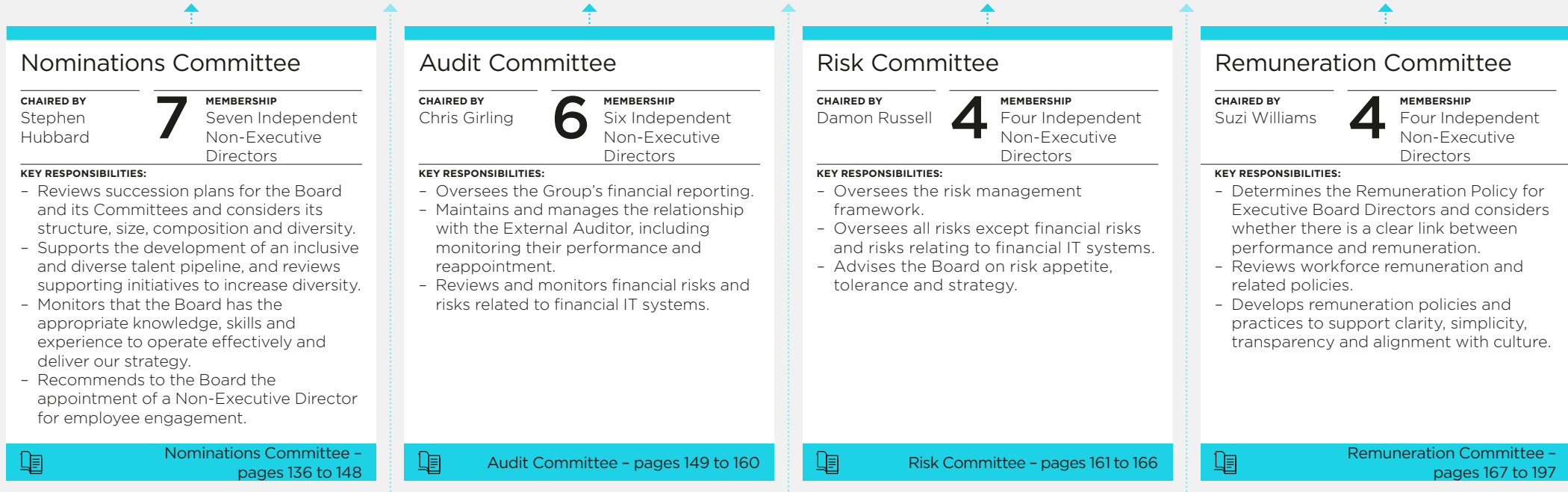
DIVISION OF RESPONSIBILITIES CONTINUED

Our governance framework

Board of Directors

The role of the Board is to promote the long-term success of Workspace by setting a clear purpose and the Group's strategy for delivering the long-term value to our shareholders and other stakeholders. It sets the governance and values of the Group and has ultimate responsibility for its management, direction and performance. The effective working relationship between the Board and the Executive Committee facilitates both support and challenge where required, with Board awareness enhanced through regular dialogue, including reporting from key individuals and the provision of minutes from all Board Committee and Executive Committee meetings.

THE BOARD DELEGATES CERTAIN MATTERS TO ITS FOUR PRINCIPAL COMMITTEES



Executive Committee

KEY RESPONSIBILITIES:
The Executive Committee is responsible for the execution of the Company's strategy and the day-to-day management of the business.

See page 132

Supporting Committees

The Executive Committee operates a number of supporting committees that provide oversight on key business activities and risks.

Disclosure Committee

KEY RESPONSIBILITIES:
Identifies and controls inside information or information which could become inside information and determines how and when that information is disclosed in accordance with applicable legal and regulatory requirements.

The Terms of Reference of each Board Committee are available on the Company's website at www.workspace.co.uk/investors/about-us/governance/committee-terms-of-reference

DIVISION OF RESPONSIBILITIES CONTINUED

How we govern

Non-Executive Directors	page 129
Re-election and election of Directors	page 130
Relationship between the Board and the Executive Committee	page 131
Composition of the Executive Committee	page 132
Information flow to the Board	page 134

Non-Executive Directors

The Non-Executive Directors have a broad mix of business skills, knowledge and experience acquired across different business sectors. This allows them to provide independent and external perspectives to Board discussions.

The Non-Executive Directors provide constructive challenge to the Executives, help to develop proposals on strategy and monitor performance.

Independence of Non-Executive Directors

During the year, the Board considered the independence of all the Non-Executive Directors, save for the Chairman who was deemed independent by the Board at the date of his appointment. The Board has reconfirmed that our Non-Executive Directors remain independent from executive management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. This is protected through a number of mechanisms including:

- Meetings between the Chairman and the Non-Executive Directors, individually and collectively, without the Executive Directors present. These are typically held before each Board meeting and used to discuss areas relevant to the operation of the Board and the Group in a more private setting. This year there were five of these meetings held.
- Separate and clearly defined roles for the Chairman, as head of the Board, and the Chief Executive Officer, as head of executive management, as set out on pages 126 to 127.

The Nominations Committee oversees the overall independence of Board membership and the continuing independence of individual Directors, with the Board deemed independent in line with the recommendations of the Code. Further details of this supporting evaluation can be found on page 143.

Time commitment and external appointments

The expected time commitment of the Chairman and Non-Executive Directors is agreed and set out in writing in the letter of appointment to the position, at which time the existing external demands on an individual's time are assessed to confirm their capacity to take on the role. This was a key consideration this year in the recommendation to appoint Rosie Shapland and Lesley-Ann Nash to the Board. Further appointments which could impair the ability to meet these arrangements can only be accepted following approval of the Board.

When assessing additional directorships, the Board considers the number of public directorships held by the individual already and their expected time commitment for those roles (see biographies on pages 106 to 109). The Board takes into account guidance published by institutional investors and proxy advisers as to the maximum number of public appointments which can be managed efficiently.

Executive Directors may accept a non-executive role at another company with the approval of the Board.

Graham Clemett is the Senior Independent Non-Executive Director and Chairman of the Audit Committee.

The Board is satisfied that each of the Non-Executive Directors can devote sufficient time to the Company's business to discharge their responsibilities effectively. They offer strategic guidance to Board discussions and independent decision-making to their Board and Committee duties (see the table on page 105 for Board meeting attendance).

The Nominations Committee keeps under review the tenure of all Directors, Board diversity and the effectiveness of individual Directors.

The biographies of all of the members of the Board, outlining their experience, can be found on pages 106 to 109.

DIVISION OF RESPONSIBILITIES CONTINUED**HOW WE GOVERN** CONTINUED**Non-Executive Directors**

continued

**Stephen Hubbard**

As in previous years, the independence of Stephen Hubbard was specifically considered during the year. Stephen was previously Chairman of CBRE UK, who are the Group's external independent valuers. Stephen retired from CBRE UK in December 2019.

Furthermore, while he remained as Chairman of CBRE UK, he had no involvement in any discussions or decisions regarding the appointment of CBRE or the fees paid to them.

CBRE have also confirmed that Stephen had no involvement in relation to the conduct of the valuations that they carried out, in the year, on behalf of the Company. Their appointment is by the Directors of the Company, acting through the Executives, and any communication is entirely with them. CBRE have stated that Stephen had no access to the data or calculations, was not involved in the process and they did not discuss the valuations with him.

Given the measures stated above and Stephen's retirement from CBRE UK, the Board is satisfied and continues to conclude that Stephen remains independent both in character and in judgement, including in relation to his responsibilities as Chairman of the Company.

In addition, in July 2020, Stephen stepped down from the Audit Committee on his appointment as Chairman of the Company.

Re-election and election of Directors

In accordance with the Code, all the Directors will submit themselves for election or re-election at the AGM on 22 July 2021, except for Maria Moloney who will be stepping down from the Board as a Non-Executive Director and will not seek re-election. Following the external Board evaluation review, detailed on page 146, and taking into account the Directors' skills and experience (set out on pages 106 to 109, the Board believes that the election and re-election of the Directors is in the best interests of the Company.

The explanatory notes in the Notice of Meeting for the AGM state the reasons why the Board believes that the Directors proposed for re-election at the AGM should be reappointed.

Rosie Shapland and Lesley-Ann Nash will be seeking election as Directors following their appointments to the Board on 6 November 2020 and 1 January 2021, respectively. Rosie and Lesley-Ann are each submitting themselves for election by shareholders at the AGM in July 2021 as this will be the first AGM since they were appointed as Directors.

The Board is satisfied that both Rosie and Lesley-Ann are independent in accordance with the Code and that there are no circumstances which are likely to impair or could appear to impair their independence as a Non-Executive Directors. The Nominations Committee of the Group has considered their commitments and has concluded that they have sufficient time to meet their Board responsibilities.

Rosie will assume the role of Chair of the Audit Committee at the conclusion of the AGM in July 2021. The Nominations Committee has recommended that Rosie has the necessary level of relevant financial and accounting experience required by the provisions of the UK Corporate Governance Code to perform this role. Rosie is a Chartered Accountant and a former audit partner at PwC with over 30 years of audit experience across multiple sectors. Rosie is also the Chair of the Audit Committee for both PayPoint plc and Foxtons Group plc.

Mr Clemett has a service contract and details can be found on page 196.

Mr Benson has a service contract and details can be found on page 196.

None of the Non-Executive Directors have service contracts and are instead given letters of appointment. The appointments of Chris Girling, Maria Moloney, Damon Russell, Suzi Williams, Rosie Shapland and Lesley-Ann Nash may be terminated by either the Company or any one of them giving three months' notice in writing. The appointment of Stephen Hubbard may be terminated by either him or the Group giving six months' notice in writing.

The terms and conditions of appointment of Non-Executive Directors, including the expected time commitment, are available for inspection at the Company's registered office.

DIVISION OF RESPONSIBILITIES CONTINUED**HOW WE GOVERN** CONTINUED

The relationship between the Board and the Executive Committee

THE BOARD

The Board is responsible for contemplating market trends and their impact on our strategy, assessing appropriate levels of risk and setting the objectives for the business, including the approach to ESG matters. It delegates the delivery of the strategy to the Executive Committee.

The Board considers there to be an appropriate balance between Executive and Non-Executive Directors required to lead the business and safeguard the interests of shareholders.

As at 31 March 2021, the Board comprises the Chairman, six Non-Executive Directors (all of whom are independent) and two Executive Directors. This meets the requirement of the Code for at least half the Board, excluding the Chairman, to be independent Non-Executive Directors.

Executive Committee – managing the business

The Executive Committee, which is chaired by Graham Clemett, supports the Board by providing executive management of Workspace within the strategy approved by the Board.

The Executive Committee is accountable to the Board for implementation of the agreed strategy. The Executive Committee monitors customer and market trends, assesses the implications and benefits of asset management initiatives and oversees the effectiveness of the governance framework.

The Board delegates all operational matters to the Executive Committee except for the matters reserved for the Board.

MATTERS RESERVED FOR THE BOARD

The Board has a formal schedule of matters reserved for its approval which includes:

- review and approval of the Group's strategy, business objectives and annual budgets
- approval of the Group's dividend policy and the payment and recommendation of interim and final dividends
- approval of Full Year and Half Year Results, including the review and approval of the going concern basis of accounting and the viability assessment
- health and safety performance across the Group
- on the advice of the Nominations Committee, reviewing succession plans for the Board and senior management team;
- approval of significant funding decisions
- review and approval of corporate transactions
- on the advice of the Risk Committee, the operation and maintenance of the Group's systems of risk management, internal control and corporate governance
- setting the Group's purpose, values and standards

EXECUTIVE COMMITTEE ACTIVITIES IN 2020/21

- Developed the Group strategy and budget for approval by the Board.
- Discussed financing proposals such as the issuance of a green bond in March 2021.
- Approved the next zero carbon pathway strategy.
- Monitoring of operational and financial results against plans and budgets.
- Considered regulatory developments.
- Reviewed and approved capital expenditure within the authorities delegated by the Board.
- Collectively responsible for the day-to-day running of the business.
- Developed leadership skills and the future talent of the business so that strong succession plans are in place as the Group develops.
- Analysed and reviewed initiatives of particular interest to the Group and presenting these to the Board as appropriate.
- Focused on the effectiveness of risk management and control procedures.
- Reviewed, monitored and implemented the operational response to Covid-19.
- Participated in training programmes such as unconscious bias training.

EXECUTIVE COMMITTEE

The Executive Committee is responsible for managing the business, day-to-day operational decisions and delivering the strategy set by the Board.

DIVISION OF RESPONSIBILITIES CONTINUED

HOW WE GOVERN CONTINUED

Composition of
the Executive
Committee

“
The Executive
Committee is
responsible for
managing the
business, day-to-day
operational decisions
and delivering
the strategy set
by the Board.
”

Graham Clemett
CEO



Graham Clemett
Chief Executive Officer

For full details of
Graham's responsibilities
and experience

See page 106



Dave Benson
Chief Financial Officer

For full details of
Dave's responsibilities
and experience

See page 107



Carmelina Carfora
Company Secretary

SPECIFIC RESPONSIBILITIES:

- Company Secretary to the Board and its Committees. Advises on legal, corporate governance, regulatory and compliance; manages share schemes and ensures compliance with Board procedures.

BACKGROUND AND RELEVANT EXPERIENCE:

- Carmelina joined the Company as Company Secretary in March 2010. She was previously Company Secretary of Electrocomponents plc.



Angus Boag
Development Director

SPECIFIC RESPONSIBILITIES:

- Planning consents; redevelopment and refurbishment project management; building maintenance; joint ventures; valuations; sustainability and environmental strategy.

BACKGROUND AND RELEVANT EXPERIENCE:

- Angus joined the Group in June 2007 as Development Director. He has experience in property and construction management and is responsible for adding value to the Group's assets through planning consents, development and joint ventures. Angus also manages all construction across the portfolio and has responsibility for the sustainability programme.

DIVISION OF RESPONSIBILITIES CONTINUED**HOW WE GOVERN** CONTINUED**Composition of the Executive Committee**
continued

John Robson
Asset Management Director

SPECIFIC RESPONSIBILITIES:

- Asset management of the portfolio, including lettings, lease renewals, property management and management of the centre and facilities team.

BACKGROUND AND RELEVANT EXPERIENCE:

- John joined Workspace in May 2008 as an Asset Manager. He was promoted to Head of Asset Management in February 2013 and to Asset Management Director in October 2017. Prior to joining Workspace, John qualified as a chartered surveyor and worked for Legal & General Investment Management, London Merchant Securities and ING Real Estate.



Claire Dracup
Head of People

SPECIFIC RESPONSIBILITIES:

- HR; training and staff development; internal culture; business centre support; health and safety; monitoring of customer service.

BACKGROUND AND RELEVANT EXPERIENCE:

- Claire joined Workspace in 1995, initially as a centre manager before progressing to Portfolio Manager. In 2008 Claire became Head of Support Services and was responsible for facilities management, security, health and safety and business centre support, which included recruitment, training and improvements to service and quality control. Claire was appointed as Head of People in April 2020.



Will Abbott
Chief Customer Officer

SPECIFIC RESPONSIBILITIES:

- Customer engagement; marketing and brand development.

BACKGROUND AND RELEVANT EXPERIENCE:

- Will joined the business on 20 April 2020, bringing a wide range of experience from over 20 years in marketing. Having started his career in advertising, Will held a number of senior roles across digital media, FMCG, financial services and travel sectors. Prior to Workspace, Will was Marketing Director UK & Ireland at Hiscox during a significant period of growth for the insurer, and most recently was Chief Marketing Officer of Neilson Active Holidays.



Richard Swayne
Investment Director

SPECIFIC RESPONSIBILITIES:

- Investment, acquisitions and disposals.

BACKGROUND AND RELEVANT EXPERIENCE:

- Richard joined Workspace in November 2014 as an Investment Manager. He was promoted to Head of Investment in October 2017 and Investment Director in April 2020. Prior to joining Workspace, Richard qualified as a chartered surveyor and worked for Cushman & Wakefield Investors and LFF Real Estate Partners.

DIVISION OF RESPONSIBILITIES CONTINUED

HOW WE GOVERN CONTINUED

Information flow to the Board

THE BOARD

9

Number of Board meetings in 2020/21

ONE-TO-ONE MEETINGS

One-to-one meetings are held between new Directors and senior management as part of the induction process. The CEO and CFO meet with senior management individually to discuss operations and performance, after which, the CEO and/or CFO will report back to the Board on matters that require discussion.

BOARD PRESENTATIONS

Employees below Board level are invited to present to the Board on operational topics. During the year our Head of Sustainability attended a meeting to provide an update on our ESG objectives and progress against targets. Our Head of Marketing and Head of Sales attended to provide an update on marketing and sales.

EMPLOYEE ENGAGEMENT

The Chairman held several meetings with staff as part of his role as Non-Executive Director responsible for employee engagement. The Company also conducted a staff survey to understand the challenges employees were facing during lockdown. Regular town hall events kept employees connected. The feedback from there was then presented to the Board.

Information and support to the Board

The Board and its Committees are provided with comprehensive papers in a timely manner to allow members to be fully briefed on matters to be discussed at their meetings.

The Directors have access to the advice and services of the Company Secretary, Carmelina Carfora. Her biography can be found on page 132. At the direction of the Chairman, Carmelina is responsible for advising the Board on matters of corporate governance and compliance with Board procedures.

In consultation with the Chairman, the Chief Executive Officer and Chief Financial Officer, the Company Secretary manages the provision of information to the Board for their formal Board meetings and at other appropriate times.

The Chief Executive Officer and the Chief Financial Officer keep the Board fully aware, on a timely basis, of business matters relating to the Group. They provide various updates to the Board on many aspects of the business, ranging from trading performance, progress being made on our refurbishment and redevelopment projects, the rationale for acquisitions and disposals and how these are aligned to strategy. They also inform the Board on the discussions held with analysts, investors and other stakeholders.

The Company Secretary and external advisers periodically update the Board on regulatory changes. These have included the 2018 Corporate Governance Code and developing guidance and practice in data protection, as well as regulatory developments relating to Covid-19.

The Board utilises an electronic Board paper system which provides immediate and secure access to Board papers and materials. Prior to each Board meeting, the Directors receive through this system the agenda and supporting papers permitting them to have the latest and relevant information in advance of the meeting.

After each Board meeting, the Company Secretary operates a comprehensive follow-up procedure to enable actions to be completed as agreed by the Board.

DIVISION OF RESPONSIBILITIES CONTINUED**HOW WE GOVERN** CONTINUED**Information flow to the Board** continued**How the Board discharges its responsibilities**

The Board discharges its responsibilities through an annual programme of Board and Committee meetings which are scheduled throughout the year, with main meetings timed around the Group's financial calendar. Additional meetings are convened to consider an annual cycle of topics, including the annual strategy day, key management and financial updates, review of risk as well as the approval of acquisitions and refurbishment programmes. In the year ended 31 March 2021 the Board met formally on nine occasions, including a strategy day in September 2020. Supplementary meetings or conference calls are held between formal Board meetings as required.

The Board engaged with the Company's advisers during the year and there was a presentation from the Company's brokers in September and July 2020. The Group's valuer, CBRE, presented to the Audit Committee meetings in May 2020 and November 2020. The CBRE presentations covered the valuation of the property portfolio and the wider market in which the Company operates.

Slaughter and May attended the Board meeting in March 2021 to give an update to the Board on climate-related disclosures, Board diversity and the Market Abuse Regulations.

The Directors are expected to attend all meetings of the Board, the Committees on which they serve and the AGM, and to devote sufficient time to the Company's affairs, to enable them to fulfil their duties as Directors.

Should the Directors be unable to attend meetings, they would be provided with papers to allow them to make their views known to the Chairman ahead of that meeting.

Prior to each Board meeting, and periodically, the Chairman meets the Non-Executive Directors without the Executive Directors present, and maintains regular contact with the Chief Executive Officer, Chief Financial Officer and other members of the management team.

If any Director has concerns about the running of the Company or proposed action which cannot be resolved, these concerns are recorded in the Board minutes. No such concerns arose during the year under review.

Despite the unprecedented conditions we have experienced over the preceding months, the Workspace team has continued to work closely during the period of lockdown. The Board, who have continued with their meetings remotely via the use of technology, have continued with their normal cycle of Board meetings, and remained in regular communication with each other and with the management team.

Training and development

With the ever-changing environment in which Workspace operates, it is important that the Board maintains a good working knowledge of the property industry and how the Group operates within its sector, as well as remaining aware of recent and upcoming developments in the wider legal and regulatory environment.

Directors attend external seminars and briefings in areas considered appropriate for their professional development. This training is designed to build upon the diverse range of experience that each Director brings to the Board. The Company Secretary provides regular updates on legal, regulatory and corporate governance matters. As required, we invite external professional advisers to provide training and updates on their specialist areas. Updates and training are not solely reserved for legislative developments but aim to cover a range of issues including, but not limited to, market trends, the economic and political environment, ESG, technology and social considerations.

Our Directors are invited to identify areas in which they would like additional information or training, following which the Company Secretary will arrange for the necessary resources to be put in place. The resulting sessions may be internally or externally facilitated.

This year the Directors have received updates and presentations on the following areas:

- The legal duties of a Director (and Section 172 considerations)
- ESG commitments and net zero carbon pathway
- Compliance with the 2018 UK Corporate Governance Code
- Data protection compliance
- Executive remuneration trends and best practice
- The Company's purpose and how it aligns with culture and values
- Inclusion and diversity
- Market Abuse Regulation
- Conflicts of interest

COMPOSITION, SUCCESSION AND EVALUATION

An effective Board requires the right mix of skills and experience. Our Board is a diverse and effective team focused on promoting the long-term success of the Group for the benefit of all stakeholders.

Overview	page 137
Complying with the Code Principles	page 137
Chairman's letter	page 138
The role of the Nominations Committee	page 139

Stephen Hubbard
Chairman



COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

Overview

Attendance at
Nominations
Committee meetings

Committee membership

The Committee comprises the Non-Executive Directors and is chaired by Stephen Hubbard. Details of individual attendance at the meetings held during the year are set out below. More information on the skills and experience of all Committee members can be found on pages 106 to 109.

	Meetings attended
Stephen Hubbard (Chairman)	3/3
Maria Moloney	3/3
Suzi Williams	3/3
Chris Girling	3/3
Damon Russell	3/3
Rosie Shapland ¹	-
Lesley-Ann Nash ²	-

1. Rosie Shapland was appointed as a Non-Executive Director on 6 November 2020.

2. Lesley-Ann Nash was appointed as a Non-Executive Director on 1 January 2021.

Complying with the Code Principles

PRINCIPLE J

Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained by board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

Having reviewed the succession plans for the Board, the Nominations Committee has, during the year, appointed two Non-Executive Directors to the Board. An external search consultancy was used to facilitate the appointments and provide access to a strong and diverse candidate pool. The Committee also plays a key role in supporting inclusion and diversity at Workspace.



See page 140

PRINCIPLE K

Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.

Throughout the reporting period, the Nominations Committee continued to focus on the succession pipeline for the Board, including the tenure of all Directors.



See page 143

PRINCIPLE L

Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.

As part of the three-year external Board evaluation cycle, this year the Board and Committee evaluation process was externally facilitated. The review was forward-looking, evaluating the effectiveness of the Board and its Committees by looking at their composition, dynamics and processes, and providing recommendations to increase effectiveness in the future.



See page 146

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

Nominations
Committee
Chairman's
Letter

2 June 2021

Dear Shareholder

The purpose of this report is to highlight the role that the Nominations Committee plays in monitoring the Board's balance of skills, experience, knowledge and background to provide the breadth, diversity of thinking and perspective needed to provide effective leadership.

Non-Executive Director succession

As Chairman of both the Committee and the Company, I am acutely aware of the need to ensure that there are no gaps in the skills or experience as members of the Board reach the end of their terms.

This year, the Committee continued its focus on succession planning. In doing so, it considered the tenure, mix and diversity of skills and experience of existing Board members and those required of prospective Board members in the context of the Group's medium and long-term strategy.

Chris Girling, who is both Chairman of the Audit Committee and Senior Independent Director, and Damon Russell, Chairman of the Risk Committee, will both reach their nine-year terms in 2022. Our focus this year has been on finding a Non-Executive Director with recent and relevant financial experience to succeed Chris as Chairman of the Audit Committee in July 2021. We are pleased that Rosie Shapland, a Chartered Accountant and former audit partner at PwC, joined the Board in November 2020.

We also welcomed Lesley-Ann Nash following our search for a new Non-Executive Director. Lesley-Ann, who joined the Board in January 2021, brings a broad range of experience acquired during her time in the Cabinet Office of HM Government and, previously, as Managing Director of Morgan Stanley.

The dedicated search process for both Rosie and Lesley-Ann is set out on pages 140 to 141.

Diversity and inclusion

The Board fully recognises the importance of diversity in all forms on the Board and across the organisation. We are committed to diversity and recognise the benefits that a diverse and inclusive workforce can bring, with differences in background, personal characteristics, skills, industry experience and other qualities combining to provide different perspectives. These have a positive impact on boardroom debate and wider organisational effectiveness.

At Board level, the Nominations Committee and the Board are committed to making sure that, together, the Directors possess a mix of skills, experience, diversity and perspectives to support the long-term success of the Group as well as reflecting our culture and purpose.

We are encouraged by our progress. We are pleased with, but not complacent regarding, our gender and ethnic representation at Board level and across the Group. In particular, we are pleased to report that we meet the recommendations of the Hampton-Alexander and Parker Reviews. On the retirement of Maria Moloney in July 2021, 37% of our Board will be female and, of our Executive Committee and their direct reports, 25% and 46% respectively are female.

On page 145 we describe our diversity and inclusion policy in further detail. We recognise the importance of diversity to our employees and customers. The benefits of diversity in its widest sense, including gender and ethnic diversity, have been and will continue to be an active consideration whenever changes to the composition of the Board or our senior management team are contemplated.

Looking forward, the Nominations Committee will continue to develop and monitor succession plans both at the Board and senior management level, in line with our desire to make sure that the Board and Workspace employees are representative of the diverse society in which we live. The remainder of this report provides further information on the key activities of the Committee during the year.

*Stephen Hubbard***Stephen Hubbard**

Chairman of the Nominations Committee

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED**The role of the Nominations Committee**

The Nominations Committee is responsible for monitoring that the Board, its Committees and Workspace's senior management have a good balance of skills, knowledge and experience, to lead Workspace effectively both now and in the longer term.

This is achieved through succession planning and talent development, and an understanding of the changing competencies required to support the Group's strategy, purpose, vision, culture and values. The way in which this is supported through the current Board composition is set out on page 143.

The Committee also plays a key role in supporting inclusion and diversity at Workspace, which at Board level involves reviewing and monitoring processes and initiatives in the Group, with employee engagement playing an important role.

The Committee is also responsible for recommending candidates for the role of Non-Executive Director responsible for employee engagement.

How the Committee operates

The Committee held three meetings, primarily to progress the appointment of our new Non-Executive Directors.

- The meetings are usually held immediately prior to or following a Board meeting, though the Committee also meets on other occasions on an ad hoc basis, as required.
- Only members of the Committee have the right to attend meetings. However, an invitation to attend meetings is, on occasion, extended to the Chief Executive Officer, in order that the Committee can understand his views, particularly on key talent within the business.
- The Directors can, for the purpose of discharging their duties, obtain independent professional advice at the Company's expense. No Director had reason to use this facility during the year.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

Nominations Committee activities in 2020/21

Board succession and appointment of new Non-Executive Directors	page 140
Performance of the Nominations Committee	page 143
Board composition	page 143
Inclusion and diversity policy	page 145
Board evaluation	page 146

Board succession and appointment of new Non-Executive Directors

During the year, the Committee continued to fulfil its core responsibilities of reviewing the structure of the Board and its Committees, recommending new Board appointments and adhering to a formal appointment and induction process.

Chris Girling will have served nine years as a Non-Executive Director in February 2022 and will step down as Audit Committee Chairman following the conclusion of the AGM in July 2021. Considering Chris's length of tenure, our focus was on finding the right person who could eventually assume the role of Chair of the Audit Committee.

Key considerations for the search process

The Nominations Committee discussed the role specification in detail and concluded that strong financial skills, with significant and relevant financial experience, were essential for this role. Potential areas to inform the search process were agreed, to include:

- a qualified accountant, with a deep understanding of the parameters of a non-executive role
- an ability to constructively challenge and support the senior management team and the Board while maintaining a highly collaborative approach and collegiate style
- a strong interest in ESG and how it is shaping the work of the Board and the impacts on the business

In addition, a key consideration as to an individual's suitability for the role was that candidates would be able to devote sufficient time to the role.

Our extensive search and selection process

Fidelio Partners Board Development & Executive Search Ltd ('Fidelio'), an independent external consultancy, were engaged to conduct the selection process.

Fidelio were asked to draw up a detailed role specification. This was reviewed with the Chairman who then engaged with the Nominations Committee. A final role specification was then approved.

The Nominations Committee then agreed that the Chairman would conduct interviews with five of the candidates presented.

Following these interviews, the Chairman and Fidelio compiled a shortlist of two candidates based on their level of experience, commercial focus and broad financial skill sets.

The two candidates then met with Chris Girling, Senior Independent Director and Chairman of the Audit Committee, Graham Clemett (Chief Executive Officer) and Dave Benson (Chief Financial Officer).

Considered candidates with relevant and diverse skills

In follow-up discussions held between the Chairman and the Committee, they reflected upon the experience of the candidates and their specific skill sets.

After due consideration, the Committee recommended the appointment of Rosie Shapland to the Board with effect from 6 November 2020. The Nominations Committee was satisfied that, as a Chartered Accountant and as a former audit partner at PwC, with over 30 years of audit experience across multiple sectors, Rosie has the relevant skills to assume the role of Chair of the Audit Committee.

Furthermore, given the experience and diverse skills of Lesley-Ann Nash, acquired during her tenure as a Director in the Cabinet Office of HM Government and, previously, as Managing Director at Morgan Stanley, it was agreed that Lesley-Ann also be invited to join the Board as a Non-Executive Director with effect from 1 January 2021.

This followed confirmation of the time commitment required and a review of existing arrangements for any actual or potential conflicts of interest.

The biographies for Rosie and Lesley-Ann can be found on pages 108 and 109.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21 CONTINUED

Board succession and appointment of new Non-Executive Directors continued

External search consultancy engaged by the Nominations Committee

Fidelio are signatories to the Voluntary Code of Conduct for executive search firms and are committed to identifying the most qualified and inclusive candidates for the roles identified. Fidelio was recently accredited by the Hampton-Alexander Review for the fourth year running for their contribution towards achieving gender balance on Boards and leadership teams in the category 'Beyond FTSE 350'. Fidelio also has a strong track record with regard to ethnic diversity in its Board search practice.

The Board development team of Fidelio were engaged to undertake an external Board evaluation, which was concluded in April 2021. Details of the external evaluation can be found on page 146. Fidelio have no other connection with the Company or the individual Directors.



Rosie Shapland and Lesley-Ann Nash photographed at Kennington Park.

Induction of Rosie Shapland and Lesley-Ann Nash

All new Non-Executive and Executive Directors joining the Board undertake a formal and personalised induction programme which is designed to provide an understanding of the Company's business, governance, management and its stakeholders. This covers, for example, the operation and activities of the Company including site visits and meeting members of the senior management team, the Company's principal strategic risks, the role of the Board, the decision-making matters reserved to the Board, and the responsibilities of the Board Committees.

The inductions for both Rosie and Lesley-Ann began shortly after the announcement of their appointment on 6 November 2020. Given the restrictions imposed by Covid-19, meetings with staff and external advisers were held remotely. Details of the induction programme can be found on page 142.

"Workspace's tailored director induction programme provided an excellent opportunity to meet with members of the Board and Executive Committee. It enabled me to learn more about the business and to discuss Board strategy, priorities and future plans."

Rosie Shapland
Non-Executive Director

"I joined Workspace in January 2021 and received an extensive and very informative induction. Now that Covid-19 restrictions are easing, I am very much looking forward to spending more time in our business centres and at head office."

Lesley-Ann Nash
Non-Executive Director

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED**NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21** CONTINUED**Board succession and appointment of new Non-Executive Directors** continued**Tailored induction for new Directors**

The Company Secretary assists the Chairman in designing and facilitating an induction programme for new Directors and their ongoing training.

Each newly appointed Director receives a comprehensive induction programme designed to give them a thorough overview and understanding of the business, covering the Company's purpose, values, strategy, key business areas and operations, and corporate governance structure. This is tailored to take into account a Director's previous experience and responsibilities.

Directors are also briefed on their roles and responsibilities as a director of a listed company. For Non-Executive Directors, specific committee responsibilities relevant to their Committee membership are covered, to enable them to function effectively as quickly as possible.

Directors are also offered follow-up sessions in any areas in which they want to increase their knowledge, or if they feel they could support management with their experience.

Rosie Shapland and Lesley-Ann Nash's induction programme

For the new Non-Executive Directors, Rosie Shapland and Lesley-Ann Nash, the induction programme included the following elements:

- One-to-one meetings with both Executive Directors, the Chairman and each of the Non-Executive Directors.
 - Briefing from the Chief Executive Officer on the Group strategy, operational matters and people.
 - Discussion with the Chief Financial Officer on financial matters, the control environment, including the capital structure and funding.
 - Briefings from the Company Secretary and the Head of Corporate Communications on legal governance matters and shareholder relationships, which were followed up by sessions with the Company brokers and external advisers.
- Briefings from senior executives and managers across our key business areas and operations, including marketing, asset management, investment, brand development, ESG and technology.
 - Access to reference materials, including key information on our governance framework, recent financial data, investor relations and policies supporting our business practices, including our share dealing policies, conflicts of interest procedure and directors' duties.

Regrettably, given the Covid-19 pandemic, these sessions were held remotely and on-site visits were not possible. However, as soon as restrictions ease, visits to our properties and other direct engagement with advisers and staff will be arranged.

Time commitments

The Directors have demonstrated a strong commitment to their roles on our Board and Committees in a year where all companies have asked more of their directors to meet the challenges of Covid-19. The Directors attended meetings of the Board and Committees scheduled in 2020/21 as well as additional ad hoc meetings. For further details of attendance at meetings see page 105.

The Directors have also given careful consideration to their external time commitments to confirm that they are able to devote an appropriate amount of time to their roles on our Board and Committees. For each of the Directors, the Board considers that the time commitment that he or she is required to devote to those roles does not compromise their roles at Workspace. The Nominations Committee reviews on an ongoing basis Directors' time commitments and confirmed that they were fully satisfied with the amount of time each Director devoted to the business.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21 CONTINUED

Performance of the Nominations Committee

Performance of the Nominations Committee

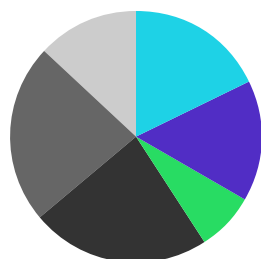
The performance of the Committee was considered through the annual Board evaluation process, which this year was the subject of an external review.

From the responses provided, it was concluded that the Nominations Committee was operating effectively.

Board composition

BOARD SKILLS AND EXPERIENCE

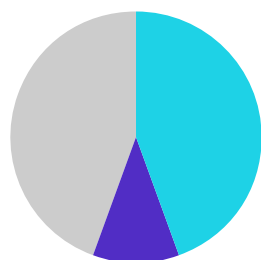
As at 31 March 2021



Property and real estate	7
Financial acumen	6
Brand and marketing	3
Executive and strategic leadership	9
ESG	9
Investor relations and engagement	5

BOARD TENURE

As at 1 April 2021



0-5 years	4
5-7 years	1
7+ years	4

Reviewing the Board and Committee composition

As part of the Board's annual effectiveness review, described on page 146, the Committee considers the composition of the Board and its Committees in terms of balance of skills, experience, length of service and wider diversity considerations.

The Board and its Committees continue to have a strong mix of experienced individuals on the Board who are not only able to offer an external perspective on the business, but also provide constructive challenge to review the Group's strategy.

The Board has carefully considered the guidance criteria regarding the composition of the Board under the UK Corporate Governance Code. In the opinion of the Board, the Chairman and all the Non-Executive Directors bring independence of judgement and character, a wealth of experience and knowledge and the appropriate balance of skills. The Directors are given sufficient time to enable them to carry out effectively their responsibilities and duties to the Board and the Committees on which they sit.

They are sufficiently independent of management and are free from any other circumstances or relationships that could interfere with the exercise of their judgement.

As at 31 March 2021, the Board comprised the Chairman, two Executive Directors and six Non-Executive Directors. Further details on the independence of Directors and their election

and re-election can be found on page 199 and on page 4 of the 2021 Notice of Annual General Meeting.

In accordance with the Code, with the exception of Maria Moloney, all the Directors will retire and offer themselves for election or re-election by shareholders at the 2021 Annual General Meeting. The biographies of all members of the Board, outlining the experience they bring to their roles, are set out on pages 106 to 109.

Non-Executive Directors

Each of Chris Girling, Damon Russell, Maria Moloney and Stephen Hubbard have or will have been on the Board for more than six years, so the Committee has undertaken a review of their contribution to the Board. The Committee concluded that each of Chris, Damon, Maria and Stephen are independent and continue to bring a range of relevant skills gained in diverse business environments. This enables the Directors to bring the benefit of varying perspectives to Board debate.

The Committee recommended to the Board the re-election and election of all Directors with the exception of Maria Moloney who, having served as a Non-Executive Director for nine years in May 2021, will retire following the conclusion of the 2021 AGM.

The skills and experience of the Directors are summarised on pages 106 to 109.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21 CONTINUED

Board composition continued

Non-Executive Director for employee engagement

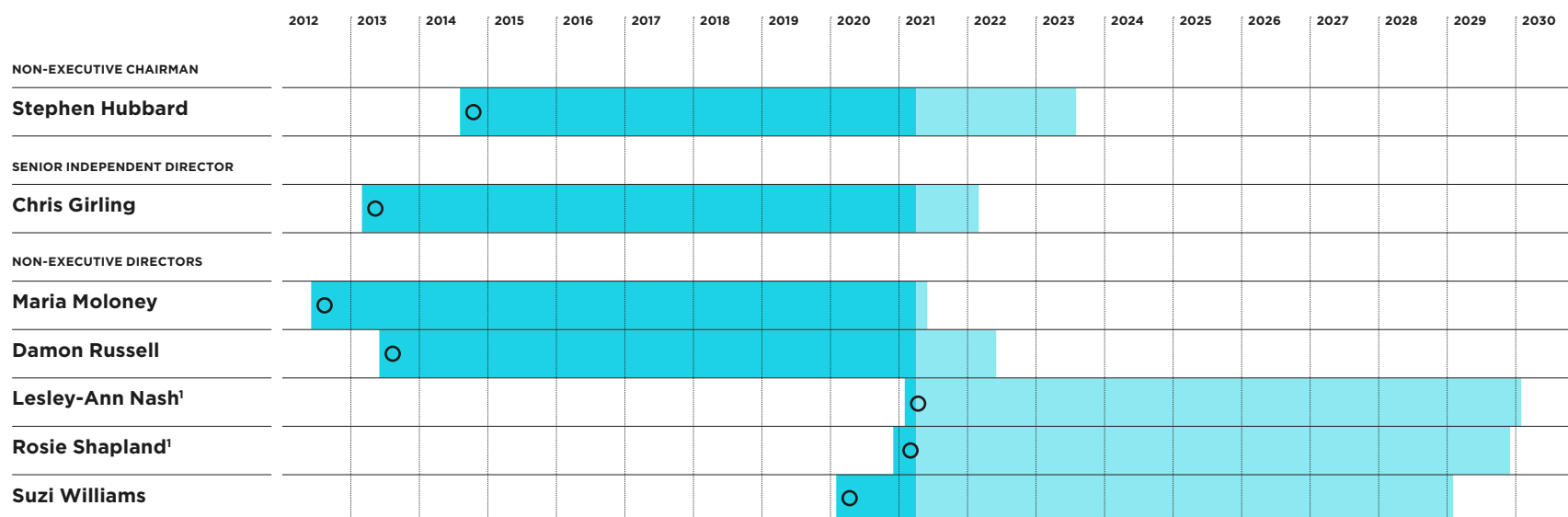
Stephen Hubbard was appointed as the Non-Executive Director for employee engagement in July 2020. Further details can be found on page 118.

Non-Executive appointments and time commitments

Following a review process, the Nominations Committee concluded that each of the Directors continued to make an effective contribution to the Board and to fulfil their duty to promote the success of the Company. It also considered the time commitments of the Non-Executive Directors and concluded that each Director is able to dedicate sufficient time to the Company.

Furthermore, the respective skills of the Directors were found to complement one another, enhancing the overall operation of the Board.

NON-EXECUTIVE DIRECTORS' TENURE AS AT 31 MARCH 2021



○ Appointment date
 ● Length of current tenure
 ● Estimated remaining tenure

1. Rosie Shapland and Lesley-Ann Nash were appointed to the Board with effect from 6 November 2020 and 1 January 2021 respectively.

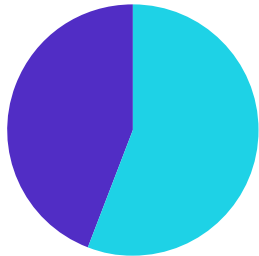
COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21 CONTINUED

Inclusion and diversity policy

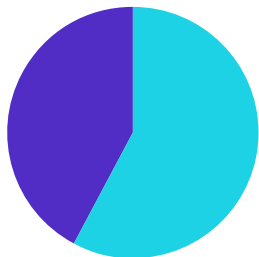
GENDER DIVERSITY OF THE BOARD

As at 1 April 2021



Male 56%
Female 44%

GENDER DIVERSITY OF EXECUTIVE COMMITTEE AND DIRECT REPORTS



Male 58%
Female 42%

Diversity is an integral part of our corporate culture and our purpose, to give businesses the freedom to grow. We invest in our employees through training and support them to grow and develop the ability to think differently and act on their own initiative to deliver the best for our customers. A diverse workforce that brings an appropriate balance of skills, experience and knowledge, as well as fresh perspectives, enriches our business and contributes to our long-term success.

We believe in fairness and equality of opportunity where talented people can thrive, without regard to gender, race, ethnicity, age, religious beliefs, disability, education or social background. We operate an Equal Opportunities Policy which provides that recruitment and selection, training and development, and performance reviews and promotion must all be based solely on individual merit and free from bias. We monitor and analyse employee gender and ethnicity information and we actively follow recommendations for improving diversity. We consider this to be consistent with our policy that selection should be based on the best person for the role. Active consideration is always given to using recruitment processes, including advertisements and use of recruitment agencies, which allow a diverse group of potential candidates to be identified both at Board and employee level.

The Board's gender and ethnicity balance is in accordance with the recommendations of the Hampton-Alexander and Parker Reviews.

To support the development of an inclusive and diverse talent pipeline, our Human Resources team has been tasked with delivering a number of supporting initiatives to increase diversity and build a pipeline of talented employees and senior managers. The HR team has continued to work closely with employees to identify and progress these initiatives including:

- supporting employees returning from parental leave by offering flexible working options and staggered returns to work
- organising unconscious bias training and interview skills training for members of the Executive Committee and staff involved in recruitment and performance appraisals
- issuing a recruitment policy and guidance notes to promote fair and thorough processes
- continuing to advertise new job vacancies internally to encourage internal applications
- reviewing and auditing job descriptions and person specifications to confirm that inclusive language is being used consistently and working with recruitment agencies to make sure the same applies to any materials produced by them
- requiring, wherever possible, candidate shortlists for executive-level positions to include an equal number of men and women

- requesting that CVs from recruiters are anonymised so that we fairly shortlist candidates without considering their gender or ethnicity
- continuing to promote progressive career development through job rotation to broaden experiences and skills
- identifying, via our bi-annual appraisal process, employees who have strong potential for development at Workspace, and putting training and development plans in place for them
- sponsoring external learning and development as well as providing a group-wide internal training programme to offer employees opportunities to learn and develop skills such as organisation, people management and managing difficult situations

Details of the Board of Directors

See page 106

Further details of gender and ethnic diversity of all employees

See page 47

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21 CONTINUED

Board evaluation

The annual Board and Committee effectiveness reviews, whether internal or external, continue to provide a valuable opportunity for the Board to reflect on how it operates, enabling it to improve its effectiveness and that of its Committees. As part of our three-year external Board evaluation cycle, this year, our Board and Committee evaluation process was externally facilitated by Gillian Karran-Cumberlege of Fidelio. Two potential options for external evaluators were presented to the Board. In considering who to appoint, the Board was keen to work with Fidelio given their extensive Board evaluation and development experience, their focus on enhancing effectiveness and the Board's contribution to value, and their understanding of diversity, ESG and shareholder engagement. Fidelio were an active contributor to the recent BEIS consultation paper on Board Evaluation conducted by the UK Chartered Governance Institute.

The Executive search team of Fidelio were, in 2020, engaged to assist with the search and identification of a new Non-Executive Director.

They have no other connection with the Company or the individual Directors.

BOARD EVALUATION TIMELINE



COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21 CONTINUED

Board evaluation continued

BOARD EVALUATION PROCESS

1.

As part of the review, Gillian Karran-Cumberlege of Fidelio:

Met with the Chairman and the Company Secretary to define the scope and objectives of the evaluation.

Held in-depth one-to-one interviews with each Board Director and the Company Secretary covering key aspects of governance and effectiveness.

Held discussions with each of the Executive Committee members. Given that the purpose of the evaluation is to increase Board effectiveness, the perspective of the Executive Committee was considered important.

Conducted a benchmarking of Workspace against three peer companies, reviewing governance, Board composition, Board structures, diversity and inclusion, and the approach to ESG.

In addition to the evaluation of the Board and each of the Committees, individual feedback on the Directors was provided to the Chairman, who after consideration of the recommendations from the Board evaluation process, met with the Directors individually. Feedback on the Chairman was also provided in the report.

2.

The review was focused on the following key areas:

Board dynamic and decision making.

The value that the Board brings to Workspace.

Board accountability and directors' duties.

Risk and oversight.

Board leadership and company purpose – including culture and its alignment to purpose, values and strategy and setting the tone from the top.

Strategy and the Board's contribution to its formulation.

Composition, succession and evaluation – including the appointments process for Board and senior roles, induction and development of Board members.

Effectiveness of the respective Board Committees in contributing to the work of the Board.

Engagement with shareholders and other stakeholders.

How ESG considerations are fully integrated into the strategy, business model and the work of the Board.

The effectiveness of the Board in its oversight of diversity and inclusion.

3.

The report of the findings was presented to the Board at their April meeting. The Board discussed the points raised by the review as well as the recommendations for increasing the effectiveness of the Workspace Board.

OUTCOMES

The feedback from this year's external Board evaluation was positive and concluded that the Board and its Committees continued to work well. In particular, it was noted that the Board had moved rapidly to a new form of remote working during the pandemic, with key decisions and approvals being achieved.

Specific development themes included:

- Create a clear framework for how the Board members and the Executives can engage beyond the formal Board meetings.
- Continue to develop the Board's oversight of the broader people agenda, including diversity and inclusion, succession planning, culture, and people leadership and development.
- Continue to develop its oversight of strategy and its implementation.
- Continue to focus on ESG and how it is embedded into strategy.
- Maintain a focus on stakeholder and shareholder engagement.
- Maintain a focus on succession planning and composition of the Board, its Committees and of the Executive Committee.
- Review the approach to Board learning, developing a dynamic programme of relevant subject areas that reflect strategic priorities or challenges.

Following the recommendations from the external review, an implementation plan and progress tracker were developed by Gillian Karran-Cumberlege and the Company Secretary and reviewed by the Board. Progress on implementing the recommendations will also be reviewed with the Chairman after six and twelve months.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED






NOMINATIONS COMMITTEE ACTIVITIES IN 2020/21 CONTINUED

Board evaluation continued

Progress against the internal Board effectiveness review conducted in 2020

In 2019/20, the performance and effectiveness of the Board was reviewed through an internally facilitated evaluation process. The feedback from this review was positive and concluded that the Board and its Committees continued to work well and that the Directors contribute effectively and demonstrate commitment to their roles.

Whilst no specific development themes were identified from the 2020 evaluation, the Board agreed that it would continue to look for opportunities to improve its effectiveness. The items that were discussed during this review focused on succession planning, the continued evolution of the Board and its composition, broader stakeholder engagement and continued focus on strategy. These areas have been progressed within the period.

ITEM DISCUSSED BY THE BOARD:	OUTCOME:	
SUCCESSION PLANNING AND CONTINUED EVOLUTION OF THE BOARD AND ITS COMPOSITION	<p>We are pleased with our progress this year. We appointed Rosie Shapland and Lesley-Ann Nash as Non-Executive Directors.</p> <p>Maria Moloney will have served as a Non-Executive Director for nine years in May, and so will be stepping down at the AGM in July 2021. Until January 2021, Maria was also Chairman of the Remuneration Committee. As part of the review of succession planning and Board composition, Suzi Williams, appointed in January 2020, was appointed as Chair of the Remuneration Committee with effect from January 2021.</p>	<p>More information on the recruitment and induction of Rosie Shapland and Lesley-Ann Nash</p> <p> Pages 140 to 142</p>
STRATEGY SHOULD CONTINUE TO FEATURE ON THE BOARD'S AGENDA	<p>Strategy has remained a key feature on Board agendas in the year, with a separate strategy day held in September 2020.</p>	<p>More information on our strategy day</p> <p> Page 111</p>
SHAREHOLDER COMMUNICATIONS AND BROADER STAKEHOLDER ENGAGEMENT ACTIVITY	<p>The Board recognises the importance of clear communications and proactive engagement with all our stakeholders.</p> <p>During the year, Stephen Hubbard, the Non-Executive Director responsible for employee engagement, held meetings with small groups of employees where a broad range of matters were discussed.</p> <p>The Board also received an update from the Chief Executive Officer and Chief Financial Officer following feedback from investors on the launch of the Company's first green bond issuance in March 2021 and, earlier in the year, from analysts and investors on the full-year and half-year results.</p> <p>The Chief Executive Officer and other members of the Executive Team have held remote meetings with staff during lockdown periods, with regular updates made to the Board on feedback received from staff.</p>	<p>More information on our stakeholder engagement activity</p> <p> Pages 116 to 121</p> <p>More information on our employee engagement activity</p> <p> Pages 118</p> <p>More information on our stakeholder engagement activity</p> <p> Pages 116 to 121</p>

AUDIT, RISK AND INTERNAL CONTROL

The Audit and Risk Committees fulfil a vital role in the Group's governance framework, providing valuable independent challenge and oversight.

SECTION CONTENTS

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RISK COMMITTEE REPORT

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AUDIT, RISK AND INTERNAL CONTROL CONTINUED

Overview

Complying with the Code Principles

PRINCIPLE M

The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.

In addition to the annual review of effectiveness, the Committee considered the independence and objectivity of the External Auditor through a combination of assurances provided by the External Auditor on the safeguards in place to maintain independence, oversight of the Non-Audit Services Policy and fees paid. KPMG confirmed that their staff complied with their ethics and independence policies and procedures.

The Group does not currently have an internal audit function, a matter which is reviewed annually by the Audit Committee.



See page 158

PRINCIPLE N

The board should present a fair, balanced and understandable assessment of the company's position and prospects.

The Board as a whole is responsible for determining whether the 2021 Annual Report and financial statements are fair, balanced and understandable. The Audit Committee's role in this is covered on page 158. For the year ended 31 March 2021, the Committee confirmed to the Board that it was satisfied that the Annual Report was fair, balanced and understandable.



See page 158

PRINCIPLE O

The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.

During the year, the Board established a Risk Committee to oversee the Group's risk management. See more detail on page 163.

Principal risks have been considered in detail by the Board, the Risk Committee and the Executive Committee. More detail can be found on pages 63 to 70.

Read about our risk management and internal control framework on pages 161 to 166.



See page 161

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

Audit Committee Report

Our priority is to safeguard the integrity and effectiveness of our financial reporting and audit process.

Attendance at Audit Committee meetings

	Member since	Meetings attended
Chris Girling – Chairman	2013	3/3
Maria Moloney	2012	3/3
Lesley-Ann Nash	2021	1/1
Damon Russell	2013	3/3
Rosie Shapland	2020	1/1
Suzi Williams	2020	3/3

Notes:

In accordance with the UK Corporate Governance Code 2018, the Board considers that Chris Girling has significant recent and relevant financial experience.

Stephen Hubbard was appointed Company Chairman in July 2020. In compliance with the Code, Stephen stepped down as a member of the Audit Committee. Stephen attended all scheduled meetings of the Audit Committee prior to this date.

Lesley-Ann Nash and Rosie Shapland joined the Board with effect from January 2021 and November 2020, respectively.

Ishbel Macpherson stepped down as a Non-Executive Director of the Company on 24 July 2020. As a member of the Audit Committee, Ishbel attended all meetings held prior to her departure.

Chris Girling

Chairman of the Audit Committee



AUDIT, RISK AND INTERNAL CONTROL CONTINUED**AUDIT COMMITTEE REPORT** CONTINUED**Chairman's
Audit
Committee
Letter**

2 June 2021

Dear Shareholder

As Chair of the Audit Committee (the 'Committee'), I am pleased to present the Committee's report for the financial year ended 31 March 2021.

This is my final report as Chairman of the Audit Committee as I will step down from this role following the Annual General Meeting in July 2021. Rosie Shapland, a fellow Non-Executive Director and a current member of the Committee, will succeed me as Chairman. Rosie is a Chartered Accountant and was previously an audit partner at PwC. Rosie also serves as Chair of the Audit Committees for both Foxtons Group plc and PayPoint plc. In accordance with the UK Corporate Governance Code, the Board considers that Rosie has significant, recent and relevant financial experience, based on her previous role at PwC and on her current Non-Executive Director roles.

On an ongoing basis, the Board reviews the composition of the Committee to establish that it remains proportionate to its role and responsibilities. The Board also appointed Lesley-Ann Nash as a Non-Executive Director from January 2021, who also sits on the Audit Committee.

The report is intended to provide shareholders with an insight into how key topics are considered during the year, together with how the Committee discharged its responsibilities.

The report details the key activities of the Committee during the year under review, alongside its principal responsibilities. These can be found on page 155.

Covid-19

During the year, the Committee considered potential risks arising from the ongoing uncertainty surrounding the impact of the Covid-19 pandemic and long-term viability. Full details of our going concern review are contained on page 81, following which we concluded that Workspace continues to be a viable business and remains a going concern.

Review of material issues

The Audit Committee has a key role in checking that the Group's narrative reporting gives a fair, balanced and understandable assessment of the Group's position and prospects and establishing that the financial statements provide a true and fair view of the Group's financial affairs. As part of this process, we considered the significant financial judgements made during the year, along with other key financial reporting issues. In this context, we considered the twice annual valuation of the investment portfolio as a significant matter, for which further details are provided on page 159.

We also considered, as we do on a regular basis, the potential for fraud in revenue recognition, scope for management override of controls and compliance with regulations. We found no concerns arising from this review.

A description of the main activities and information on the other significant issues that the Committee considered during the year can be found on 156 to 159.

2021 Annual Report

After reviewing the reports from management and, following discussions with the External Auditor and valuers, the Committee is satisfied that:

- Both the External Auditor and valuers remain independent and objective in their work
- The financial statements appropriately addressed the key judgements and key estimates
- The Group has adopted appropriate accounting policies

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

AUDIT COMMITTEE REPORT CONTINUED

Financial Reporting Council (FRC) review

The Group received a letter from the Financial Reporting Council concerning its limited scope review of the Group's Annual Report and Accounts for the year ended 31 March 2020. In response to the letter, we provided the FRC with further information relating to assumptions underlying our valuation and have made some minor amendments to the disclosures in note 10, Investment Property.

The FRC review was based on the Annual Report and Accounts and did not benefit from detailed knowledge of the business or an understanding of the underlying transactions entered into. It was, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework.

Committee effectiveness

This year the Committee's effectiveness was formally reviewed as part of the external Board evaluation process and I am pleased to report that it was found that the Audit Committee continues to operate effectively.

In addition, the quality of the papers and presentations by management, the level of challenge from the Audit Committee, KPMG and CBRE and the quality of discussions held, gives the Committee further comfort and assurance that it is performing its role effectively.

I hope that you find assurance from this report on the work undertaken by the Committee during the year.



Chris Girling

Chairman of the Audit Committee

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

AUDIT COMMITTEE REPORT CONTINUED

Role of the Audit Committee

The Audit Committee reviews and monitors the integrity of the Company's financial reporting in advance of its consideration by the Board. The Committee oversees the relationship with the External Auditor in order to assess their effectiveness and to annually assess their independence and objectivity.

How the Committee operates

The Audit Committee is composed solely of independent Non-Executive Directors, with a wide diversity of experience, including finance, property and marketing. Chris Girling, as a Chartered Accountant with many years of senior financial experience, satisfies the requirement of having appropriate recent and relevant financial experience.

Meetings of the Audit Committee coincide with key dates in the financial reporting and audit cycle. During the year, the Committee met on three occasions, in May and November 2020 and in March 2021. In addition, the Committee met in May 2021 to review the 31 March 2021 Annual Report along with the property valuation and the findings of the External Auditor.

A forward plan of agenda items guides the business to be considered at each meeting and is regularly reviewed and developed. This assists and facilitates the work of the Committee, enabling it to give thorough consideration to matters of particular importance to the Company.

The Committee receives information in advance of its meetings including information from management and detailed reports from the External Auditor including the audit report. The Committee meets privately with the External Auditor, at least annually and liaises with Company management in considering areas for review.

The Committee Chair also meets separately with the Chief Financial Officer, Chief Executive Officer and members of the Audit team at KPMG. These meetings inform the work of the Committee by identifying key areas of focus and emerging issues.

The Committee regularly invites the external audit lead partner, Nick Knight of CBRE, the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer and Head of Finance to its meetings.

Meetings of the Committee are held in advance of the Board meetings to allow the Committee Chairman to provide a report on the key matters discussed, to the Board, and for the Board to consider any recommendations made.

All of this, along with ongoing challenge, debate and engagement, allows the Committee to discharge its responsibilities effectively.

AUDIT, RISK AND INTERNAL CONTROL CONTINUED**AUDIT COMMITTEE REPORT** CONTINUED**THE ROLE OF THE AUDIT COMMITTEE**
CONTINUED

The Audit Committee works with the Risk Committee, established in September 2020, to review the adequacy and effectiveness of the Group's risk management and internal control.



Chris Girling
Chairman of the Audit Committee

Audit Committee responsibilities**Financial reporting**

- Review the year-end and interim financial statements and monitor the reporting process. Information on significant matters in relation to the financial statements that were considered by the Committee can be found on page 159.
- Advise the Board on the Group's viability and going concern status. More information on the Committee's assessment of the Group's viability and going concern status can be found on pages 81 and 82.
- Review the content of the Annual Report and Accounts and advise the Board on whether, taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders to assess performance, the business model and strategy. The Group's strategy and business model are explained on pages 29 to 33 and 11 to 19 respectively.
- Review the appropriateness of accounting policies and practices.
- Review the reports on viability and going concern including the assumptions included in plans, key risks considered, and the sensitivities tested.

External audit

- Assess the work of the External Auditor and any significant financial judgements made by management. More information is available on pages 157 to 159.
- Review and monitor the objectivity and independence of the External Auditor, including its policy governing the provision of non-audit services. Refer to page 158 for more information.
- Review and monitor the effectiveness of the external audit process and the ongoing relationship with the External Auditor. More information on our process of safeguarding auditor independence is available on page 158.

Financial risks

- Remains responsible for oversight and review of controls relating to financial risks and risks relating to finance IT systems.
- Review the operational effectiveness of key controls in place to manage finance risk.

More information on the Group's internal controls and risk management process is available on page 166 and the work of the Risk Committee is available on page 164.

Governance, best practice and development

- Keeping up to date with developments regarding control environments (with advice from the External Auditor).
- Keeping up to date on investor, shareholder and market sentiment (with advice from the Company's brokers).
- Keeping up to date with regulatory and legislative matters relevant to the Company (with advice from the Company's legal advisers).

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

AUDIT COMMITTEE REPORT CONTINUED

Key matters considered by the Committee during the year

AUDIT COMMITTEE MEETING HELD ON 27 MAY 2020

FINANCIAL AND NARRATIVE REPORTING

- Reviewed the year-end financial statements including key judgements, estimates, assumptions and the going concern and viability statements.
- Considered the content of the Annual Report and Accounts and advised the Board on whether, taken as a whole, the Annual Report and Accounts were fair, balanced and understandable and whether they provided the necessary information for shareholders to assess the Company's position, performance, business model and strategy.
- Discussed the 2019/20 viability statement and going concern assumption with our External Auditor.
- Reviewed a tax report and confirmation of compliance with REIT tax regime.
- Discussed the presentation of the 31 March 2020 portfolio valuation by the independent valuers.
- Considered the proposal for a final dividend.

EXTERNAL AUDIT

- Considered the External Auditor's report on the 2019/20 audit.
- Reviewed letters of representation issued to the External Auditor for the full-year results prior to their being agreed by the Board.
- Reviewed the independence of the External Auditor.
- Held a private meeting with the External Auditor.

GOVERNANCE

- Agreed the narrative of the 2019/20 Audit Committee Report.
- Reviewed the corporate governance sections of the 2020 Annual Report.
- Reviewed the requirement for an internal audit function.

AUDIT COMMITTEE MEETING HELD ON 5 NOVEMBER 2020

- Considered the interim financial results and half-year statements.
- Reviewed and discussed a report from KPMG, summarising their findings arising from the half-year review of the results of the Company for the six months ended 30 September 2020.
- Discussed a report, from Head of Finance, providing a review of the half year accounts.
- Discussed a report from the Chief Financial Officer on the going concern and viability assessment.
- Reviewed letters of representation issued to the External Auditor for the half-year results prior to their being agreed by the Board.
- Reviewed a report on the audit plan and strategy for the year ended 31 March 2021.

- Considered the scope and cost of the external audit for the year ended 31 March 2021.
- Reviewed the materiality threshold for the 2020/21 audit.
- Considered the audit plan and strategy for the year ending 31 March 2021.

- Approved the Committee timetable and planner which detailed the areas of focus for 2020/21.
- Considered the conclusions from the review of effectiveness of the external audit process for the 2020 year-end audit.

AUDIT COMMITTEE MEETING HELD ON 10 MARCH 2021

- Considered a first draft of the Audit Committee Report for the year ended 2021.
- Considered the letter from the FRC and reviewed the Company's response.

- Considered year-end audit plan.
- Reviewed a report on non-audit services and the fees paid to the External Auditor during the last financial year.

- Updated the Committee's Terms of Reference.
- Discussed the non-audit assignments policy.
- Discussed the approach for the externally facilitated Committee effectiveness review.

Risk management and internal control

Before the Risk Committee was established in September 2020, the Audit Committee, at its 27 May 2020 meeting:

- Reviewed the principal and operational risks identified for the Group.
- Discussed a summary of the assurance work undertaken within the financial year.
- Considered the effectiveness of the Company's procedures for preventing fraud.
- Considered an update on health and safety and considered the Health and Safety Policy Statement.
- Considered the need for an internal audit function.

AUDIT, RISK AND INTERNAL CONTROL CONTINUED**AUDIT COMMITTEE REPORT** CONTINUED

External audit

KPMG was appointed as the External Auditor in January 2017 following a formal tender process. At the 2020 AGM, shareholders re-appointed KPMG as the External Auditor of the Group for the year ended 31 March 2021 and authorised the Committee to fix the External Auditor's remuneration. The current lead audit engagement partner, Richard Kelly, is in the fourth year of his term.

Audit fees

Fees payable to the External Auditor for audit and non-audit services are set out in note 2 on page 218. This year, the non-audit services performed by KPMG included:

- the review of the Group's half-year results; and
- provision of a comfort letter in relation to the Group's bond issuance. This work was required to be undertaken by a reporting accountant and we believed that KPMG, as our auditors, were best placed to provide these services.

Audit quality

The Committee has primary responsibility for overseeing the relationship with, and performance of, the External Auditor, in particular with regards to the independence, quality, rigour and challenge of the external audit process. Annually, the Committee assesses the qualifications, expertise, resources and independence of the Group's External Auditor, as well as the effectiveness of the audit process through discussion with the Chief Financial Officer and Head of Finance. The Chair of the Committee also meets with the KPMG Partner.

As part of the effectiveness review, a questionnaire was issued, following the March 2020 year end, to Committee members, as well as regular attendees of the Committee and those involved in the external audit process. Views were also sought from key members of the Finance team and senior management also involved in the external audit process.

Questions were posed around the:

- Effectiveness of the external audit including the quality and scope of the audit plan, reporting and the level of fees for the audit.
- Delivery and execution of the agreed external audit process for the 2019/20 financial year.
- Efficiency and performance of the audit team as well as their technical competence.
- Communication and engagement between the senior management team, the Finance team, KPMG and the Committee.

The Committee discussed a summary of the key findings and results at its meeting in November 2020. No significant concerns were identified.

The Committee's relationship with the External Auditor is one of openness and professionalism, and the results of the review were discussed with KPMG to monitor the continuing quality of audit services.

From its discussions during the year, the challenges presented to the auditors and a review of the reporting received, the Committee considers that the auditor provides appropriate professional challenge and reports its findings in an open and direct manner.

The Committee remains satisfied:

- With the effectiveness of the external audit and the interaction between the auditors and the Committee.
- As to the External Auditor's qualifications, expertise and resources.

Audit independence and objectivity

Furthermore, as part of its deliberations, the Committee reviews a report on the audit firm's own internal quality control procedures together with the policies and processes for maintaining independence and monitoring compliance with relevant requirements.

KPMG LLP has confirmed to the Committee that:

- The audit of the consolidated financial statements is undertaken in accordance with the UK firm's internal policies and procedures.
- It has internal procedures in place to identify any aspects of non-audit work which could compromise its role as auditor and to ensure the objectivity of its audit report.
- It believes that, in their professional judgement, the safeguards they have in place sufficiently guard against the threats to independence.
- The total fees paid by the Group during the year do not represent a material part of its firm's fee income.
- It considers that it has maintained audit independence throughout the year.

The Committee is satisfied that the External Auditor is independent.

The Audit Committee will continue to review the effectiveness and independence of the External Auditor each year.

The Group complies with the Competition and Markets Authority Order 2014 relating to audit tendering and the provision of non-audit services, and it is the Group's intention to put the audit out to tender at least every ten years. The external audit was last tendered in 2017 following which the External Auditor changed from PricewaterhouseCoopers LLP (PwC) to KPMG and there are no current plans to re-tender the services of the External Auditor.

There are no contractual obligations which restrict the Committee's choice of external auditor or which put in place a minimum period for their tenure.

AUDIT, RISK AND INTERNAL CONTROL CONTINUED**AUDIT COMMITTEE REPORT CONTINUED**

Safeguarding auditor independence

NON-AUDIT SERVICES

As required by the Code, the Audit Committee has a formal policy governing the engagement of our External Auditor, KPMG, to supply non-audit services and to assess the threats of self-review, self-interest, advocacy, familiarity and management. KPMG has discontinued the provision of all non-audit services (other than those closely related to the audit) to all FTSE 350 companies, meaning non-audit services will be confined to a more limited scope of work than that defined by the Audit Committee Terms of Reference.

During the year, KPMG were asked to provide additional services in the form of a comfort letter in relation to the Group's issue of the green bond. These services are closely related to the audit and both the services provided and the fees were within the limitations set out in the formal policy.

MANAGEMENT MANAGEMENT THREAT

This occurs when the audit firm performs non-audit services and management make judgements based on that work.

- The Group does not use the External auditor for any services which would be considered management responsibility.

FAMILIARITY A FAMILIARITY THREAT

This is where, due to a long or too close a relationship, the External Auditor's independence is affected.

- The Audit Committee prohibits the hiring of former employees of the External Auditor associated with the Group's audit into management roles with significant influence within the Group within two years following their association with the audit, unless the Chairman of the Audit Committee gives prior consent. Annually, the Audit Committee will be advised of any new hires that fall under this policy. There have been no instances of this occurring to date.
- The Audit Committee monitors on an ongoing basis the relationship with the External Auditor, to check its continuing independence, objectivity and effectiveness by reviewing its tenure, quality and fees.

SELF REVIEW A SELF-REVIEW THREAT

This is where, in providing a service, the external audit team could potentially evaluate the results of a previous service provided by the external audit firm.

- The Group does not use the External Auditor for any services which would involve self-review of their own work.

SELF-INTEREST A SELF-INTEREST THREAT

Where a financial or other interest (of an individual or the external audit firm) could inappropriately influence an individual's judgement or behaviour.

The Audit Committee specifically performs the following:

- If the External Auditor is to be considered for the provision of non-audit services, the scope of work and fees must be approved in advance by the Chief Financial Officer, the Company Secretary and the Chairman of the Audit Committee. For larger assignments, in excess of £100,000, this would involve a competitive tender process, unless there are compelling commercial or timescale reasons to use the External Auditor or another specific accountancy firm.
- The Committee shall review and recommend to the Board the Company's formal policy on the provision of non-audit services by the auditor. Such policy shall specify the circumstances in which prior approval of non-audit services by the Committee is required and specify any internal processes that must be followed.
- It will not accept significant contingent fee arrangements with the External Auditor.

ADVOCACY AN ADVOCACY THREAT

This is where the external audit firm or its personnel promote an audit client's position to the extent where the External Auditor's objectivity is compromised.

- The Group does not use the External Auditor in an advocacy role.

2021 ANNUAL REPORT AND ACCOUNTS - FAIR, BALANCED AND UNDERSTANDABLE

On behalf of the Board, the Committee discussed a report from the CFO and Head of Finance covering the financial statements and whether the Annual Report and Accounts:

- Had clearly reported the impact of Covi-19 on the financial statements
- Provided clear explanations of KPIs and link to strategy
- Explained our business model, strategy and accounting policies simply, using clear language
- Included clear signposts to additional information
- Was in accordance with the information provided to the Board during the year

The Committee considered whether the Annual Report and Accounts:

- was a fair, balanced and an understandable assessment of the Company's position and prospects
- provided the necessary information for shareholders to assess the Group's performance, business model and strategy
- had been written in straightforward language, without unnecessary repetition

The Directors are responsible for preparing the Annual Report and Accounts. The Committee reported that based on its review of the relevant evidence. It was satisfied that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

The Board's statement on the Annual Report and Accounts is set out in the statement of Directors' responsibilities on page 202.

AUDIT, RISK AND INTERNAL CONTROL CONTINUED**AUDIT COMMITTEE REPORT** CONTINUED

Significant matters considered by the Committee

The Audit Committee considers all financial information published in the full and interim financial statements and considers accounting policies adopted by the Group, presentation and disclosure of the financial information and, in particular, challenging the key judgements made by management in preparing the financial statements.

The Audit Committee pays particular attention to matters it considers to be important by virtue of their impact on the Group's results, or the level of complexity, judgement or estimation involved in their application on the consolidated financial statements. The main areas of focus during the year are set out below:

MATTER CONSIDERED:**ACTION TAKEN BY THE COMMITTEE****VALUATION OF THE INVESTMENT PROPERTY PORTFOLIO**

The valuation of the investment property portfolio is inherently subjective, requiring significant judgement. The outcome is significant for the Group in terms of its investment decisions, results and remuneration, and is a major component of Total Property Return, one of our KPIs.

The valuation is conducted externally by independent valuers, CBRE, one of the world's largest commercial real estate services firms.

CBRE presented the year-end valuation to the Audit Committee, who reviewed the methodology and outcomes of the valuation, challenging the key assumptions and judgements and gave particular focus to any alternative procedures undertaken in light of Covid-19. They also considered the objectivity and independence of the valuers.

KPMG met with the valuers and presented their views on the valuation to the Committee, as well as an explanation for how the valuation is audited. The Committee considered that it was satisfied that the methodology, assumptions and judgements used by the valuers were appropriate, and that the valuations were suitable for inclusion in the financial statements.

In addition, the Audit Committee reviewed a number of other key matters which have been considered by management and discussed with KPMG, including the accounting treatment for discounts and deferrals in the year and uncertainty relating to collection of trade receivables. Further information can be found in the section on principal risks and uncertainties on pages 63 to 70.

Portfolio valuation

Our property portfolio is independently valued twice annually by our external valuers, CBRE Limited.

Our properties are critical to our business and the valuation demonstrates the value that we are delivering to our shareholders. It is a measure of how well we are managing our buildings and driving rental income. Furthermore, the valuation is a significant part of both our net asset value and Total Property Return, which are both key performance indicators.

Given its significance, both management and the Committee monitor the objectivity and independence of the valuers, and review the methodology and outcomes of the valuation, challenging the key assumptions and judgements.

A number of meetings are held between key management and CBRE ahead of the valuation at which the inputs and methodology of the valuation are discussed. Key discussions include:

- London commercial property market: current trends and circumstances expected to affect the market are discussed, including this year the impact of the Covid-19 pandemic.
- Comparable market evidence: recent transactions are considered and compared to assumptions made in valuing our portfolio.
- Development projects: we provide CBRE with any updates to ongoing or future schemes and discuss the assumptions CBRE have made, particularly for more complex schemes where more significant levels of judgement are required.
- Estimated rental values: the estimated rental values proposed by CBRE are discussed and reviewed, with management ensuring that these are in line with our recent rental activity.
- Property information: we provide CBRE with information on any changes to properties that may affect the valuation.
- Other inputs used by the valuers are reviewed and discussed.

The valuation is presented to the Audit Committee, who review the outcomes and challenge the methodology and assumptions.

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

AUDIT COMMITTEE REPORT CONTINUED

Developing a robust Viability Statement

As part of the continued development of the Group's Viability Statement, existing processes were strengthened so that risks were identified, understood and reassessed over the period. The following factors were considered:

- The Group's current financial and operational position and the current economic outlook.
- The Group's cash flows, financing headroom and financial ratios.
- Reassessment of key risks and their potential impact on the business model.

The process we undertook was as follows:

Our Viability Statement

See page 81

Our Going Concern Statement

See page 81

MATTER CONSIDERED:

STAGE 1:

RISK IDENTIFICATION

RESPONSIBILITY:

- Executive Committee.
- Risk Committee.²
- Senior management.¹

STAGE 2:

RISK ASSESSMENT

RESPONSIBILITY:

- Executive Committee.
- Risk Committee.²
- Senior management.¹

STAGE 3:

SCENARIO SENSITIVITY ANALYSIS

RESPONSIBILITY:

- Executive Committee.
- Senior management.¹

STAGE 4:

CONCLUSIONS

RESPONSIBILITY:

- The Board.
- Audit Committee.
- Executive Committee.
- Senior management.¹
- External Auditor.

ACTION TAKEN BY THE COMMITTEE

The strategic and operational risks were reviewed to identify the principal risks to viability over the period under consideration. The risks that would impact solvency and liquidity, either individually or in combination with other risks, were considered.

For each risk, the following were considered:

- Our risk appetite (the level of risk the Board is willing to take)
- The controls in place to mitigate the risk
- The quantum of risk

For those risks identified as being severe enough to impact the viability of the Group, sensitivity analysis was performed to understand the potential impact on liquidity and financial ratios.

The Audit Committee considered the findings from this analysis and presented it to the Board, which was given the opportunity to question the process and findings.

Risk management and internal control

During the year, the Board established a Board Risk Committee. Its members include Damon Russell (Chairman), Chris Girling, Rosie Shapland and Lesley-Ann Nash. The Risk Committee oversees the effectiveness of risk management throughout the organisation, advises the Board on risk appetite, tolerance and strategy and provides recommendations to the Board on the Group's approach to risk management and the effectiveness of the internal control environment (except for financial controls).

Further details of the work of the Risk Committee can be found on page 161.

The Committee remains responsible for oversight and review of controls relating to financial risks and risks relating to finance IT systems. An information flow is maintained between the Audit and Risk Committees to enable each Committee to perform their respective roles.

The Audit Committee has reviewed the Group's system of financial controls during the year with no significant failings or weaknesses identified. However, any such system can only provide reasonable and not absolute assurance against any material misstatement or loss.

Key elements of the Group's system of internal financial controls include:

- A comprehensive system of financial reporting.
- An organisational and management Board structure with clearly defined levels of authority and division of responsibilities.
- An agreed and defined framework of risk, assurance and key performance indicators measuring performance.
- A self-certification programme whereby control owners annually certify whether controls are operating effectively.

During the year, the Audit Committee focused on the extraordinary effects of Covid-19, which posed many new challenges including managing the safety of customers, employees and other stakeholders in line with Government guidelines.

Internal audit

Due to its size, the Group does not have an internal audit function, a matter reviewed by the Audit Committee during the year. The Committee has advised the Board that it considers that there is no need to establish an internal audit function but there is a plan to engage an independent third party to perform reviews of some key areas.

To supplement reviews of risk management and internal control, a programme of operational, facilities management and health and safety reviews will be undertaken across our properties by qualified senior head office personnel. Any significant findings will then be reported to the Risk Committee. Further to this, all key controls are recorded on a central register and control owners are required to certify the effectiveness of controls for which they are responsible and provide details of further actions to address any identified ineffectiveness. No significant issues were identified during the year.

In February 2020 we engaged PwC to conduct a review of the Group's internal audit and risk requirements, and their work has continued during this financial year. Further information on this and the work of the Risk Committee can be found on pages 161 to 166.

Whistleblowing Policy

See page 85

1. Heads of Department.

2. Read about the work of the Risk Committee on pages 161 to 166.

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

Risk Committee Report

The creation of the Risk Committee and our updated risk management framework further strengthens the Group's risk management approach.

Attendance at Risk Committee meetings

	Member since	Meetings attended
Damon Russell (Chairman) ^{1,4}	2020	2/2
Chris Girling ^{1,4}	2020	2/2
Rosie Shapland ^{2,4}	2020	1/1
Lesley-Ann Nash ^{3,4}	2021	1/1

1. Damon Russell and Chris Girling were appointed as the inaugural members of the Committee in September 2020.
2. Rosie Shapland was appointed in November 2020 and attended one meeting during the year.
3. Lesley-Ann Nash was appointed in January 2021 and attended one meeting during the year.
4. Biographies of Committee members, including a summary of their experience, can be found on pages 106 to 109.
5. The Company's Head of Legal & Assistant Company Secretary acts as the Secretary to the Committee and attends all meetings.

Damon Russell

Chairman of the Risk Committee



AUDIT, RISK AND INTERNAL CONTROL CONTINUED**RISK COMMITTEE REPORT** CONTINUED**Risk
Committee
Chairman's
Letter**

2 June 2021

Dear Shareholder

I am pleased to present the Risk Committee report for the financial year ended 31 March 2021. This is the first report of the Risk Committee (the 'Committee') following the establishment of the Committee in September 2020. During the year, we welcomed Rosie Shapland and Lesley-Ann Nash to the Committee following their appointments to the Board in November 2020 and January 2021 respectively.

The Report of the Risk Committee details the key activities of the Committee alongside its principal responsibilities. These can be found on pages 164 to 165.

Principal risks

During the year the Committee reviewed the Group's principal risks. See pages 63 to 70 for further details on our principal risks and uncertainties.

Review of our risk management framework

The Group engaged PwC to conduct a review of the Group's risk requirements during 2020. Following this review, the Group has updated its risk management framework and the Risk Committee was established by the Board in September 2020 to oversee the risk management framework and advise the Board on risk appetite, tolerance and strategy. The Risk Committee receives reports from the Executive Committee, which in turn receives reports from a newly formed Risk Management Group (which has replaced the Group's former operational risk committee). The Risk Management Group is chaired by the CFO and consists of nine other members from across the business, and is responsible for implementing and embedding the Group's risk policies within the business.

Further details on the Group's risk management framework can be found on page 166 of this report.

Review of our internal controls framework

During its April 2021 meeting, the Committee discussed the Group's internal controls framework and the Group's newly introduced self-certification process. As part of this process, control owners are required to annually self-certify whether the controls they are responsible for are operating effectively and, where they are not, identify the further action required. We were pleased to note that the self-certification process demonstrated that overall our key controls remain effective, and in particular that no significant weaknesses or failures had been identified.

Covid-19

Since its formation, the Committee has received regular reports and updates on the risks posed to the Group by Covid-19, and the measures the Group has taken in response. In particular, the Committee has received an overview of the risk assessments conducted by the Group, the hygiene and social distancing policies and procedures implemented and communications with staff. Further details on the Group's response to Covid-19 can be found on pages 16, 45, 50, 115 and 201.

Risk Committee effectiveness

The Committee's effectiveness was subject to review as part of the externally conducted Board evaluation conducted during March 2021. I am pleased to report that no significant issues were raised, and the review confirmed that the Risk Committee operates in an efficient and effective manner.

I hope that you find this report informative and can take assurance from the work undertaken by the Committee during the year to deliver its key responsibilities.

**Damon Russell**

Chairman of the Risk Committee

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

RISK COMMITTEE REPORT CONTINUED

The role of the Risk Committee

The Risk Committee oversees the effectiveness of risk management throughout the organisation, advises the Board on risk appetite, tolerance and strategy and provides recommendations to the Board on the Group's approach to risk management and the effectiveness of the internal control environment.

The Committee's Terms of Reference are available on www.workspace.co.uk/investors/about-us/governance/committee-terms-of-reference and they will be updated, as required, to reflect any changes in best practice.

How the Committee operates

During the year under review, the Committee met on two occasions, in September 2020 and in January 2021. In addition, the Committee met in April 2021 to review the 31 March 2021 Annual Report and in particular the disclosures related to risk management and principal risks.

A forward plan of agenda items informs the business to be considered at each meeting and is regularly reviewed and developed. This assists and facilitates the work of the Committee, enabling it to give thorough consideration to matters of particular importance to the Group. The Committee receives information in advance of its meetings, including information from management.

The Committee may, at its discretion, invite other people to attend its meetings. Those people and advisers listed in the table below attended meetings during the year at the request of the Committee Chairman.

Attendee	Position
Dave Benson	Chief Financial Officer
Vivienne Frankham	Head of Finance
Angus Boag	Development Director
PwC	Adviser

Meetings of the Committee are held in advance of the Board meetings to allow the Committee Chairman to provide a report of the key matters discussed, to the Board, and for the Board to consider any recommendations made.

The Audit Committee remains responsible for oversight of financial risks and controls. All members of the Risk Committee are also members of the Company's Audit Committee, enabling key information or recommendations to be easily shared between the Committees.

All of the above, along with ongoing challenge, debate and engagement, allows the Committee to discharge its responsibilities effectively.

AUDIT, RISK AND INTERNAL CONTROL CONTINUED**RISK COMMITTEE REPORT** CONTINUED**THE ROLE OF THE RISK COMMITTEE**
CONTINUED

Risk Committee responsibilities

Risk appetite, tolerance and strategy

- Advise the Board on the Group's overall risk appetite, tolerance and strategy, and the principal and emerging risks the Company is willing to take in order to achieve its long-term strategic objectives. See page 165 for details of how the Committee has considered risk appetite and strategy during the year.
- Advise the Board on the likelihood and impact of principal risks materialising, and the management and mitigation of principal risks to reduce the likelihood of their incidence or their impact. See pages 63 to 70 for information on the Committee's consideration of principal risks.

Internal controls and risk management processes

- Review the adequacy and effectiveness of the Group's overall risk assessment processes that inform the Board's decision-making, including the design, implementation and effectiveness of those processes.
- Review the effectiveness of the Group's internal controls (with the exception of the internal financial controls which remain the responsibility of the Audit Committee) and risk management systems.
- Review whistleblowing arrangements whereby employees may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, to receive assurance that there are proportionate and independent procedures in place. See page 85 for more information on our Whistleblowing Policy.

- Review the Group's procedures for preventing and/or detecting fraud.
- Review the Group's procedures for the prevention and detection of bribery and monitor the reports generated by such procedures. See page 84 for more information on our Anti-Bribery Policy.

Governance, best practice and development

- Keeping up to date with external developments relating to control environments.
- Keeping up to date with regulatory and legislative matters relevant to the Group.

AUDIT, RISK AND INTERNAL CONTROL CONTINUED**RISK COMMITTEE REPORT** CONTINUED**Key matters
considered by
the Committee
during the year****SEPTEMBER 2020****JANUARY 2021****RISK APPETITE, TOLERANCE AND STRATEGY**

- | | |
|---|---|
| <ul style="list-style-type: none"> - Considered and discussed the risks to the Group of the Covid-19 pandemic and the actions the Group was taking in response. See pages 16, 45, 50, 115 and 201 for further details of the Group's response to Covid-19. | <ul style="list-style-type: none"> - Considered and discussed the risks to the Group of the Covid-19 pandemic and the actions the Group was taking in response. See pages 16, 45, 50, 115 and 201 for further details of the Group's response to Covid-19. - Reviewed and discussed the Group's principal risks and any emerging risks. See pages 63 to 70 for further details on the Group's principal risks. - Considered key contractor and supplier risks and the actions in place to mitigate them. |
|---|---|

INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

- | | |
|---|--|
| <ul style="list-style-type: none"> - Reviewed and approved the Group's updated risk management framework. See page 166 for further details. - Reviewed the Group's Anti-Bribery Policy and procedures. See page 84 for further details. | <ul style="list-style-type: none"> - Reviewed the Group's risk information and reporting procedures. - Reviewed the Group's procedures for detecting and preventing fraud. |
|---|--|

GOVERNANCE

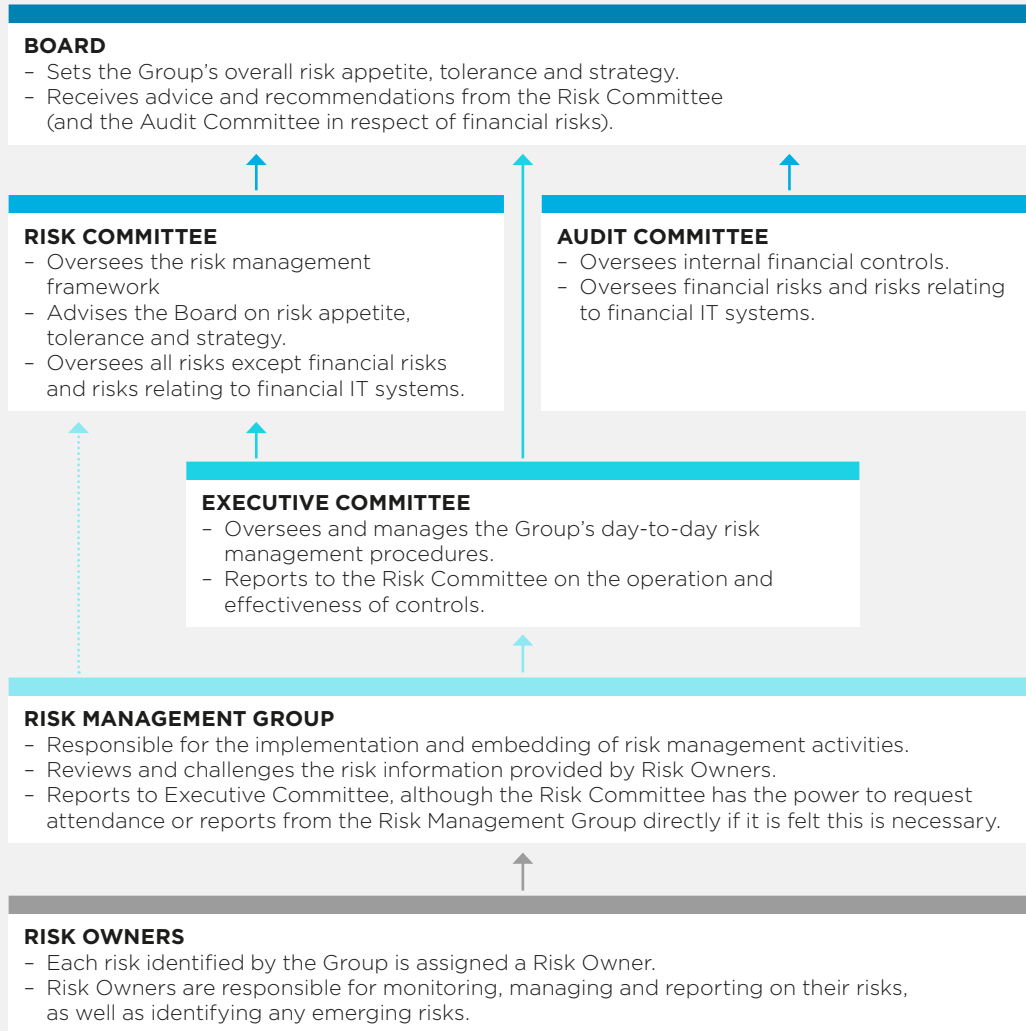
- | | |
|---|--|
| <ul style="list-style-type: none"> - Noted the establishment of the Committee and its Terms of Reference. - Agreed the proposed meeting schedule of the Committee. - Agreed the forward plan of agenda items. - Discussed information flow from the Committee to the Board. | <ul style="list-style-type: none"> - Reviewed an update on the Group's governance, legal and compliance risks. See page 84 to 85 for further details on the Group's approach to key compliance areas. |
|---|--|

The Committee also met in April 2021, where amongst other matters it discussed the link between the Group's principal risks and its viability and the Group's internal controls framework and the process by which control owners self-certify that the controls they are responsible for are operating effectively.

AUDIT, RISK AND INTERNAL CONTROL CONTINUED

RISK COMMITTEE REPORT CONTINUED

Our risk management framework



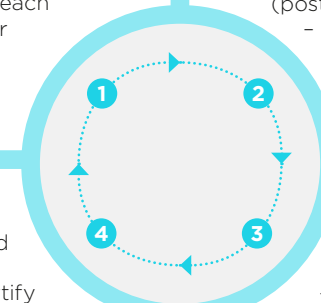
OUR RISK PROCESS

1. RISK IDENTIFICATION

- Risks are identified when projects are being considered or through being raised organically by members of staff.
- Identified risks are captured in Risk Registers.
- A Risk Owner is assigned to each risk and has responsibility for assessing and monitoring that risk.

2. RISK ASSESSMENT

- Each risk is assessed and scored according to the potential impact and likelihood of it materialising.
- Each risk is given an Inherent Risk Score (pre-controls) and a Residual Risk Score (post-existing controls).
 - Each risk is also assigned a Target Risk Score representing the Group's risk tolerance for that risk.



4. RISK MONITORING AND REPORTING

- Risks are regularly monitored by the Risk Owners.
- Control owners regularly certify that their controls continue to operate effectively.
- The Risk Management Group oversees this activity and escalates significant changes and new risks to the Executive Committee, Risk Committee and/or Board as appropriate.

3. RISK RESPONSE

- Each Residual Risk Score is compared to its Target Risk Score.
 - If the Residual Risk Score is higher than the Target Risk Score, action is taken to reduce it towards the target.
- Controls are assigned an owner who is responsible for monitoring whether the controls operate effectively.

Internal audit

Due to its size, the Group does not have an internal audit function, a matter which is kept under review by the Audit Committee. However, the Executive Committee mandates a programme of operational, facilities management and health and safety internal audits at its properties, carried out by qualified senior head office personnel on a rotational basis. Any significant findings are reported to the Risk Committee.

Our principal risks

See pages 63 to 70 for information on the Group's principal risks.

REMUNERATION

At Workspace, we incentivise our people through competitive remuneration aligned with the experience of our stakeholders and with the Workspace culture. This ensures delivery of our strategy. This report lays out in more detail the approach we have taken in this unprecedented year.

WORKSPACE'S KEY REMUNERATION PRINCIPLES:

- Alignment with our strategy and purpose;
- A focus on performance;
- Transparency and simplicity for the benefit of all stakeholders; and
- Consistency of application.

Complying with the Code Principles	page 168
Chairman's statement	page 169
The work of the Remco	page 172
Remuneration at a glance	page 173
Our Remuneration Policy	page 178
Annual report on remuneration	page 182

Suzi Williams

Chairman of the Remuneration Committee



REMUNERATION CONTINUED

Committee membership

The Committee compromises of Non-Executive Directors and is chaired by Suzi Williams. Details of individual attendance at the meetings held during the year are set out below.

Director	Independent	Number of meetings attended
Suzi Williams (Chairman)	Yes	8/8
Stephen Hubbard	Yes	8/8
Rosie Shapland ¹	Yes	1/1
Lesley-Ann Nash ²	Yes	1/1

- Rosie Shapland was appointed as a Non-Executive Director on 6 November 2020.
- Lesley-Ann Nash was appointed as a Non-Executive Director on 1 January 2021.
- See page 105 for members of the Committee during the year and their attendance at Remuneration Committee meetings.

Complying with the Code Principles

PRINCIPLE P

Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy.

Remuneration Committee ('Remco') seeks to ensure that the policy:

- Is tightly aligned to strategy and to achieving the stretching targets which demonstrate delivery of Workspace's long-term strategy.
- Is based on pay for performance and links to Group performance through variable pay instruments.
- Supports an effective pay for performance culture which allows us to retain, motivate and attract highly skilled Directors, who have a clear purpose and are of the necessary calibre to execute the Company's strategy.
- Promotes the long-term ownership culture by encouraging the acquisition and retention of shares amongst the Executive Directors.
- Achieves a strong alignment between Executive and stakeholder interests.

PRINCIPLE Q

A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.

As we have noted over recent years, four elements – clear communication, trust, transparency and simplicity – are critical to the Remco's commitment to supporting Workspace's ability to deliver strong and consistent long-term value for all shareholders. The last Remuneration Policy was approved by shareholders in July 2020, with 99.5% of shareholders in support. Ahead of this, the Committee built on the foundations of our previously well-received Remuneration Policy, seeking to strengthen our strong and well-respected approach to governance to allow us to reflect the changes in the new Code. Remco focused on the development and refinement of the new Remuneration Policy, as well as the implementation of the current policy. No Director was present for any discussions that related directly to their own remuneration.

PRINCIPLE R

Remuneration policies and practices Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.

As we have noted over recent years, as a Committee, we consider whether to apply discretion when assessing remuneration outcomes for Executive Directors. Before making any pay decisions, we reflect on both the underlying financial and wider business performance of the Company as well as the performance of Executive Board Directors' individual objectives and the demonstration of leadership qualities and adherence to our values. The 2020 Policy provides us with the maximum flexibility in applying any discretion which we may be called upon to exercise in the current times. We stress that Remco has carefully considered all remuneration decisions in the context of the wider environment Covid-19 crisis and will continue to monitor the business conditions and exercise judgement as appropriate.

REMUNERATION CONTINUED

Chairman's
Remuneration
Committee
Letter

2 June 2021

Dear Shareholder

On behalf of the Board, I am pleased to introduce our 2021 Remuneration Report.

'Our focus is on maintaining a remuneration approach that motivates our leadership and supports our strategic objectives, thereby ensuring high performance for all our stakeholders.'

This is my first report to shareholders as Chairman of the Committee, having taken over from Maria Moloney on 1 January 2021. I would like to take this opportunity to thank Maria for her contribution to the Committee across her long tenure and to welcome Rosie Shapland and Lesley-Ann Nash who both joined the Committee during the year.

We were pleased to receive strong support for our remuneration policy at the 2020 AGM, with 99.5% of votes received being in favour. In line with our commitment to maintaining a credible and transparent remuneration framework, we contacted our largest shareholders, representing over 68% of our issued share capital, as part of that policy review.

The following pages set out the detail of how the Committee applied the approved policy, and how we intend to apply it in the coming financial year. It explains the key activities of the Committee and importantly, explains how we have addressed remuneration in these unprecedented times. At all times the Committee was, and continues to be, guided by its key principles detailed on page 167.

The Remuneration Report will be put to an advisory vote at the 2021 AGM, and below I have provided some of the key highlights, as well as important context.

'The business has shown a determined and consistent commitment to supporting our staff, our customers, and our broader stakeholders during Covid-19.'

There can be no doubt that 2020 was an exceptional year with the impact of Covid-19. Rarely has the world seen such widespread disruption to normal patterns of life.

Led by the Board and Executive Committee, Workspace's approach has been to protect the health (including mental health) and financial well being of employees through this period. This is discussed in more detail on page 28. We are proud that no employees were furloughed during this pandemic; pay and bonus arrangements continued to operate as usual and the business did not make use of any Government backed loans. For 2021 we have awarded a 2% pay rise across the business.

Company performance 2020/21
'The Executive Team responded swiftly and decisively to changing economic and operational circumstances as a result of Covid-19.'

Through the challenges of Covid-19, the Company and the Executive Team reacted swiftly and decisively in a fast changing environment, showing pragmatism and strong leadership. In unprecedented conditions, the team at Workspace pulled together and responded as a robust and resilient team, providing support and flexibility to our people and customers throughout the disruption. As we emerge from the crisis, this has positioned the business strongly for recovery.

While the past year has presented its challenges, I am proud of the way our Executive Team and employees have risen to meet those challenges. It is a real demonstration of the strength of the unique Workspace culture, brand and values.

The immediate priority as Covid-19 emerged was to protect the health and safety of our people and customers. This priority of course is ongoing. From a business perspective, we focused on preserving our strong balance sheet, minimising the impact on our operations and ensuring the Company had adequate liquidity.

Whilst in the year to 31 March 2021, net rental income fell 33% to £81.5m, this was partly due to the £19.9m of rent discounts we offered to our customers in the first quarter. This resulted in trading profit after interest of £38.7m. Please refer to page 10 for more details.

Adjusted NAV per share was £9.38. The balance sheet remains in good shape with loan-to-value ratio of 24%. The Board is recommending a final dividend of 17.75p.

REMUNERATION CONTINUED

There has also been tremendous progress in our ESG objectives and Stephen Hubbard, our Company Chairman, discusses this in more detail on page 7 of his report.

Remuneration outcomes in 2020/21

During this challenging year, the Committee felt it important to consider Remuneration within the context of the broader stakeholder and community experience. The Committee took into account share price movements and dividend to shareholders when making decisions on executive pay, and we have been consistently mindful of the impact on our stakeholders more widely at this exceptional time.

Some 76% of the executive directors' remuneration was linked to performance via the annual bonus plan and LTIP, with the metrics used in those plans, as detailed on pages 176 and 177 of this report.

After very careful consideration, and taking into account all relevant factors as described and detailed throughout this annual report, the Committee took the following decisions in respect of remuneration for the Executive Directors:

Annual Bonus 2020/21

The Committee considered in depth the outcomes under the annual bonus, noting the significant economic, business and social challenges this year. We did this in the context of a business now seeing a recovery in the share price and growth in customer demand after an extraordinarily difficult period.

To reflect this difficult environment for our customers and stakeholders, the Board determined it would be inappropriate to award the customer satisfaction element of the bonus. The Board noted the substantial financial support provided to Workspace customers during this period as an example of the business Doing the Right Thing. On balance however, the outcome under this measure is deemed to be nil.

The Committee noted that in spite of turbulence, profit outcomes were met. The formulaic outcome under this element of the targets was 100% of maximum.

The Committee agreed that the leadership team maintained focus on key strategic priorities throughout 2020. This included significant progress on our ESG agenda and the issuance of our first green bond. This ensured delivery against the strategic objectives of the bonus such that personal performance objectives were largely met. Formulaic assessment of this element of the bonus was 80% of maximum (more detail is provided on pages 176 to 177).

Finally, the outcome under the relative Total Property Return element was nil.

The formulaic outcome is therefore 66% of maximum (79% of salary) for the Executive Directors.

In determining the appropriateness of the formulaic bonus outcome the Committee considered at length the experience of shareholders over the period. In making the final decisions, it was deemed appropriate to take into account both this and the fall in year on year trading profits. The Committee was also conscious of the need to appropriately recognise the achievements of the management team who have responded in an outstanding way to the challenges of 2020/21, such that the business is strongly placed for post-pandemic opportunities and growth.

Taking all of the above into account, the Committee has used its discretion to apply a 50% reduction to the overall bonus out-turn. This reduction reflects the profit and dividend reduction in the year and acknowledges the broader difficulties experienced by all of our stakeholders at this unprecedented time. This results in a bonus outcome for the Executive Directors of 33% of maximum (39.5% of salary).

Of the bonus award, 33% will be deferred in shares for each of Graham Clemett and Dave Benson, for three years under the Deferred Bonus Plan.

We believe this represents a balanced final position, both reflecting the broad stakeholder experience and acknowledging the extraordinary leadership and achievements of the Workspace team during this most difficult of years.

REMUNERATION CONTINUED**Vesting of 2018 LTIP**

The LTIP award granted to Graham Clemett in 2018 was subject to performance conditions measured over the three financial years to 31 March 2021. The vesting of 50% of this award was subject to Total Shareholder Return (TSR) performance relative to FTSE 350 real estate companies, with the remaining 50% subject to Total Property Return (TPR) versus IPD Benchmark. Having tested the performance conditions, none of the 2018 LTIP will vest.

2021 Remuneration**Base Salary**

Executive Directors will receive a basic salary increase of 2%, in line with the level awarded to the wider workforce, and will take effect on 1 April 2021. This is in line with the Remuneration Policy commitment that salaries will normally only increase in line with the wider workforce.

Bonus

Targets for the annual bonus are set at the beginning of the year. The measures of the bonus for the financial year ended 2021 can be found on page 173.

2021 LTIP

For our 2021 LTIP award, due to be granted in June, the Committee has decided to retain the same performance conditions and targets and to use the share price immediately prior to the date of grant to determine the number of shares awarded. The Committee considered the grant level in the context of share price movements and the risk of windfall gains, but given the limited difference in share price since the last grant, decided that no adjustment was warranted on this basis. As with previous awards, a performance underpin applies to this award which allows the committee to reduce vesting if performance is inconsistent with the overall performance of the business, individual performance or wider considerations.

Employee Remuneration***'Alignment with wider workforce considerations and approach to fairness.'***

In recognition of their hard work in this difficult year, the average salary increase for employees was 2%. In addition, the vast majority of employees also received bonus awards.

Remuneration Committee Evaluation

This year's evaluation was externally facilitated. It was concluded that the Committee continued to operate well, with further details provided on page 146.

Through this report we seek to communicate clearly the importance of a strategic remuneration approach in delivering high performance at Workspace, not just in relation to leadership, but also with regard to broader employee pay and performance. Strong alignment between stakeholders is important to us in delivering a structure that drives long term success for management and shareholders alike. I hope that the following Report provides this clarity and demonstrates our commitment to the highest standards of governance and transparency in this area.

Looking forward

There continues to be a strategic focus on ESG. This year we committed to becoming a net zero carbon business by 2030 and published our pathway to achieving this goal in line with the our approved Science Based Targets and a commitment to drive down emissions of both operational and embodied carbon. We also published a green finance framework during the year and successfully raised £300m through a green bond to support our green projects. We will be looking to integrate our ESG strategy and priorities, more fully, into our variable remuneration framework going forward.

Finally, I want to thank you for your ongoing support in this challenging year.

Suzi Williams

Chair of the Remuneration Committee

REMUNERATION CONTINUED

The work of the Remuneration Committee

We met as a Committee 8 times during the year. We believe it is important that the Committee keeps up-to-date on an ongoing basis during the year to enable timely discussions where business decisions may affect remuneration.

Summary of Committee's activities during the year

Committee governance:

- Received an update on current executive pay environment.
- Considered the incentive operating guidelines for Executive Board Directors.
- Received the results of the internal performance evaluation of the Remuneration Committee.
- Agreed updates to Committee Terms of Reference.
- Approved the Directors' Remuneration Report for 2020/21.
- Reviewed the operation of Policy in 2019/20.
- Received an update on Investment Association principles and other investor body guidelines.

Remuneration framework for employees:

- Received an update on TSR performance for 2018, 2019 and 2020 LTIP awards.
- Review of wider workforce remuneration arrangements and employment conditions throughout the Company to ensure that they support the Company's purpose.
- Received an update from Stephen Hubbard, as the designated Non-Executive Director for Employee Engagement, who, during the year, talked with a wide range of employees to listen to their views on a wide range of matters.

Committee Performance Evaluation

- The external evaluation of the Board and its committees was concluded in March 2021. Further details can be found on page 146. No significant issues were identified.

Executive and senior management remuneration framework:

- Reviewed the shareholding guidelines for Executive Board Directors.
- Executive Directors' remuneration review.
- Annual bonus outcomes for 2019/20.
- Setting of performance metrics and targets for 2020/21.
- Reviewed the vesting criteria for the 2017 LTIP.
- Proposed awards under the 2020 Long Term Incentive Plan.
- Considered the impact of Covid-19 on remuneration outcomes.
- Monitoring and assessing targets for 2020/21.

Support for the Committee

During the year, we sought internal support from the CEO, whose attendance at Committee meetings was by invitation from the Chairman, to advise on specific questions raised by the Committee and on matters relating to the performance and remuneration of the senior management team. The Company Secretary attended each meeting as Secretary to the Committee. No Director was present for any discussions that related directly to their own remuneration.

REMUNERATION CONTINUED

Remuneration at a glance

We focus our incentives on supporting the right behaviours with all staff working in the best interests of the Company and all stakeholders.

REMUNERATION KEY

- Base salary
- Pension
- Benefits
- Annual bonus
- LTIP

THE FIXED AND VARIABLE COMPONENTS OF WORKSPACE EXECUTIVE REMUNERATION

FIXED COMPONENTS OF EXECUTIVE PAY

Base salary

Reflecting market value of the role and an individual's experience, performance and contribution.

Pension

Market competitive pensions.

Benefits

Market competitive benefits.

VARIABLE COMPONENTS OF EXECUTIVE PAY

Annual bonus

Reinforcing and rewarding delivery of annual strategic business priorities, based on performance measures relating to both Company and individual performance.

	% of salary
Trading profit after interest	60%
Total Property Return (TPR) Versus IPD Benchmark	24%
Customer satisfaction	12%
Personal performance	24%
Total	120%

Long Term Incentive Plan (LTIP)

Rewarding and aligning to the delivery of sustained long-term sector outperformance and aligning the interests of participants with those of shareholders.

	% of award
Total Shareholder Return (TSR), relative to FTSE 350 property companies	50%
Total Property Return (TPR), versus IPD Benchmark	50%
Total	100%

REMUNERATION CONTINUED

REMUNERATION AT A GLANCE CONTINUED

Rewards at all levels

Workspace's key objectives are reflected in remuneration arrangements operating at all levels within the Company.

All staff in the Company are eligible to participate in the Company's bonus scheme, all-employee share schemes, pension scheme, life assurance arrangements and medical insurance benefits.

Additionally, all employees participate in an annual bonus plan. All members of the Executive Committee and some senior staff are eligible to participate in the Company's LTIP. During the year, we extended LTIP participation to a wider group of employees to further reinforce the strong performance culture. Executive Committee members are also required to adhere to the Company's shareholding guidelines.

When making remuneration decisions for the Executive Directors, the Committee considers pay and employment conditions elsewhere in the Group. The Committee receives regular updates from the Executive Directors on employee feedback. The Committee also monitors bonus payout and share award data. The diagram to the right demonstrates how Workspace's key objectives are reflected consistently in plans operating at all levels within the Company.

THE FOLLOWING DIAGRAM DEMONSTRATES HOW WORKSPACE'S PLANS OPERATE AT ALL LEVELS WITHIN THE COMPANY.

Number of people this applies to as at 31 March 2021

EXECUTIVE COMMITTEE

Relevant elements of pay:

- Fixed
 - SAYE and SIP
 - Annual bonus
 - LTIP
 - Shareholding guidelines for Executive Directors
- Supports alignment of Executive's interest with shareholders



EXECUTIVE COMMITTEE & CERTAIN EMPLOYEES

Relevant elements of pay:

- Fixed
 - SAYE and SIP
 - Annual bonus
 - LTIP
- Reinforces delivery of long-term sector outperformance



ALL EMPLOYEES

Relevant elements of pay:

Annual bonus
All employees participate in annual bonuses. Opportunities and performance conditions are tailored to reflect an individual's role and responsibilities.

SAYE and SIP

Encourages employee engagement and reinforces our strong performance culture. Enables all employees to share in the long-term success of the Group and aligns participants with shareholder interests.

Fixed

Salaries are set to reflect market value of the role and aid recruitment and retention. All employees are eligible for a 2:1 match on employee pension contributions of 3% or 5% of salary and receive a combination of benefits relevant for their role.



REMUNERATION CONTINUED
REMUNERATION AT A GLANCE CONTINUED

How the variable components of executive remuneration align to our strategy

ANNUAL BONUS

Link to strategy

The component measures provide a good balance of rewarding against the three pillars of our strategy:

- Customer-led growth
- Operational excellence
- Doing the Right Thing

which are the foundations of Workspace's future growth. Some measures support some pillars more than others, as indicated by the pillar or pillars noted under each measure.

Measures shown as % of salary

60%

Trading profit after interest

LINK TO STRATEGY

Customer-led growth
Operational excellence

24%

Personal performance

LINK TO STRATEGY

Doing the Right Thing

24%

Total Property Return (TPR) versus IPD Benchmark

LINK TO STRATEGY

Operational excellence

12%

Customer satisfaction

LINK TO STRATEGY

Customer-led growth

LTIP

Link to strategy

The balance of the two measures is well aligned to our strategy of driving income growth and enhancing shareholder value over the longer term.

Measures shown as % of award

50%

Total Shareholder Return (TSR), relative to FTSE 350 property companies

LINK TO STRATEGY

Customer-led growth
Operational excellence
Doing the Right Thing

50%

50% Total Property Return (TPR), versus IPD Benchmark

LINK TO STRATEGY

Operational excellence

REMUNERATION CONTINUED

REMUNERATION AT A GLANCE CONTINUED

Graham Clemett

CHIEF EXECUTIVE OFFICER

FIXED COMPONENTS OF EXECUTIVE PAY

BASE SALARY:

£494,090

PENSION:

£49,410

BENEFITS:

£21,449

More information on page 178

SINGLE FIGURE
FOR 2020/21 (£000)

£764.4

VARIABLE COMPONENTS OF EXECUTIVE PAY

OUTCOMES UNDER THE 2020/21 ANNUAL BONUS

	THRESHOLD (0% PAYABLE)	MAXIMUM (100% PAYABLE)	FORMULAIC OUTCOME (% OF SALARY)		CEO ACTUAL £000
TRADING PROFIT AFTER INTEREST	£34.6M	£38.6M	60%	60%	£296.4
		ACTUAL: £38.7M			
TOTAL PROPERTY RETURN	BENCHMARK	BENCHMARK +2%	0%	24%	£0
		ACTUAL: BENCHMARK -3.78%			
CUSTOMER SATISFACTION ¹	72%	80%	0%	12%	£0
		ACTUAL: N/A			
PERSONAL PERFORMANCE	0%	MAX: 100%	19%	24%	£93.8
		ACTUAL: 80%			
SUBTOTAL			79%	120%	£390.2
DISCRETIONARY 50% REDUCTION APPLIED TO OUTTURN					£195.1
BONUS OUTTURN					£195.1

OUTCOMES UNDER THE 2018 LTIP PERFORMANCE MEASURES OVER THE PERIOD 1 APRIL 2018 TO 31 MARCH 2021

	THRESHOLD (0% PAYABLE)	MAXIMUM (100% PAYABLE)	OUTCOME (% OF AWARD)	CEO ACTUAL £000	
TOTAL SHAREHOLDER RETURN (TSR) RELATIVE TO FTSE 350 PROPERTY COMPANIES	MEDIAN	UPPER QUARTILE	0%	50%	£0 OF WHICH SHARE PRICE: £NIL
		ACTUAL: 37TH PERCENTILE			
TOTAL PROPERTY RETURN (TPR) VERSUS IPD	MEDIAN	UPPER QUARTILE	0%	50%	£0 DIVIDEND EQUIVALENT OF £NIL
		ACTUAL: 43RD PERCENTILE			
TOTAL			0%	100%	£0

1. Further details can be found on page 170.

REMUNERATION CONTINUED

REMUNERATION AT A GLANCE CONTINUED

Dave Benson

CHIEF FINANCIAL OFFICER

FIXED COMPONENTS OF EXECUTIVE PAY

BASE SALARY:

£340,000

PENSION:

£17,973

BENEFITS:

£0

SINGLE FIGURE
FOR 2020/21 (£000)

£499.8

VARIABLE COMPONENTS OF EXECUTIVE PAY

OUTCOMES UNDER THE 2020/21 ANNUAL BONUS

	THRESHOLD (0% PAYABLE)	MAXIMUM (100% PAYABLE)	FORMULAIC OUTCOME (% OF SALARY)		CFO ACTUAL £000
TRADING PROFIT AFTER INTEREST	£34.6M	£38.6M	60%	60%	£204.0
		ACTUAL: £38.7M			
TOTAL PROPERTY RETURN	BENCHMARK	BENCHMARK +2%	0%	24%	£0
		ACTUAL: BENCHMARK -3.78%			
CUSTOMER SATISFACTION ¹	72%	80%	0%	12%	£0
		ACTUAL: N/A			
PERSONAL PERFORMANCE	0%	MAX: 100%	19%	24%	£64.6
		ACTUAL: 80%			
SUBTOTAL			79%	120%	£268.6
DISCRETIONARY 50% REDUCTION APPLIED TO OUTTURN					£134.3
BONUS OUTTURN					£134.3

1. Further details can be found on page 170.

REMUNERATION CONTINUED

Our Remuneration Policy

In this section we provide a summary of the key elements of the Remuneration Policy for Executive Directors approved by Shareholders at our 2020 AGM on 9 July. In addition, we have set out how the Policy was operated in 2020/21 (which was as intended) and how it is intended to be operated in 2021/22.

You can find the full Policy at www.workspace.co.uk/investors.

REMUNERATION POLICY TABLE

The table below describes the Policy in relation to the components of remuneration for Executive Board Directors.

FIXED COMPONENTS OF EXECUTIVE PAY

PURPOSE AND LINK TO STRATEGY	OPERATION	OPPORTUNITY	OPERATION IN THE YEAR ENDED 31 MARCH 2021 (2020/21)	OPERATION IN THE YEAR ENDING 31 MARCH 2022 (2021/22)
Base salary To reflect market value of the role and an individual's experience, performance and contribution.	Salaries are normally reviewed annually. Salary levels take account of: <ul style="list-style-type: none"> – Role, performance and experience. – Business performance and the external economic environment. – Salary levels for similar roles at relevant comparators. – Salary increases across the Group. 	Increases are applied in line with the outcome of the review. There is no prescribed maximum. Increases for Executive Board Directors will typically be in line with those of the wider workforce.	Graham Clemett (CEO) £494,090 Dave Benson (CFO) £340,000	Graham Clemett (CEO) £503,970 (effective 1 April 2021) Dave Benson (CFO) £346,800 (effective 1 April 2021)
Pension To provide market competitive pensions.	Directors participate in a defined contribution pension scheme or may receive a cash allowance in lieu of pension contribution.	Up to 10% of salary. For individuals with less than a year's service with Workspace, this will be 6% of salary.	Graham Clemett (CEO) 10% of salary. Dave Benson (CFO) 6% of salary.	Dave Benson's contribution will increase to 10% of salary to reflect one year's service, in line with our Policy.
Benefits To provide market competitive benefits.	Benefits typically include car allowance, private health insurance, and death in service cover. Where appropriate, other benefits may be offered including, but not limited to, allowances for relocation. In addition, Directors are eligible to participate in all-employee share plans, currently the SAYE and Share Incentive Plan.	Benefits may vary by role and individual circumstance, and are reviewed periodically. There is no overall maximum. Include car allowance, private health insurance and other benefits.	Includes car allowance, private health insurance and other benefits.	No change.

REMUNERATION CONTINUED**OUR REMUNERATION POLICY** CONTINUED**REMUNERATION POLICY TABLE** CONTINUED**VARIABLE COMPONENTS OF EXECUTIVE PAY**

PURPOSE AND LINK TO STRATEGY	OPERATION	OPPORTUNITY	PERFORMANCE METRICS	OPERATION IN THE YEAR ENDED 31 MARCH 2021 (2020/21)	OPERATION IN THE YEAR ENDING 31 MARCH 2022 (2021/22)
<p>Annual bonus</p> <p>To reinforce and reward delivery of annual strategic business priorities, based on performance measures relating to both Group and individual performance.</p> <p>Bonus deferral provides alignment with Shareholder interests.</p>	<p>A portion of the annual bonus is deferred into shares for a period of three years. The deferral is 33% of bonus earned.</p> <p>Dividend equivalents may be accrued on deferred shares.</p> <p>The Committee may apply malus and clawback in circumstances of gross misconduct, material misstatement of the Group's results, an error in calculation, serious reputational damage, and corporate failure up to the end of the deferral period.</p>	<p>The maximum bonus potential for Executive Board Directors is 120% of salary p.a.</p>	<p>Performance is measured relative to financial, operational, strategic and individual objectives in the year aligned with the Company's strategic plan.</p> <p>Performance measures and weightings are reviewed each year to ensure they remain appropriate and reinforce the business strategy. At least 60% of the total bonus will be based on financial measures.</p> <p>Bonus awards are at the Committee's discretion and the Committee will consider the Company's performance in the round. The Committee may override the formulaic bonus outcome within the limits of the plan where it believes the outcome is not reflective of performance, to ensure fairness to both shareholders and participants.</p>	<p>MAXIMUM OPPORTUNITY: Graham Clemett (CEO) Up to 120% of salary.</p> <p>Dave Benson (CFO) Up to 120% of salary.</p> <ul style="list-style-type: none"> - Trading profit (60%). - Total Property Return (TPR) (24%). - Customer satisfaction (12%). - Personal performance (24%). <p>EXECUTIVE DIRECTORS AWARDED BONUSES OF: Graham Clemett (CEO) 39.5% of salary.</p> <p>Dave Benson (CFO) 39.5% of salary.</p> <p>Deferral of 33% of bonus earned.</p> <p>A discretionary 50% reduction was applied to the formulaic outturn.</p> <p>See pages 187 to 190 for further details on outcomes.</p>	<p>MAXIMUM OPPORTUNITY: Graham Clemett (CEO) Up to 120% of salary.</p> <p>Dave Benson (CFO) Up to 120% of salary.</p> <ul style="list-style-type: none"> - No change to type of performance conditions or the respective weighting or maximum bonus potential. - The Committee is of the opinion that, given the commercial sensitivity arising in relation to the detailed financial targets used for the annual bonus, discussing precise targets for the Annual Bonus plan in advance would not be in shareholder interests. - Actual targets, performance achieved and awards made will be published at the end of the financial year so Shareholders can fully assess the basis for any pay-outs under the annual bonus.

REMUNERATION CONTINUED**OUR REMUNERATION POLICY** CONTINUED**REMUNERATION POLICY TABLE** CONTINUED**VARIABLE COMPONENTS OF EXECUTIVE PAY** CONTINUED

PURPOSE AND LINK TO STRATEGY	OPERATION	OPPORTUNITY	PERFORMANCE METRICS	OPERATION IN THE YEAR ENDED 31 MARCH 2021 (2020/21)	OPERATION IN THE YEAR ENDING 31 MARCH 2022 (2021/22)
<p>Long Term Incentive Plan (LTIP)</p> <p>To reward and align to the delivery of sustained long-term sector outperformance and to align the interests of participants with those of Shareholders.</p>	<p>The Committee may grant annual awards of Performance Shares which vest after three years, subject to performance conditions. Vested shares are subject to a further two-year holding period. The Committee has discretion to apply malus and clawback to awards (circumstances as listed in the Annual Bonus row above) up to the end of the holding period.</p> <p>Dividend equivalents may be accrued on shares in respect of the performance and holding period.</p>	<p>Normal maximum award of up to 200% of salary per annum.</p> <p>An award of 300% of salary per annum may be made in exceptional circumstances.</p>	<p>Awards will be based on a combination of financial, share price and strategic measures aligned with the Company's strategic plan.</p> <p>A performance underpin will apply which allows the Committee to reduce vesting if performance is inconsistent with the overall performance of the business. The Committee may, in the context of the underlying business strategy, use different measures and/or vary the weightings of the measures. The Committee would consult with major shareholders prior to making any significant changes.</p>	<p>GRANT SIZES FOR: Graham Clemett (CEO) 200% of salary.</p> <p>Dave Benson (CFO) 200% of salary.</p> <p>PERFORMANCE CONDITIONS WERE:</p> <ul style="list-style-type: none"> - 50% Total Shareholder Return (TSR) relative to FTSE 350 property companies. - 50% Total Property Return (TPR) versus IPD. <p>The 2018 LTIP vested in the year at 0% of the award. See page 191 for further details on outcomes.</p>	<p>GRANT SIZES FOR: Graham Clemett (CEO) 200% of salary.</p> <p>Dave Benson (CFO) 200% of salary.</p> <p>No change to maximum LTIP opportunities or the performance conditions.</p>
<p>Shareholding requirement</p>	<p>Shareholding guideline for Executive Directors of 200% of salary.</p> <p>Post-cessation shareholding requirement of 200% of salary for two years post-departure. In the event that a leaver has not met the relevant shareholding requirement at the point of cessation of employment, they would be required to retain their full pre-cessation shareholding for the two-year period.</p>			<p>CURRENT SHAREHOLDINGS*</p> <p>CEO 208% of salary.</p> <p>CFO 39% of salary.</p>	

* Based on a share price of £6.8176 being the average share price over the year to 31 March 2021 and salaries of £494,090 and £340,000 for Graham Clemett and Dave Benson respectively.

REMUNERATION CONTINUED

OUR REMUNERATION POLICY CONTINUED

Possible payouts under our Policy

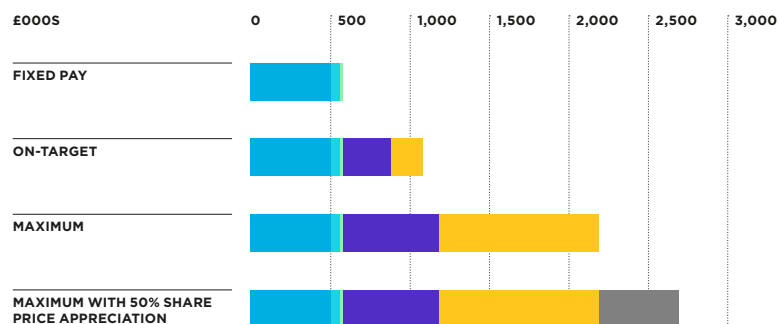
Based on our Remuneration Policy approved by shareholders in 2020, we set out to the right scenarios for the potential remuneration to be earned by our Executive Directors under the Policy for various performance assumptions.

A high proportion of the Executive Board Directors packages are made up of shares, supporting the alignment of Executive pay with the interests of our shareholders. The increased value in remuneration from share price appreciation is beneficial for both Executive Directors and shareholders.

SINGLE FIGURE SCENARIO

Graham Clemett, CEO

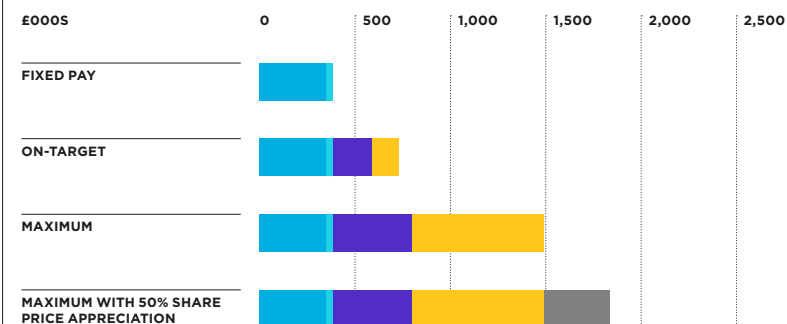
● Salary	Salary as at 1 April 2021.
● Pension	Current contribution rate of 10% of salary.
● Benefits	As provided in the single figure table on page 176.
● Annual bonus	Minimum - no bonus payable; On-target - 50% of maximum potential bonus; Maximum - maximum potential bonus.
● LTIP	Minimum - no LTIP vesting; On-target - 20% of maximum (threshold vesting); Maximum - maximum LTIP vesting.
● Share price growth	Impact of 50% share price appreciation over three years (on the LTIP).



SINGLE FIGURE SCENARIO

Dave Benson, CFO

● Salary	Salary as at 1 April 2021.
● Pension	Current contribution rate of 10% of salary.
● Benefits	As provided in the single figure table on page 177.
● Annual bonus	Minimum - no bonus payable; On-target - 50% of maximum potential bonus; Maximum - maximum potential bonus.
● LTIP	Minimum - no LTIP vesting; On-target - 20% of maximum (threshold vesting); Maximum - maximum LTIP vesting.
● Share price growth	Impact of 50% share price appreciation over three years (on the LTIP).



REMUNERATION CONTINUED

Annual report on remuneration

What we paid our Directors in 2020/21

TOTAL TARGET COMPENSATION COMPARED TO OUR PEERS

Chart A below shows the relative position of target total compensation for our Executive Directors compared to our peers. When we set the target total compensation for the Executive Directors, one of the factors the Committee considers is the competitive market for our

Executive Directors, which we believe is the FTSE 250 and FTSE 350 Real Estate Sector, and the size of the Company compared to these peers. The Committee has been pleased to report above target performance against market benchmark has been achieved over recent years.

CHART A (i)
GRAHAM CLEMETT - CHIEF EXECUTIVE OFFICER

○ Positioning of total remuneration of the Company relative to market benchmarks.

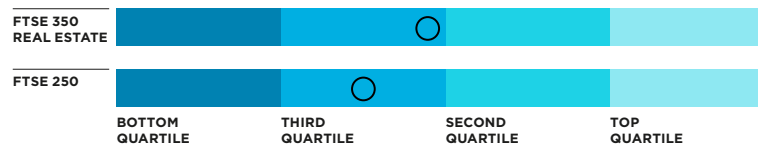
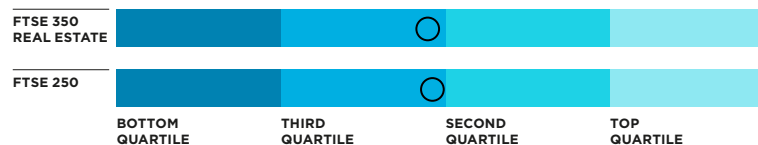


CHART A (ii)
DAVE BENSON - CHIEF FINANCIAL OFFICER



OUR SHAREHOLDING REQUIREMENTS

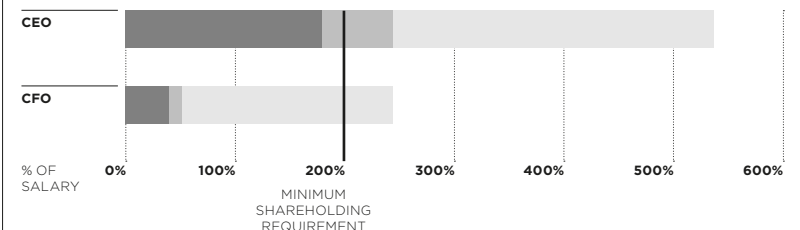
Our Executive Directors are encouraged to hold a high number of shares in order to align their interests to those of the Shareholders, and to encourage a long-term view of the sustainable performance of the Company.

As such, our Directors are impacted by the share price over the year in the same way as our Shareholders.

Chart B below shows that, in the year, the CEO met his minimum shareholding requirements. The CFO joined in April 2020 and is building his shareholding.

CHART B
OUR SHAREHOLDING REQUIREMENT HAS BEEN MET

● Owned outright or vested.
● Unvested and not subject to performance.
● Subject to performance.



Based on a share price of £6.8176 being the average share price over the year to 31 March 2021 and salaries of £494,090 and £340,000 for Graham Clemett and Dave Benson respectively.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

Our approach to fairness and wider workforce considerations

When making remuneration decisions for the Executive Board Directors, the Committee considers pay, policies and practices elsewhere in the Group.

We receive regular updates from the Executive Board Directors, and we monitor bonus payout and share award data.

In this section, we provide context to our Executive Board Director remuneration by explaining our employee policies and our approach to fairness, as well as the ratio of CEO pay to that of the wider workforce.

Communication and engagement with employees

The Board are committed to an open dialogue with our employees over various decisions. This year, our Chairman, Stephen Hubbard, assumed the role of designated Non-Executive Director responsible for overseeing employee engagement. During the last financial year, employees have been informed about activities, performance and the Company's response to Covid-19 through staff briefings held by the CEO and other members of the Executive Team. Mr Hubbard also held three informal staff events during the year. Employees are kept informed about activities and performance

not only through these briefings but also by the circulation of corporate announcements and other relevant information to all staff, supplemented by updates on the intranet.

Share schemes

Share schemes are a long-established and successful part of our total reward package, encouraging and supporting employee share ownership. In particular, all employees are invited to participate in the Company's Savings Related Share Option Scheme and the Share Incentive Plan.

Equal opportunities

Workspace is committed to an active Equal Opportunities Policy from recruitment and selection, through training and development and in performance reviews, promotion and remuneration. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit. We consider the needs of all employees, customers and the community.

We use everyone's talents and abilities, and we value diversity. The Company aims to make our promotion and recruitment practices fair and objective. We encourage continuous development and training, as well as the provision of equal opportunities and career development for employees. Further details of this are shown on pages 145 and 200.

Retirement benefits

The Company provides pension benefits for the majority of its employees. The Company's commitment to pension contributions, consistent with the last year, ranges from 6% to 10% of an employee's salary.

The Pension Scheme is open to every employee in accordance with the new Government auto-enrolment rules.

The year-on-year change in our Directors' remuneration

The table below sets out the changes year-on-year between our Director pay and average employee pay. As per our Policy, salary increases applied to Executive Directors will typically be in line with those of the wider workforce.

Table B below shows the percentage change in each Directors' remuneration, comprising salary/fees, taxable benefits and annual bonus, and comparable data for the average of employees within the Company. The comparator group is based on all employees (excluding Directors), normalised for joiners and leavers during the year. The average number of people employed by the Company during the year was 223 (2020: 232). All employees are eligible for consideration for an annual bonus.

TABLE B

Director	Salary/ Fees	Taxable benefits	Annual variable
Executive directors			
Graham Clemett	9%	-15%	-54%
Dave Benson ¹	n/a	n/a	n/a
Non-Executive directors			
Stephen Hubbard ²	198%	n/a	-
Maria Moloney	-4%	n/a	-
Chris Girling	0%	n/a	-
Damon Russell	10%	n/a	-
Suzi Williams	5%	n/a	-
Rosie Shapland ³	n/a	n/a	-
Lesley-Ann Nash ³	n/a	n/a	-
Daniel Kitchen ⁴	0%	n/a	-
Ishbel Macpherson ⁴	0%	n/a	-
All other employees	5%	-5%	-5%

- Dave Benson joined the Board as Chief Financial Officer on 1 April 2020 therefore the year-on-year change in remuneration cannot be stated.
- Stephen Hubbard was appointed as Chairman in July 2020. Please see page 194.
- Rosie Shapland and Lesley-Ann Nash joined the Board as Non-Executive Directors on 6 November 2020 and 1 January 2021 respectively therefore the year-on-year change in remuneration cannot be stated.
- Daniel Kitchen and Ishbel Macpherson stepped down from the Board on 9 July 2020 and 24 July 2020 respectively therefore the above information has been annualised as per their time in role.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

Pay comparisons

Chart C shows the single figure of remuneration for our CEO over time, and the pay of our average employee, each rebased to 2011. We have also included our TSR performance over this period.

- CEO single figure
- Workspace Group plc TSR
- FTSE250 Index
- FTSE350 Real Estate Supersector Index

CHART C

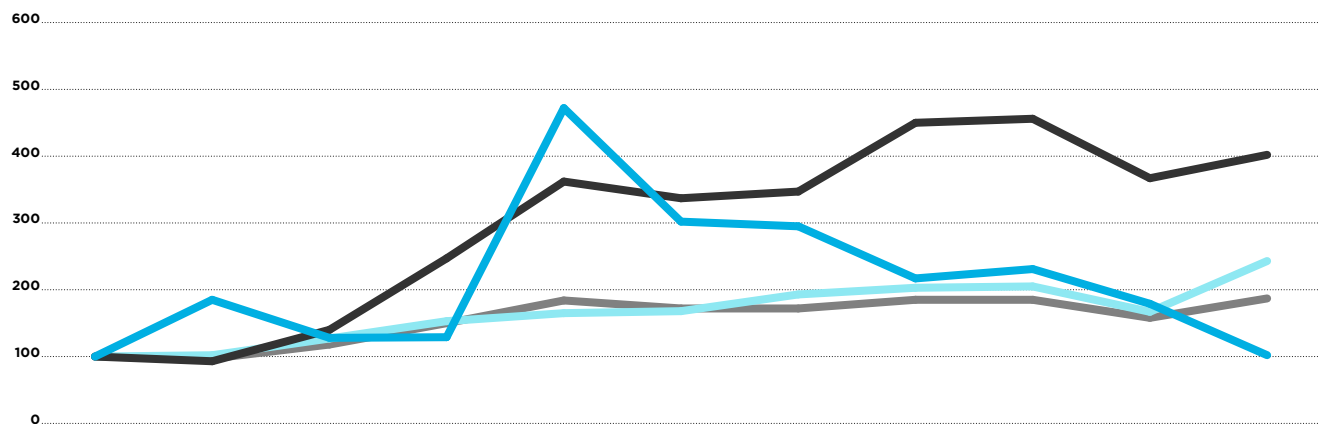


TABLE C

CEO single figure of total remuneration £000	31 Mar 2012	31 Mar 2013	31 Mar 2014	31 Mar 2015	31 Mar 2016	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	31 Mar 2021
Graham Clemett ¹	-	-	-	-	-	-	-	-	1,341.9	764.4
Jamie Hopkins ²	27.4	960.3	966.9	3,533.1	2,262.7	2,205.6	1,674.2	1,728.2	490.9	-
Harry Platt ³	1,359.6	-	-	-	-	-	-	-	-	-
Annual bonus pay-out										
Graham Clemett (% of maximum opportunity)	-	-	-	-	-	-	-	-	77.96%	33%
Jamie Hopkins (% of maximum opportunity)	-	100%	97.8%	97.2%	95.3%	100%	100%	95.8%	-	-
Harry Platt (% of maximum opportunity)	75%	-	-	-	-	-	-	-	-	-
LTIP vesting										
Graham Clemett (% of maximum opportunity)	-	-	-	-	-	-	-	-	87.24%	0%
Jamie Hopkins (% of maximum opportunity)	-	-	-	100%	100%	88.7%	62.7%	50.7%	87.24%	-
Harry Platt (% of maximum opportunity)	66.5%	-	-	-	-	-	-	-	-	-
Ratio of single total remuneration figure shown to employees as a whole										
to employee lower quartile ⁴	-	-	-	-	-	-	-	53x	47x	23x
to employee median	-	-	34x	128x	79x	72x	48x	33x	43x	15x
to employee upper quartile ⁴	-	-	-	-	-	-	-	23x	23x	11x

1. Mr Clemett assumed the role of Interim CEO on 1 June 2019 and was appointed CEO on 24 September 2019.

2. Mr Hopkins was appointed as an Executive Director on 12 March 2012 and stepped down from the Board on 31 May 2019.

3. Mr Platt retired as an Executive Director of the Company on 31 March 2012.

4. See below for details on calculation.

REMUNERATION CONTINUED**ANNUAL REPORT ON REMUNERATION** CONTINUED**PAY COMPARISONS** CONTINUED

Despite the fact that Workspace would not be required to disclose the ratio of CEO pay to workforce pay (given we do not meet the requirement regarding employee numbers), the Committee have chosen once again to disclose this ratio on a variety of bases, as shown at the bottom of table C shown above. For the 2019, 2020 and 2021 figures, this is based on the Companies (Miscellaneous Reporting) Regulations 2018. For the historic figures, this is based on our own methodology. In all cases, the entire UK workforce is included.

Chart C demonstrates that there continues to be a strong correlation between our CEO pay and the Total Shareholder Return of the Company. This results from the CEO receiving a high proportion of his remuneration in shares and because the variable pay within his package is based on measures which directly support the implementation of our strategy. The chart also shows that our average employee pay has trended upwards over this period.

Table C sets out the ratio of CEO pay (based on the single figure) to that of the workforce, for the last eight years, at the bottom of the table. There is significant volatility in this ratio, caused by the following:

- Our CEO pay was made up of a higher proportion of incentive pay than that of our employees, in line with shareholder expectations. This introduces a higher degree of variability in his pay each year versus that of our employees.
- Long-term incentives, which made up a significant proportion of our CEO's pay, are provided in shares, and their value on vesting, included in his single figure, reflects the movement in share price over the three years prior to vesting. This outcome can add significant volatility to the CEO's pay and this is reflected in the ratio.

The ratio is driven by the different structure of the pay of our CEO versus that of our employees, as well as the make-up of our workforce. This ratio varies between businesses even in the same sector.

What is important from our perspective is that this ratio is influenced only by the differences in structure, and not by divergence in fixed pay between the CEO and wider workforce.

The 2019, 2020 and 2021 figures above were calculated based on the Companies (Miscellaneous Reporting) Regulations 2018. These regulations, which set out how to calculate the pay ratio, describe three methodologies that can be used to identify the employees whose pay sits at the lower quartile, upper quartile and median of the Company - these are named in the regulations as 'Options A, B or C'. In 2019 and 2020, Workspace used Option B, the gender pay data, to determine these individuals, and the ratio of their pay to the CEO is set out in table C above. For 2021, Option A was used.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

Single total figure of remuneration for the Executive Directors (audited)

The illustrations to the right set out a single figure for the total remuneration received by each Executive Board Director for the year ended 31 March 2021 and the prior year.

Graham Clemett, CEO

	2020/21 £000	2019/20 £000
FIXED PAY		
SALARY	494.0	452.4
PENSION¹	49.4	51.7
BENEFITS²	21.4	25.1
VARIABLE PAY		
ANNUAL BONUS³	195.1	423.2
LTIP⁴	NIL	385.3
OTHER - SAYE, SIP	4.5	4.2
TOTAL	764.4	1,341.9
OF WHICH SHARE PRICE GROWTH	0	175.5

Dave Benson, CFO

	2020/21 £000	2019/20 £000
FIXED PAY		
SALARY	340.0	n/a
PENSION¹	18.0	n/a
BENEFITS²	0	n/a
VARIABLE PAY		
ANNUAL BONUS³	134.3	n/a
LTIP⁴	NIL	n/a
OTHER - SAYE, SIP	7.5	n/a
TOTAL	499.8	n/a
OF WHICH SHARE PRICE GROWTH	0	n/a

1. Pension: During 2020/21 each of Messrs Clemett and Benson received a cash allowance in lieu of pension contribution.
2. Benefits: Taxable value of benefits received in the year by Executive Directors includes a car allowance, private health insurance and death in service cover.
3. Annual bonus: This is the total bonus earned in respect of performance during the relevant year. For 2019/20 and 2020/21, the Committee set a minimum deferral requirement of 33% of the bonus earned. For 2020/21, this deferral was equivalent to £64,404 for Mr Clemett and £44,319 for Mr Benson.
4. LTIP: The 2020/21 figure includes the estimated value of 0% of the 2018 LTIP shares that vested based on performance to 31 March 2021. The share price used is the three-month average to 31 March 2021 of £7.5606. The 2019/20 figures have been updated to reflect the share price on the date of the vesting on 20 July 2020 of £5.8451.

Graham Clemett assumed the role of interim CEO on 1 June 2019 and on 24 September 2019 was appointed CEO. Dave Benson joined Workspace as CFO on 1 April 2020.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

Annual bonus payout in respect of 2020/21 (audited)

For 2020/21 the maximum bonus opportunity for the Executive Directors was 120% of salary. Payouts are subject to the assessment of performance against stretching financial, strategic and personal performance targets, and are calculated on a straight-line basis from 0% at threshold to 100% at maximum performance. Both Graham Clemett and Dave Benson are required to defer 33% of their bonus into Company shares for three years. The targets are set based on our budgeting process, which takes account of market expectation, planned acquisitions and disposals of assets, and aspirations around Company growth.

The performance measures, targets and outcomes for each measure are shown in the table to the right.

The Committee considered at length the experience of shareholders over this year, particularly in the context of the Covid-19 pandemic, balanced against the need to appropriately recognise the achievement of the management team. For further detail on the Committee's discussions see page 170.

ANNUAL BONUS PAYOUT IN RESPECT OF 2020/21

WEIGHTING AS A % OF SALARY	MEASURE	ACHIEVED	THRESHOLD (0% PAYABLE)	MAXIMUM (100% PAYABLE)	FORMULAIC OVERTURN AND OPPORTUNITY AS A % OF SALARY
60%	TRADING PROFIT AFTER INTEREST	£34.6M	£38.6M	£38.6M	60%
				ACTUAL: £38.7M	60%
24%	TOTAL PROPERTY RETURN From portfolio versus a defined comparator Benchmark compiled by IPD	BENCHMARK	BENCHMARK	BENCHMARK +2%	0%
				ACTUAL: BENCHMARK -3.78%	24%
12%	CUSTOMER SATISFACTION	72%		80%	0%
				ACTUAL: N/A	12%
24%	PERSONAL PERFORMANCE	0%		MAX: 100%	19%
				ACTUAL: 80%	24%
	TOTAL				79%
	OUTCOME (£000) GRAHAM CLEMETT, CEO				£390.2
					DISCRETIONARY 50% REDUCTION APPLIED TO OVERTURN
					£195.1
					£64.4
					TOTAL BONUS OF WHICH IS DEFERRED BONUS
	OUTCOME (£000) DAVE BENSON, CFO				£268.6
					DISCRETIONARY 50% REDUCTION APPLIED TO OVERTURN
					£134.3
					£44.3
					TOTAL BONUS OF WHICH IS DEFERRED BONUS

REMUNERATION CONTINUED

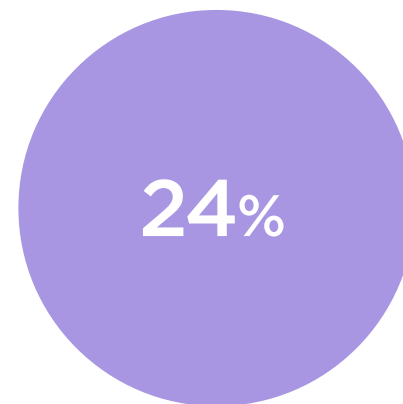
ANNUAL REPORT ON REMUNERATION CONTINUED

Personal objectives 2020/21

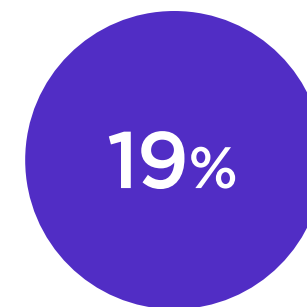
The Executive Directors' personal objectives focus on the delivery of the strategic priorities for the business and the successful management of risk. Based on a review of achievement against the personal objectives set out below, the Committee has awarded Graham Clemett and Dave Benson 19% of salary under this element.

KEY HIGHLIGHTS FROM THE YEAR:

- Published our net zero carbon pathway, including a commitment to reduce operational and embodied carbon emissions in line with our approved science based targets to become a net zero carbon business by 2030.
- Roll out of new brand positioning both internally and externally including launch of marketing campaign in 2021.
- Expansion of our property portfolio which includes planning consent achieved at Kennington Park for additional 200,000 sq ft of office space.
- Issuance of first green bond in connection with the Company's new green finance framework, in line with our ESG strategy and our recently published net zero carbon pathway.

PERSONAL PERFORMANCE

Opportunity
(% of salary)



Outcome
(% of salary)

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

PERSONAL OBJECTIVES 2020/21 CONTINUED

OBJECTIVE	TARGETS	ACHIEVEMENTS
APPROPRIATE RESPONSE TO THE COVID-19 PANDEMIC	<ul style="list-style-type: none"> - Maintain contact with customers and respond sympathetically to their issues and concerns. - Maintain engagement and motivation of employees working remotely. - Ensure appropriate measures in place for the safe return to work of both customers and staff. 	<ul style="list-style-type: none"> - 50% rent reduction offered to all business centre customers for the first quarter of year to 30 June 2020. - Centre teams maintained regular contact with all customers (both direct and virtually) to understand and address issues and concerns where possible. - Asset management team engaged with customers to 'right size' their requirements where possible. - Extreme customer hardship situations addressed on a case by case basis by CEO and asset management team. - 4 virtual town meetings held by the CEO and Exec team with staff through the year, together with regular updates on work plans as Covid-19 restrictions evolved. - Remote working capability including PCs provided to all staff working from home. Training provided for full-use of Teams for on-line meetings, chat and calls. - Detailed Covid-safe measures and procedures implemented at all business centres and head office. Regular risk assessments conducted and any changes in recommended measures monitored and implemented as appropriate.
DEVELOP OUR BRAND PROPOSITION LAUNCH NEW CUSTOMER WEBSITE DEVELOPMENT OF A CUSTOMER APP	<ul style="list-style-type: none"> - Deliver a compelling brand proposition that sets us apart from the market and resonates with customers and our people. - Deepen customer insight to improve communications and hone our operational activities. - Develop new customer propositions that enhance brand experience. 	<ul style="list-style-type: none"> - Full review of the Company's existing brand and market position completed and new brand positioning strategy developed. - Roll-out of new brand positioning both internally and externally including launch of advertising campaign in May 2021. - Conducted workshops for the entire business to remind employees of our brand responsibility and ran refreshed tone of voice workshops. - Customer journey workshops completed to identify opportunities to improve customer satisfaction. - Additional customer insight workshops completed to support change programme now underway to address priority issues. - Upgraded Workspace marketing website launched December 2020 with added functionality and much improved user experience. - Customer mobile app development completed and now in beta testing. Roll-out to be co-ordinated with deployment of new centre access system.
EXPAND OUR PROPERTY PORTFOLIO	<ul style="list-style-type: none"> - Deliver on, and look to extend, our refurbishment and redevelopment pipeline - Monitor the market for appropriate acquisition opportunities. - Complete on acquisitions and disposals that meet or exceed our return requirements. 	<ul style="list-style-type: none"> - Opened two new business centres in Summer 2020. - One refurbishment and two redevelopments completed and expected to open Summer 2021. - Achieved planning consent for significant mixed-use redevelopment project in Wandsworth. - Planning consent achieved at Kennington Park for additional 200,000sq ft of office space. - Detailed due diligence undertaken (and ongoing) on a range of acquisition opportunities, although none completed in year, with rigorous return requirements maintained. - Disposal of Bow Exchange completed for £11m.

REMUNERATION CONTINUED**ANNUAL REPORT ON REMUNERATION CONTINUED****PERSONAL OBJECTIVES 2020/21** CONTINUED

OBJECTIVE	TARGETS	ACHIEVEMENTS
PROGRESS OUR ESG AGENDA	<ul style="list-style-type: none"> - Determine and publish our net zero carbon pathway. - Increase the number of our business centre environment groups. - Progress our diversity and inclusion plans for recruitment and appraisals. - Programme of local community and charity initiatives. 	<ul style="list-style-type: none"> - Committed to becoming a net zero carbon business by 2030. Detailed pathway and approved science-based targets published in January 2021. - Published Green Finance Framework in March 2021 in support of green bond. - Environment groups established with customers at three centres with a further three planned as customers return to their offices. - Diversity and inclusion training completed for all staff and appropriate new recruitment processes implemented. - Interview skills training completed for all managers. - Worked with our customers to support disadvantaged young people in London, offering CV workshops, interview practice and work experience placements.
ENSURE WE HAVE APPROPRIATE FINANCING TO SUPPORT OUR PLANS	<ul style="list-style-type: none"> - Extend debt maturity profile. - Investigate and secure as required new sources of funding. - Maintain conservative gearing levels and covenant headroom. 	<ul style="list-style-type: none"> - Debut green bond (maturing in 2028) for £300m issued in March 2021. - Maturity of £160m of revolver facilities extended by one year to June 2023. - BBB Investment credit rating retained. - Low LTV maintained (24% at 31 March 2021) with significant headroom on all covenants.
IMPROVE EMPLOYEE ENGAGEMENT	<ul style="list-style-type: none"> - Extend breadth of training and development including delivery of new customer service programme. - Continued roll-out of wellness initiatives. - Launch employee of the month award. 	<ul style="list-style-type: none"> - Introduced new three-day induction programme for all starters. - 120 training sessions delivered to staff. - Rolling schedule of wellness webinars and wellbeing events delivered - "Workspace Winners" quarterly awards recognising employee achievement launched in June 2020. - "Health Shield" benefit package launched for all staff.
DEVELOP NEW BUSINESS OPPORTUNITIES	<ul style="list-style-type: none"> - Expand meeting room footprint. - Assess opportunities for further roll-out of furnished office and single billing offering. - Extend and bring to scale our events programme. 	<ul style="list-style-type: none"> - Meeting room expansion plans delayed to 21/22 by Covid-19. - Club Workspace viability reviewed and decision made to close all sites and repurpose space for other opportunities. - Roll out of new team rooms offer (furnished, short-term space) progressed with new team rooms opened across 9 centres. - Established new in-house catering capability to be initially rolled out at two centres. - Single-billing assessment completed and project team established for roll-out in 21/22.
TECHNOLOGY SUPPORT AND SECURITY	<ul style="list-style-type: none"> - Review resilience service levels and investment plans with our technology partners. - Maintain high level of cyber security awareness and testing. - Ensure high quality and reliable remote working capabilities in place. 	<ul style="list-style-type: none"> - Cyber maturity assessment completed. - VPN capability rolled-out to enable secure home working for all staff. - Business continuity management plans assessed by external advisers to ensure fit for purpose. - Regular cyber awareness testing and training for all staff. - Online data protection training completed by all staff.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

LTIP award vesting in respect of 2020/21 (audited)

The 2018 LTIP awards measured performance over the period 1 April 2018 to 31 March 2021. Details of the performance targets and achievement against them are set out below.

The Committee considered performance set out with the underlying business performance of Workspace and concluded that 0% of the 2018 LTIP award should vest.

The 2019 LTIP awards are based on the same targets and weightings as the 2020 LTIP award shown below, in Table E, measured over the period 1 April 2019 to 31 March 2022.

WEIGHTING	MEASURE	THRESHOLD	MAXIMUM	PAYOUT AS % MAXIMUM
50%	RELATIVE TSR VS. SECTOR GROUP	MEDIAN	UPPER QUARTILE	0%
		ACTUAL: 37TH PERCENTILE		
50%	TOTAL PROPERTY RETURN VERSUS LONDON IPD INDEX	MEDIAN	UPPER QUARTILE	0%
		ACTUAL: 43RD PERCENTILE		
	NUMBER OF SHARES VESTING (AUDITED)			NIL
	VALUE OF SHARES VESTING			£0

LTIP awards made during the 2020/21 financial year

Under the current Policy conditional share awards under the LTIP are granted to a maximum of 200% of salary. Awards under the 2020 LTIP are subject to the performance conditions detailed in the table below measured over the period 1 April 2020 to 31 March 2023.

TABLE E

	Relative TSR vs. sector group ¹ (50% of the award)	Total Property Return versus London IPD index (50% of the award)
Threshold ³ (20% vesting)	Median	Median
Maximum ³ (100% vesting)	Upper Quartile	Upper Quartile

- The comparator group for the 2020 LTIP cycle is the constituents of the FTSE 350 Real Estate Index excluding agencies.
- For any shares to vest on absolute TSR, the Company's TSR outcome must exceed the median TSR of the comparator group over the performance period.
- There is straight-line vesting between the 'Threshold' and 'Maximum' performance levels.

The following awards were granted during the year under the 2020 LTIP:

	Date of grant	Market price at date of award ¹	Number of shares	Performance Share award	
				Face value	% of salary
Graham Clemett	18 June 2020	£7.0767	139,638	988,176	200%
Dave Benson	18 June 2020	£7.0767	96,089	679,993	200%

- The share price for calculating the levels of awards was £7.0767 the average mid-market closing price over the three dealing days 15, 16 and 17 June 2020, in accordance with the LTIP plan rules.

Deferred shares were granted (as conditional share awards) under the 2019/20 bonus of 20,315 shares to Mr Clemett on 26 June 2020 based on a share price of £6.82p.

REMUNERATION CONTINUED**ANNUAL REPORT ON REMUNERATION** CONTINUED

How we will apply the Policy in 2021/22

We believe that the Policy continues to be fit for purpose going forward, and therefore the Committee is not proposing to make any changes for 2021/2022.

BASE SALARY

The Executive Directors will be awarded a 2% salary increase in line with the average applied to the wider workforce. Salaries will be as follows:

CEO

£503,970

CFO

£346,800

BENEFITS AND PENSION

In line with the Policy set out in this report, the Executive Directors will receive a contribution to a defined contribution plan or a cash allowance in lieu of contribution of 10% of salary.

ANNUAL BONUS

There is no change to the annual bonus maximum potential in 2021/22, and this will continue to be 120% of salary.

33% of the total bonus paid will be deferred into shares for three years. Dividend equivalents may be accrued on deferred shares.

PERFORMANCE MEASURES

60%

OF SALARY



LINKED TO

Trading profit after interest



LINK TO STRATEGY

Customer-led growth
Operational excellence

24%

OF SALARY



LINKED TO

Total Property Return (TPR)



LINK TO STRATEGY

Doing the Right Thing

24%

OF SALARY



LINKED TO

Personal performance



LINK TO STRATEGY

Operational excellence

12%

OF SALARY



LINKED TO

Customer satisfaction



LINK TO STRATEGY

Customer-led growth

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

HOW WE WILL APPLY THE POLICY IN 2021/22 CONTINUED

ANNUAL BONUS CONTINUED

Whilst we believe that disclosing the exact performance conditions and targets for all measures including the personal performance would not be in the best interests of shareholders, we remain committed to best practice disclosure. We therefore set out below some examples of the objectives that the Committee will consider in respect of evaluating personal performance. Full disclosure on the targets, performance achieved and resulting bonus payouts for 2021/22 will be provided in next year's report.

Executive Personal Objectives 2021/22

EXAMPLES OF EXECUTIVE PERSONAL OBJECTIVES 2021/22

1. Launch new brand positioning and raise brand and corporate profile
2. Roll-out of single-billing lease product
3. Progress the delivery of our multi-year ESG plans and commitments
4. Continued upgrade and expansion of our property portfolio
5. Delivery of customer service initiatives from our customer journey project

LONG-TERM INCENTIVE PLAN (LTIP)

Maximum award 200% of salary. The performance measures are such that 50% will be based on Total Property Return against a London focused IPD index and 50% will be based on relative TSR against FTSE 350 Real Estate companies. The targets for the two elements are as follows:

	Total Shareholder Return relative to FTSE 350 Real Estate Supersector index excluding agencies	Total Property Return versus London focused IPD index
Threshold vesting (20% of maximum)	Median	Median
Maximum vesting (100% of maximum)	Upper quartile	Upper quartile

A holding period of two years will apply to any vested shares under the LTIP.

To allow any payouts to be fully reflective of underlying performance, the LTIP underpin allows the Committee to reduce vesting should the Committee believe that the relative TSR and/or relative TPR performance is inconsistent with the overall performance of the business.

NON-EXECUTIVE DIRECTOR FEES

The fees for Non-Executive Directors are reviewed and agreed annually. The fees, which are effective from 1 April 2021, are set out in the table below.

	2021 fee	2020 fee	% change
Chairman	£188,451	£188,451	0%
NED base fee	£51,000	£51,000	0%
Chair of Audit Committee fee	£10,800	£10,800	0%
Chair of Remuneration Committee fee	£10,800	£10,800	0%
Chair of Risk Committee ¹	£10,800	n/a	n/a
Senior Independent Director fee ²	£10,800	n/a	n/a

1. Chairman of Risk Committee appointed in September 2020.

2. Fee to apply from 22 July 2021.

REMUNERATION CONTINUED

ANNUAL REPORT ON REMUNERATION CONTINUED

Single figure for Non-Executive Directors (audited)

Table F below sets out a single figure for the total remuneration received by each Non-Executive Director for the year ended 31 March 2021 and the prior year:

Non-Executive Director	Stephen Hubbard		Maria Moloney		Chris Girling		Damon Russell		Suzi Williams		Rosie Shapland		Lesley-Ann Nash		Daniel Kitchen		Ishbel Macpherson	
	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000
Base fee	151.9	51.0	51.0	51.0	51.0	51.0	51.0	51.0	10.2	19.9	-	12.8	-	52.2	188.5	16.3	51.0	
Additional fees	-	-	8.3	10.8	10.8	10.8	5.0	-	2.4	-	-	-	-	-	-	-	-	
Total	151.9	51.0	59.3	61.8	61.8	61.8	56.0	51.0	53.4	10.2	19.9	12.8	-	52.2	188.5	16.3	51.0	

- Expenses incurred by Non-Executive Directors represent the cost to the Group, being gross of taxation. In 2020/21, Maria Moloney and Chris Girling were reimbursed for out of pocket expenses, incurred in attending meetings in connection with the discharge of their duties, of £1,841 and £850 respectively.
- Stephen Hubbard was appointed Chairman in July 2020. Maria Moloney stepped down as Chair of the Remuneration Committee, with Suzi Williams assuming this role also with effect from 1 January 2021. Damon Russell assumed the role of Chairman of the Risk Committee with effect from September 2020. Rosie Shapland and Lesley-Ann Nash were appointed as Directors with effect from 6 November 2020 and 1 January 2021 respectively. Additional fees are paid to Non-Executive Directors serving as chairs of the Remuneration, Audit and Risk Committees.

Share ownership and share interests (audited)

The shareholding guideline for Executive Directors is 200% of salary. The table to the right below shows the interests of the Directors and connected persons in shares (owned outright or vested). There have been no changes in the interests in the period between 31 March 2021 and 2 June 2021.

Graham Clemett exceeds the shareholding guidelines. See page 182 for details. Dave Benson who joined the Company on 1 April 2020 acquired 19,850 shares in September 2020.

TABLE G

	31 March 2021	31 March 2020
Chairman		
Stephen Hubbard	23,640	15,290
Executive Directors		
Graham Clemett	129,448	92,785
Dave Benson	19,850	n/a
Non-Executive Directors		
Maria Moloney	2,027	2,027
Chris Girling	NIL	NIL
Damon Russell	NIL	NIL
Suzi Williams	NIL	NIL
Rosie Shapland	NIL	n/a
Lesley-Ann Nash	NIL	n/a
Past Directors		
Daniel Kitchen ¹	See note	40,805
Ishbel Macpherson ¹	See note	3,150

- Daniel Kitchen and Ishbel Macpherson stepped down from the Board on 9 July 2020 and 24 July 2020 respectively. As at the date of leaving, the number of shares held were 40,805 for Mr Kitchen and 3,150 for Ms Macpherson.

REMUNERATION CONTINUED**ANNUAL REPORT ON REMUNERATION** CONTINUED**SHARE OWNERSHIP AND SHARE INTERESTS (AUDITED)** CONTINUED

Table H below shows the Executive Directors' interest in shares.

TABLE H

Executive Director	Type	Owned outright or vested ²	Unvested and not subject to performance ³	Subject to performance ⁴	Total
Graham Clemett ⁴	Shares	129,448	43,792	211,452	384,692
	Market value options ¹	NIL	3,389	NIL	3,389
Dave Benson	Shares	19,850	NIL	96,089	115,939
	Market value options ¹	NIL	5,649	NIL	5,649

1. Market value options include SAYE options outstanding and not yet matured as at 31 March 2021. The exercise price of these was set at 80% (in accordance with HMRC and the plan rules) of the market value of a share at the invitation date. See page 197 for further details.

2. The total shares owned outright or vested.

3. This figure includes the deferred bonus shares awarded in 2018, 2019 and 2020 for Mr Clemett.

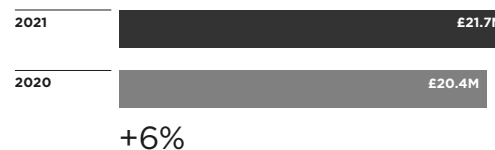
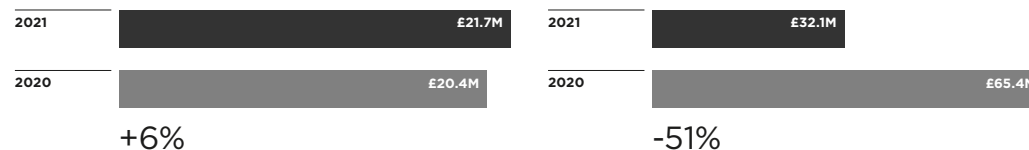
4. The interest in shares of 211,452 for Mr Clemett consist of LTIP awards made in 2019 and 2020. The interest in shares of 96,089 for Mr Benson consist of LTIP awards made in 2020, details of which can be found on page 191 in this report.

Additional information**External appointments**

It is the Board's policy to allow Executive Directors to take up one Non-Executive position on the Board of another company, subject to the prior approval of the Board. Any fee earned in relation to outside appointments is retained by the Executive Director. Mr Clemett was appointed a Non-Executive Director and Chairman of the Audit Committee of The Restaurant Group plc, effective 1 June 2016. Mr Clemett was paid in the year a fee of £53,000. Mr Benson does not hold any external appointments.

Relative importance of spend on pay

Chart D below shows the Company's actual expenditure on shareholder distributions (including dividends and share buybacks) and total employee pay expenditure for the financial years ended 31 March 2020 and 31 March 2021.

CHART D**EMPLOYEE REMUNERATION****DISTRIBUTION TO SHAREHOLDERS**

* The estimated total dividend as reported in the financial statements for the year to 31 March 2021 was £32.1m.

Payments for loss of office (audited)

None.

Payments to past Directors (audited)

Jamie Hopkins, who stepped down from the Board on 31 May 2019, received 58,379 shares which vested on 20 July 2020 in respect of the 2017 LTIP. Full details of Mr Hopkins' termination arrangements were set out in the 2019 Remuneration Report.

REMUNERATION CONTINUED**ANNUAL REPORT ON REMUNERATION** CONTINUED**ADDITIONAL INFORMATION** CONTINUED**Service contracts of Directors serving in the year**

Executive Directors are employed under contracts of employment with Workspace Group PLC. The principal terms of the Executive Directors' service contracts are as follows.

Executive Director	Position	Effective date of contract	Notice period	
			From Company	From Director
Graham Clemett	Chief Executive Officer	31 July 2007	12 months	12 months
David Benson	Chief Financial Officer	1 April 2020	12 months	12 months

Graham Clemett joined the Company as CFO in July 2007 and was appointed as CEO on 24 September 2019. Graham served as Interim CEO and CFO from 31 May 2019 until September 2019.

The Chairman and Non-Executive Directors have letters of appointment. Dates of the Directors' letters of appointment are set out below:

Name	Date of original appointment (date of reappointment)	Date of appointment/ last reappointment at AGM	Notice period
Stephen Hubbard	16 July 2014 (23 January 2020)	2020	6 months
Maria Moloney	22 May 2012 (22 May 2021)	2020	3 months
Chris Girling	7 February 2013 (7 February 2019)	2020	3 months
Damon Russell	29 May 2013 (29 May 2019)	2020	3 months
Suzi Williams	21 January 2020 (n/a)	2020	3 months
Rosie Shapland	6 November 2020 (n/a)	n/a	3 months
Lesley-Ann Nash	1 January 2021 (n/a)	n/a	3 months

1. Rosie Shapland and Lesley-Ann Nash joined the Board as Non-Executive Directors on 6 November 2020 and 1 January 2021 respectively. Both Rosie and Lesley-Ann are being proposed for election by shareholders at the forthcoming AGM on 22 July 2021.

The Directors are subject to annual re-election at the AGM. Non-Executive Directors' letters of appointment and Executive Directors' contracts are available to view at the Company's registered office.

Committee advisers

During the year, PwC LLP acted as independent adviser to the Committee. PwC LLP was appointed by the Committee in 2018 following a selection process. PwC LLP is a founding member of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to Executive remuneration consulting in the UK. The Committee is satisfied that the PwC LLP engagement partner and team, which provide remuneration advice to the Committee, do not have connections with the Group that may impair their objectivity and independence. The fees charged by PwC LLP for the provision of independent advice to the Committee during the year were £72,425.

With regards to other services provided by PwC during the financial year, PwC conducted a review of the Group's internal audit and risk requirements and provided support to Workspaces IT team on cyber security.

Voting at the Company's AGMs

The table below sets out the results of the most recent shareholder votes on the Policy Report and the advisory vote on the 2019/20 Annual Report on Remuneration at the 2020 AGM on 9 July 2020. The Committee views this level of shareholder support as a strong endorsement of the Company's Policy and its implementation.

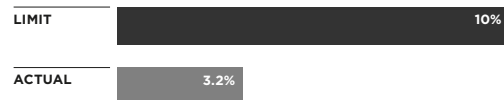
	Percentage of votes cast		Number of votes cast		
	For and Discretion	Against	For and Discretion	Against	Withheld ¹
Policy Report (2020 AGM)	99.54	0.46	116,307,019	539,870	1,666
Annual Report on Remuneration (2020 AGM)	91.36	8.64	106,751,974	10,094,915	1,666

1. A withheld vote is not a vote in law and is not counted in the calculation of the proportion of votes cast for and against a resolution.

REMUNERATION CONTINUED**ANNUAL REPORT ON REMUNERATION** CONTINUED**ADDITIONAL INFORMATION** CONTINUED**Share-based awards and dilution**

The Company's share schemes are funded through a combination of shares purchased in the market and new-issue shares, as appropriate. The Company monitors the number of shares issued under these schemes and their impact on dilution limits. The Company's usage of shares compared to the relevant dilution limits set by the Investment Association in respect of all shares plans (10% in any rolling 10-year period) and Executive share plans (5% in any rolling 10-year period) as at 31 March 2021 is detailed below.

As of 31 March 2021, around 3.2% and 2.7% shares have been, or may be, issued to settle awards made in the previous 10 years in connection with all share schemes and executive share schemes respectively. Awards that are made but then lapse or are forfeited are excluded from the calculations.

ALL SHARE PLANS**EXECUTIVE SHARE PLANS****Outstanding LTIP awards**

Details of current awards outstanding to Graham Clemett and Dave Benson are detailed below.

Name	At 1 April 2020 Performance ²	Lapsed during the year Performance	Vested during the year Performance	At 31 March 2021 Performance
Graham Clemett				
20/07/2017	65,863	(8,405)	57,458	-
22/06/2018	54,892	-	-	54,892
18/06/2019	71,814	-	-	71,814
18/06/2020	-	-	-	139,638
Dave Benson				
18/06/2020	-	-	-	96,089

1. Awards will vest subject to the satisfaction of performance conditions detailed on page 193 over the three year performance period.

2. LTIP Awards made to the Executive Directors. In July 2017 awards were in respect of 200% of salary based on a share price at date of award of £8.9033. In June 2018, 2019 and 2020 awards were in respect of 200% of salary based on a share price at date of award of £11.00333, £8.62083 and £7.0767 respectively. 87.24% of the 2017 Awards vested on 20 July 2020 and vesting of the 2018 Awards is 0%.

Share options

The following table shows, for the Directors who served during the year, the interests in outstanding awards under the HMRC-approved Savings Related Share Option Plan and SIP Awards.

	At 01/04/2020	Granted during the year	Lapsed during the year	Vested in year	At 31/03/2021	Exercise price	Normal exercise date	
							From	To
Graham Clemett	1,046	-	1,046	-	-	-	-	-
	1,282	-	1,282	-	-	-	-	-
	-	3,389	-	-	3,389	£5.31	01.09.23	01.03.24
	107	-	-	-	107	-	18.09.18	-
	228	-	-	-	228	-	30.08.20	-
	233	-	-	-	233	-	05.09.22	-
Dave Benson	-	5,649	-	-	5,649	£5.31	01.09.25	01.03.26

1. Mr Clemett was granted awards under the share incentive plan on 18 September 2015 (107); 30 August 2017 (228) and 5 September 2019 (233).

There have been no changes in Directors' interests over options in the period between the balance sheet date and 2 June 2021. The Directors' Remuneration Report has been approved by the Board of Workspace Group PLC.

By order of the Board

Suzi Williams

Chair of the Remuneration Committee
2 June 2021

REPORT OF THE DIRECTORS

The Directors present their report on the affairs of the Group together with the audited financial statements for the year ended 31 March 2021.

Workspace Group PLC is incorporated in the UK and registered as a public limited company in England and Wales. Its headquarters are in London and it is listed on the main market of the London Stock Exchange.

This section of the Annual Report sets out the information required to be disclosed in the Directors' Report. Certain matters that would otherwise be disclosed in the Directors' Report have been reported elsewhere in the Annual Report and consequently, this Directors' Report should be read in conjunction with our Strategic Report on pages 1 to 98, and a description of the Group's business model on pages 11 to 19. It also includes our report on our 'Doing the Right Thing' programme, principal risks and uncertainties and the Statements on Going Concern, Viability and Section 172 matters which can be found on pages 34 to 56, 63 to 70, 81 to 82 and 122 to 123.

The Corporate Governance Report and Chairman's Governance Report for the year ended 31 March 2021, on pages 99 to 197, are incorporated by reference into this Directors' Report.

Post balance sheet events

Details of post balance sheet events can be found on page 235.

Principal activities and business review

The Group is engaged in property investment and letting business space to businesses in London. As at 31 March 2021 the Company had seven active subsidiaries, four of which are property investment companies owning properties in Greater London. The other three companies are: Workspace Management Limited; LI Property Services Limited; and Workspace 17 (Jersey) Limited. A full list of the Company's subsidiaries and other related undertakings appears on page 234.

Significant events which occurred during the year are detailed in the Chairman's statement on pages 6 to 7, the Chief Executive Officer's Statement on pages 9 to 10 and the Business Review on pages 71 to 80.

A description of the principal risks and uncertainties facing the Group can be found on pages 63 to 70. Details of the Group's health and safety policies can be found on page 200 and information on its environmental and community engagement activities can be found on pages 23 to 24.

Profit and dividends

The Group's loss after tax for the year attributable to shareholders amounted to £235.7m (2020: profit of £72.1m).

No interim dividend was paid in February 2021 (2020: 11.67 pence). The Board is proposing to recommend the payment of a final dividend of 17.75 pence (2020: 24.49 pence) per share to be paid on 6 August 2021 to shareholders whose names are on the Register of Members at the close of business on 2 July 2021. This makes a total dividend of 17.75 pence (2020: 36.16 pence) for the year.

Going concern and viability

The Going Concern and Viability Statements can be found on pages 81 to 82.

The Group's activities, strategy and performance are explained in the Strategic Report on pages 1 to 98.

Further details on the financial performance and financial position of the Group are provided in the financial statements on pages 210 to 235.

Financial risk management

The financial risk management objectives and policies of the Group are set out in note 18 to the financial statements and in the principal risks and uncertainties section of this report on pages 63 to 70.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are each aware, there is no relevant information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

REPORT OF THE DIRECTORS CONTINUED**Information to be disclosed under LR9.8.4R**

For the purpose of LR9.8.4CR, the information required to be disclosed by LR9.8.4R can be found in the Annual Report in the following locations and is hereby incorporated by reference into this Directors' Report:

Section	Topic	Location in the Annual Report
1	Interest capitalised	Financial statements, page 222 note 10
4	Details of long-term incentive schemes	Remuneration Report, pages 176, 180 and 191

There is no further information required to be disclosed under LR9.8.4R.

Share capital and control

As at 31 March 2021, the Company's issued share capital comprised a single class of 181,113,594 ordinary shares of £1.00 each. Details of the Company's issued share capital are set out on page 231. Full details of share options and awards under the terms of the Company's share incentive plans can be found on pages 232 to 234.

Other relevant requirements from the takeover directive are included elsewhere in the Report of the Directors, the Corporate Governance Report, the Directors' Remuneration Report and the notes to the Group and Company financial statements. There are no agreements in place between the Group and its employees or Directors for compensation for loss of office or employment that occur because of a takeover bid.

Restrictions on transfer of shares

There are no restrictions on the transfer of ordinary shares in the Company other than in relation to certain restrictions that are imposed from time to time by laws and regulations (for example insider trading laws). In addition, pursuant to the Listing Rules of the Financial Conduct Authority, Directors and certain officers and employees of the Group require the approval of the Company to deal in ordinary shares of the Company.

Purchase of own shares

Under the Company's Articles of Association, the Company may purchase any of its own shares. The Company was granted authority at the 2020 Annual General Meeting to make market purchases of its own ordinary shares. This authority will expire at the conclusion of the 2021 Annual General Meeting and a resolution will be proposed to renew this authority. No ordinary shares were purchased under this authority during the year.

Substantial shareholdings in the Company

As at 31 March 2021, the following interests in voting rights over the issued share capital of the Company had been notified.

Shareholder	Number of shares	Percentage held
The London & Amsterdam Trust Company Limited	53,482,291	29.53%
BlackRock, Inc.	16,747,659	9.25%
Jupiter Asset Management Limited	11,724,837	6.47%
M&G Investment Management Ltd	10,448,320	5.77%
Aberdeen Standard Investments	7,912,869	4.37%
Cohen & Steers Inc.	7,264,885	4.01%
The Vanguard Group Inc.	6,771,347	3.74%

As at 25 May 2021 the following interests in voting rights over the issued share capital of the Company had been notified.

Shareholder	Number of shares	Percentage held
The London & Amsterdam Trust Company Limited	53,431,031	29.50%
BlackRock, Inc.	17,213,219	9.50%
Jupiter Asset Management Limited	11,240,374	6.21%
M&G Investment Management Ltd	10,270,036	5.67%
Cohen & Steers Inc.	8,393,451	4.64%
The Vanguard Group Inc.	6,814,324	3.77%

Board of Directors

The names and biographical details of the Directors and details of the Board Committees of which they are members are set out on pages 106 to 109 and incorporated into this Report by reference. Changes to the Directors during the year and up to the date of this Report are set out on page 105. At the date of this Report there are currently nine Directors on the Board of Workspace Group PLC. The Board may exercise all powers of the Company, subject to the Company's Articles of Association, the Companies Act 2006 and other applicable legislation. Changes to the Articles of Association must be approved by shareholders in accordance with the Articles of Association themselves and applicable legislation in force at the relevant time.

The Company's current Articles of Association require any new Directors to stand for election at the next AGM following their appointment. The Articles of Association also require each Director to stand for re-election every three years following their election. However, in accordance with the Code and the Company's current practice, all continuing Directors will offer themselves for election or re-election (as applicable) at the AGM on 22 July 2021.

REPORT OF THE DIRECTORS CONTINUED

Details of the Directors' interests in the shares of the Company and any awards granted to the Executive Directors under any of the Company's all-employee or Long-Term Incentive Plans are given in the Directors' Remuneration Report on pages 194 to 197. The Service Agreements of the Executive Directors and the Letters of Appointment of Non-Executive Directors are also summarised in the Directors' Remuneration Report and are available for inspection at the Company's registered office.

The appointment and replacement of Directors is governed by the Company's Articles of Association, the Code, the Companies Act 2006 and any related legislation. Unless otherwise determined by ordinary resolution of the Company, the Directors shall not be less than two or more than ten in number. The Board may appoint any person to be a Director so long as the total number of Directors does not exceed the limit prescribed in the Articles of Association. In addition to any power of removal conferred by the Companies Act 2006, the Company may by ordinary resolution remove any Director before the expiry of their period of office.

Directors' indemnities

Under the Company's Articles of Association, to the extent permitted by the Companies Act 2006, the Company may, to the extent permitted by law, indemnify any Director, Secretary or other Officer of the Company against any liability and may also purchase and maintain insurance against such liability. The Board considers that the provision of such indemnification is in keeping with current market practice and believes that it is in the best interest of the Group to provide such indemnities in order to attract and retain high-calibre Directors and Officers.

The Company purchased and maintained Directors' and Officers' liability insurance during the year under review and at the date of approval of the Directors' Report. In addition, in April 2021 qualifying third party indemnity provisions (as defined by Section 234 of the Companies Act 2006) came into force and remain in force in relation to certain losses and liabilities which the Directors may incur to third parties in the course of acting as Directors or employees of the Company or of any associated company.

Change of control

There are a number of agreements (including the Group's borrowing facilities and other financial instruments, details of which can be found in note 16 to the financial statements) that could allow counterparties to terminate or alter those arrangements in the event of a change of control of the Company.

Section 172(1) Statement

The Company's Section 172(1) Statement can be found on page 122.

Employees

The Group values highly the commitment of its employees and has maintained its practice of communicating business developments to them in a variety of formats. The Group's employees are kept informed of its activities and performance through a series of Director-led staff briefings at key points during the year and the circulation of corporate announcements and other relevant information to staff which is supplemented by updates on the intranet. These briefings also serve as an informal forum for employees to ask questions about the Group.

Share schemes are a long-established and successful part of our total reward package, encouraging and supporting employee share ownership. In particular, all employees are invited to participate in the Group's Savings Related Share Option Scheme.

The Group is committed to an active Equal Opportunities Policy from recruitment and selection, through training and development, performance reviews and promotion. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit. The Group is responsive to the needs of its employees, customers and the community at large. We are an organisation which uses everyone's talents and abilities, and where diversity is valued. The Group remains supportive of the employment and advancement of disabled persons and monitors its promotion and recruitment practices such that they are fair and objective.

The Group encourages the continuous development and training of its employees and the provision of equal opportunities for the training and career development of all employees.

The Group provides retirement benefits for the majority of its employees. Details of the Group's pension arrangements are set out in note 27 on page 235.

Further information on our employees and how we engage with them can be found on pages 22 and 118 to 119.

Health and safety

We take the health and safety of our employees, customers, visitors and others who may be affected by our activities with the greatest seriousness and we fully comply with all health and safety legislation applicable to our business.

In the year under review we monitored and reviewed our health and safety systems to promote continued compliance with HSE standards and best practice, and carried out portfolio-wide safety training with employees. This year we will continue to promote a healthy environment and culture across our organisation and provide the necessary training for head office and site staff so that we remain competent in meeting our health and safety responsibilities. We have made good progress with improvements to our safety processes and procedures, previously identified by an external gap analysis.

REPORT OF THE DIRECTORS CONTINUED

We are also focusing on our employees' mental health as we feel it is essential to our overall wellbeing, and as important as physical health. We have already undertaken several mental health focused courses and have appointed a committee to look at how we can further assist employees.

Covid-19	During the complex challenges presented by Covid-19 we are taking robust action to ensure that the wellbeing of our employees, customers and visitors to our buildings is our first priority. We have reacted, and continue to react, to Government advice and direction at short notice and proactively monitor guidance from a variety of government and public health authorities. We endeavour to provide the most up-to-date guidance, support and advice to our employees and customers, and we are confident that we have the right policies and procedures in place to continue to serve our customers.
Training	<p>We train our employees so that they are competent and confident to carry out their jobs in a safe and professional manner. Our people lead by example, working on the principle that if they display high standards in the way they go about their business, then our customers and suppliers will follow suit. Each new starter is given in-house induction training targeted to the health and safety responsibilities they will hold, with ongoing training provided via toolbox talks and regular formal meetings with managers and members of the Health and Safety Committee.</p> <p>With face-to-face training being impacted by Covid-19, this year we have used online training solutions. During the year, 24 employees completed IOSH Managing Safely courses, nine employees received asbestos training and 76 employees received Workspace-specific fire safety training.</p>
Compliance management	All our site staff and facilities managers, as well as some key head office personnel, use a compliance monitoring tool, E-Logbooks, which is a proven software system that enables us to monitor statutory compliance and routine maintenance across the entire portfolio.
Internal health and safety audits	We are committed to continuous improvement and we undergo a series of formal internal health and safety audits every year. The number of audits per annum has increased this year with the intention to audit all sites at least every three years. Evaluations of the results from these audits are used to facilitate individual site safety improvements and identify areas where we can enhance our safety procedures across the portfolio. This includes any requirement for additional training, awareness or toolbox talks.
Redevelopment and refurbishment projects and contractor safety	Redevelopment and refurbishment projects regularly take place across our portfolio, on both customer-occupied and vacant sites. We closely manage our contractors' activities and the associated risks to the health and safety of customers and visitors, particularly where building works are being carried out in close proximity to common parts and customer-occupied areas. For the sixth consecutive year, there have been no contractor-related accidents or incidents that have affected our customers.

Business conduct and compliance

See pages 84 and 85 for details of our key business conduct and compliance policies.

Greenhouse gas emissions

See pages 97 and 98 for details of our absolute emissions and emissions as an intensity ratio, which are incorporated by reference into this Directors' Report and fulfil the requirements of the Greenhouse Gas Emissions (Directors' Reports) Regulations 2013.

2020 Annual General Meeting

See page 116 for details of our 2020 Annual General Meeting.

2021 Annual General Meeting

The 35th Annual General Meeting of the Company will be held at the Company's business centre at Edinburgh House, 170 Kennington Lane, London, SE11 5DP on Thursday 22 July 2021 at 11.00am. The Notice of Meeting, together with an explanation of the business to be dealt with at the Meeting, is included as a separate document sent to shareholders who have elected to receive hard copies of shareholder information and is also available on the Company's website.

Following nine years as a Non-Executive Director of Workspace, Maria Moloney informed the Board in April 2021 of her intention to step down with effect from the conclusion of the 2021 Annual General Meeting. Consequently, Maria will not be seeking re-election at the 2021 AGM.

Following shareholder engagement, in 2019 and 2020 we sought approval for a resolution authorising political donations up to £20,000 in aggregate, which was a lower amount than we had sought in previous years. This year we are again proposing a resolution with an upper limit of £20,000 in aggregate. This resolution is proposed as a precaution to prevent the Company's normal business activities being inadvertently caught by the broad definitions used in the relevant provisions of the Companies Act 2006. It remains the policy of the Company not to make political donations or incur political expenditure within the ordinary meaning of those words and the Board has no intention of using the authority for that purpose.

In addition, and in line with the resolution approved at last year's AGM, the Directors are again proposing a single resolution disapplying pre-emption rights for the 2021 Annual General Meeting that would apply only in very limited circumstances. The proposed disapplication resolution is limited to allotments and/or sales: (i) in connection with pre-emptive offers and offers to holders of equity securities other than ordinary shares (if required by the rights of those securities or as the Directors otherwise consider necessary); and (ii) in connection with the terms of any employees' share scheme for the time being operated by the Company.

By Order of the Board

Carmelina Carfora
Company Secretary
2 June 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework. In addition, the Group financial statements are required under the UK Disclosure and Transparency Rules to be prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ("IFRSs as adopted by the EU").

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable, relevant and reliable
- For the Group financial statements, state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ("IFRSs as adopted by the EU").
- For the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements.
- Assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.
- The Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Signed on behalf of the Board on 2 June 2021 by:

Graham Clemett
Chief Executive Officer

Dave Benson
Chief Financial Officer