

# Remuneration Report

## Remuneration Committee

### Focus areas for 2024/2025

- / Executive Director Remuneration
- / Employee Remuneration
- / LTIP vesting and awards
- / Non-Executive Director and Chair fees

**Helen Beck**

Chair of the Remuneration Committee



## Our remuneration approach supports strong alignment between Company performance and the team.

### Terms of reference

The principal functions of the Committee as set out in the terms of reference include the following matters:

- Review the ongoing appropriateness and relevance of the Directors' Remuneration Policy;
- Determine the remuneration of the Chair, Executive Directors and such members of the executive management as it is designated to consider;
- Review the design of all share incentive plans for approval by the Board; and
- Appoint and set the terms of reference for any remuneration consultants.

### Advisers

During the year, Deloitte LLP has provided independent advice in relation to market data, share valuations, share plans administration and content of the Remuneration Report. Total fees for the year were £24,450 (calculated on a time spent basis). Deloitte LLP is a founding member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. In addition, Deloitte also provided taxation services and advice to the Company during the year. The Committee has reviewed the nature of this additional advice and is satisfied that it does not compromise the independence of the advice that it has received.

## Annual statement

Dear Shareholders

### Introduction

I am delighted to have joined the Board, and be appointed as Chair of the Remuneration Committee with effect from 1 August 2024. I would like to thank Maria Bentley, my predecessor, for her contribution during her tenure.

On behalf of the Board, I am pleased to introduce the Remuneration Committee Report for the year ended 31 March 2025.

This report comprises three sections:

- This annual statement;
- Summary of Remuneration Policy; and
- The Annual Report on Remuneration for the year ended 31 March 2025.

The Committee had five scheduled meetings during the year and attendance can be found on page 93.

I would like to thank shareholders for their support at the 2024 AGM and approval of Remuneration Report and revised Remuneration Policy (the 'Policy'), which received 99% of the votes in favour.

The key areas of focus during the year were approval of Executive Director's variable remuneration and annual salary increases, and the assessment the variable targets as part of the 2022 LTIP vesting.

The Committee also approved the grant of awards under the Company's share schemes and reviewed the employees' remuneration to ensure this remained aligned with the Executive Directors.

### Group performance and alignment

We have set out on pages 20 to 23, the Key Performance Indicators (KPIs) that we currently use to monitor the success of the business.

All employees, including Executive Directors, are part of the LTIP share plans which ensures alignment across the whole business and vest over three years.

In addition, all employees are subject to bonus deferrals which are linked to the Company's share price and deferred over two years.

In order to appropriately align remuneration with business performance we incorporate KPI metrics within our incentive schemes so they determine an element of variable remuneration. These are set out in the table overleaf.

In assessing Company performance, the Committee has considered the three strategic pillars and notes the following highlights:

### Portfolio Performance

- Total Property Return: 7.3% ahead of MSCI Index of 6.3%
- Property Income Return: 5.2% ahead of MSCI Index 4.8%
- Reduction in vacancy rate from 9.2% to 6.2%

### Operational Excellence

- EPRA EPS 4.2 pence an increase of 5%
- Total Return: 8.1%
- EPRA NTA increase of 4% to 100 pence per share

### Acting Responsibly

- Total Shareholder return 16.0%
- EPC ratings (A-C) increased from 80% to 83%

### Remuneration for the year ending 31 March 2025

Directors' remuneration will be paid in line with the Policy, which was approved by the shareholders at the 2024 AGM.

### Annual bonus

The Executive Directors' annual bonus is based on both financial and corporate metrics. The financial metrics comprise 60% and are based equally on Total Property Return (TPR) relative to MSCI and Total Return (TR) relative to a peer group.

The Remuneration Committee is chaired by Helen Beck who joined on 1 August 2024 when Maria Bentley stood down.

The other members of the Committee are Mark Batten, Richard Jones and Francis Salway. Francis joined on 1 February 2025 when Lena Wilson stood down.

Other attendees at Committee meetings during the year were Michael Morris and Saira Johnston. Neither participated in discussions relating to their own remuneration.

Remuneration Report continued

Variable remuneration metrics for year ending 31 March 2025

Measure	Comparator	Annual bonus 1 year	LTIP 3 year
Corporate objectives		✓ 40%	
Financial metrics			
Total return (TR)	Relative to peer group	✓ 30%	
Total property return (TPR)	MSCI UK Quarterly Property index	✓ 30%	✓ 33%
Total shareholder return (TSR)	Relative to peer group		✓ 33%
EPRA EPS	Absolute target range		✓ 33%

The corporate metrics comprise 40% and are based on a number of objectives across the Company's three strategic priorities for the year ending 31 March 2025.

At the date of this report, not all companies in the peer group have announced their results to 31 March 2025 and the TR outcome is therefore an estimate of the expected result.

Based on the performance during the year and this estimate, the annual bonus payment is 68% of the maximum. Further details on the outcomes can be found on page 125, and further details on the Company's KPI performance can be found on pages 20 to 23. An amount equal to 55% of the annual bonus will be deferred for two years in shares.

When the final outcomes are known, the Remuneration Committee will determine whether it is satisfied that the actual outcome is a fair reflection of overall Group performance during the past year.

When considering the annual bonus metrics, the Committee noted the following in relation to the TR metric and comparator group:

- Size: this has reduced significantly due to corporate activity in the listed real estate market. As at 31 March 2025 the peer group consisted of seven companies (2024: nine, 2023: 11)
- Estimates: at the date of this report, only two of the companies in the group had announced their results to 31 March 2025. The Committee has therefore estimated that

this metric will be partially met but this needs to be finalised once all remaining peer results are published. Any adjustment will be included in next year's Remuneration Report

**Long-term Incentive Plan awards (performance period to 31 March 2025)**

The LTIP is designed to ensure alignment between employees and the long-term success of the Company. For awards made under the LTIP in June 2022, vesting is calculated based on three equally weighted performance conditions, measured over a three year period to 31 March 2025.

Based on the Total Shareholder Return (TSR), TPR and EPS metrics, the 2022 LTIP will vest at 45% of the awards granted. Further details on the Chief Executive awards can be found on page 126.

When approving, the Committee considered whether the formulaic outcomes of the LTIP represented a fair reflection of the underlying performance in the period, and concluded no adjustment was appropriate.

**Remuneration for the year ending 31 March 2026**

The Committee has reviewed the Executive Directors' variable remuneration and annual salary increases, to determine the appropriate basis for the year ending 31 March 2026, in line with the Policy.

100%  
of employees  
participate in  
employee share  
schemes

100%  
of employees  
subject to bonus  
deferrals linked to  
share price

Salary reviews

The Committee reviewed the salary increases of the Executive Directors and considered the increases for other employees as part of the process. Reflecting the individual and business performance, we have approved increases of 2.5% for the Executive Directors to take effect from 1 April 2025. This compares to an increase of 3% across all employees.

Annual bonus measures

The Executive Directors will have an unchanged maximum annual bonus opportunity of 145% of salary. The bonus will be determined 40% by corporate objectives, set by the Committee at the beginning of the year, and 60% by financial metrics. The financial metrics will be consistent with previous years, and equally weighted, however, due to the reduced peer group, the TR metric will be an absolute metric, with appropriate Remuneration Committee discretion. This is to address the decreasing size and nature of the comparator group and allow calculation of the metric at the reporting date.

2025 LTIP awards

The Chief Executive will be awarded shares worth 125% of salary which is consistent with the application of our policy since the Company converted to a REIT in 2018. Metrics are expected to be the same as the June 2024 award with the exception of a change to the EPRA NAREIT UK Index, as the TSR comparator group, due to a peer group which is diminishing in size as discussed above.

Our internal policy is that new employees are not typically entitled to be granted an LTIP award during their first year of employment. However, the first LTIP award granted following this period may, subject to performance, be larger than standard (albeit capped at the policy limit of 150% of salary), to ensure the individual is fairly rewarded for their period of employment.

## “ All employees participate in our employee share award scheme and bonus deferrals.

In line with this policy, the CFO was not granted an LTIP award in June 2024. The CFO has performed strongly since her appointment and the Committee has therefore determined that she should be granted a larger than standard award of shares worth 150% of salary in June 2025.

Shares worth 40% of salary will be subject to the three-year performance conditions that applied to all other employees' June 2024 LTIP grant and the remainder of the award (shares worth 110% of salary) will be subject to the same three-year performance conditions as apply to all other LTIP awards granted in June 2025. The Committee agreed this performance structure to ensure that the CFO is appropriately incentivised relative to her period of employment (i.e. from April 2024) and also to provide alignment with the performance conditions for awards granted to the Chief Executive and other employees since her appointment.

### Employee remuneration and engagement

The Committee has reviewed employee remuneration and sought feedback from salary surveys and recruitment agencies. The Committee determined that there would be an overall average rise of 3% in base salaries with effect from 1 April 2025.

In addition the total annual employee bonus, excluding Executive Directors, is expected to be circa 50% of salaries reflecting the continued outperformance but also the market conditions.

During the year, and as part of my onboarding I have met the team and also discussed the results of the annual employee engagement survey. The results continue to demonstrate a high level of satisfaction among the team although I am mindful of the reduction during the year and will be working with the team to address this.

### UK Corporate Governance Code

We have considered the provisions of the Code in respect of remuneration and believe that our approach remains compliant. In particular, we operate a consistent level of pension provision across our workforce; LTIP awards are only released to Executive Directors after the three-year vesting period and the two-year hold period; and malus and clawback provisions apply to all incentive awards. We have provisions in the rules of our remuneration share plans that prevent, other than in exceptional circumstances, accelerated vesting of awards when an employee leaves Picton. We also have post-employment shareholding guidelines in place.

The Remuneration Policy and its components are clearly set out in this report and the rules of the variable remuneration schemes are available to all employees.



Scan or click here to see our Remuneration Policy on our website

We use standard performance metrics, which are also key performance indicators for the business, to create alignment and determine awards. There are clear target and maximum levels for each metric.

The Committee believes that the variable remuneration schemes in place are fair and proportionate and align the remuneration of the team with the Group's performance. We are also satisfied that the remuneration structure does not encourage inappropriate risk-taking. The Committee does retain discretion over formulaic outcomes if it considers that these are not a fair reflection of the Group's performance.

### Chair and Non-Executive Director fees

The Committee has reviewed the fees and approved an increase of 2.5% in line with the Executive Directors. The Committee notes that the incoming Chair and Non-Executive Director during the year remained on the same fee basis as their predecessors.

### Conclusion

The Committee continues to be satisfied that the remuneration structure continues to support the medium to long term value to shareholders.

I would like to thank shareholders for their support. I am committed to maintaining an ongoing dialogue with shareholders and welcome any questions ahead of the AGM.

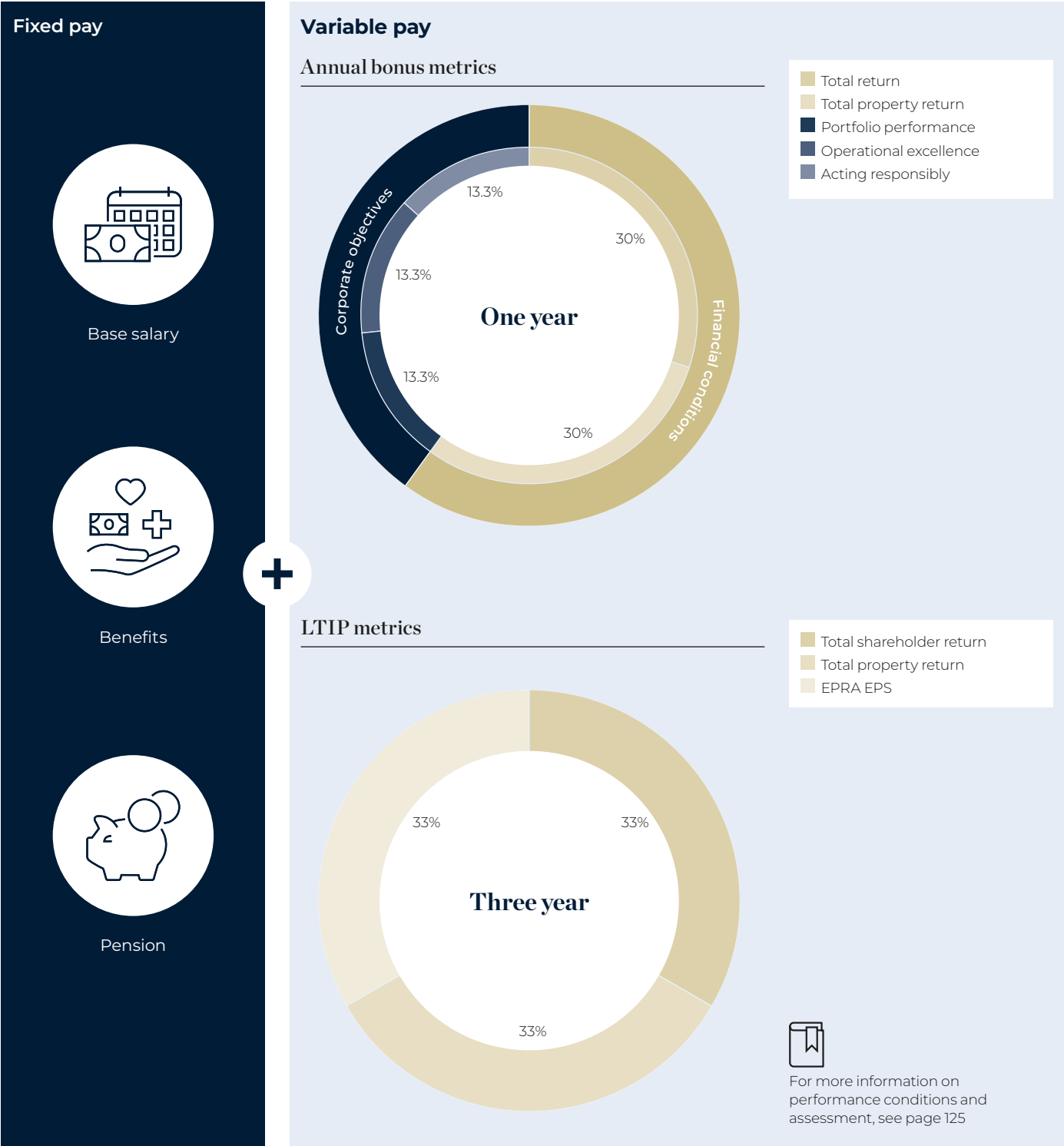
I will be attending the 2025 AGM and would be pleased to answer any questions you may have on this report.

#### Helen Beck

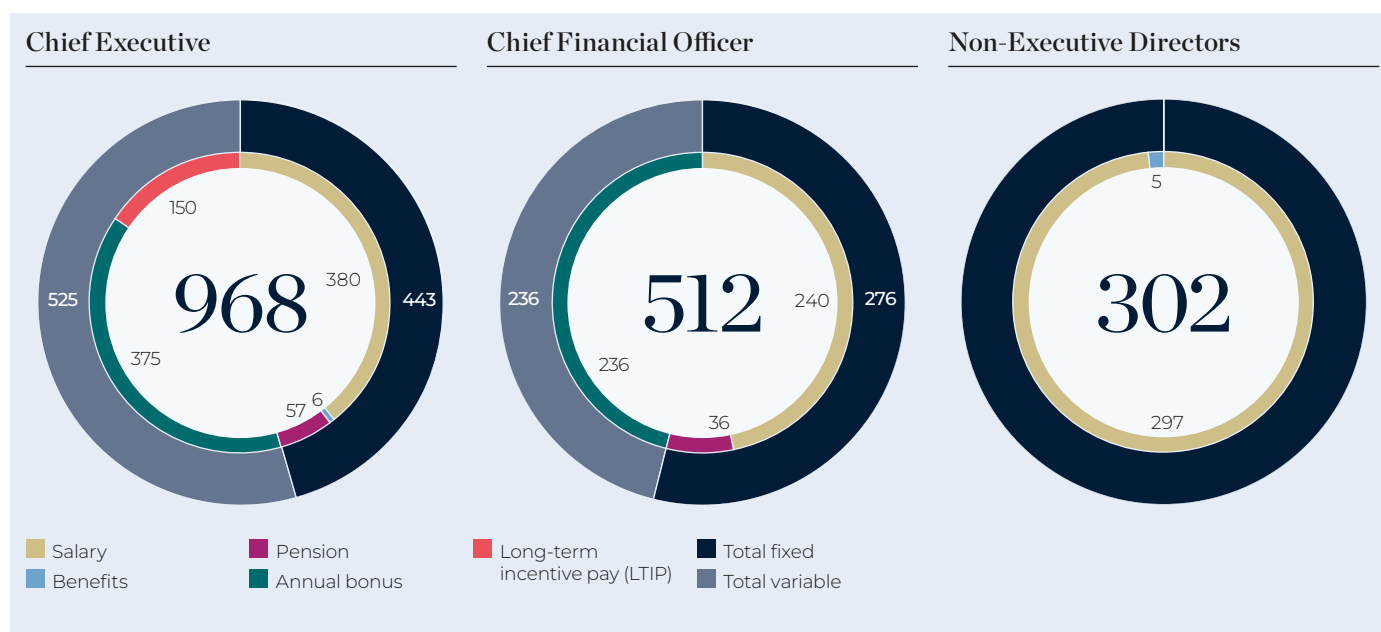
Chair of the Remuneration Committee  
21 May 2025

# Remuneration at a glance

The components of remuneration for the year ending 31 March 2025



## The single figure of remuneration for the Directors for the year ending 31 March 2025 (in £000s)



## The potential remuneration of the Executive Directors for the year ending 31 March 2026

### The following charts show the composition of the Executive Directors' remuneration at three performance levels:

Fixed pay – base salary from 1 April 2025, benefits and pension salary supplement of 15% of base salary

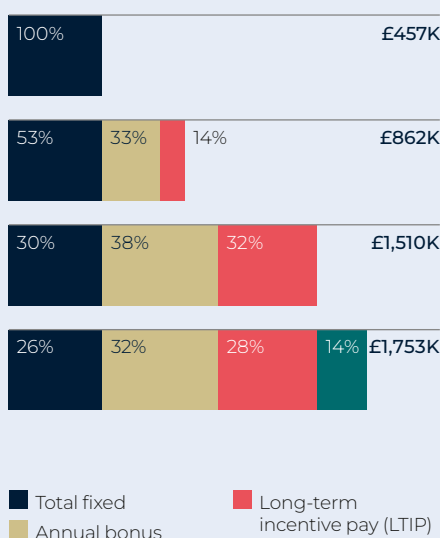
On target – fixed pay plus target vesting for the annual bonus (at 50% of maximum opportunity for illustrative purposes) and threshold vesting for the LTIP (at 25% of maximum award)

Maximum – fixed pay plus maximum vesting for both the annual bonus (145% of base salary) and the LTIP 125% of base salary (Chief Executive) and 150% (CFO)

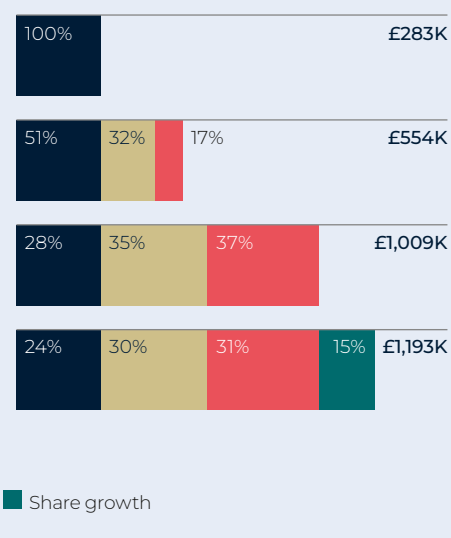
Maximum with share price growth – maximum scenario incorporating assumption of 50% share price growth during LTIP vesting period

Other than where stated, the charts do not incorporate share price growth or dividend equivalent awards.

### Chief Executive



### Chief Financial Officer





# Directors' Remuneration Policy



Scan or click here to see our Remuneration Policy on our website

A summary of the Remuneration Policy approved at the 2024 AGM is shown below and on the page overleaf.

## Remuneration Policy Table

### Base salary



<b>Purpose</b>	A base salary to attract and retain Executives of appropriate quality to deliver the Group's strategy.
<b>Operation</b>	Base salaries are normally reviewed annually with changes effective on 1 April. When setting base salaries the Committee will consider relevant market data, as well as the scope of the role and the individual's skills and experience.
<b>Maximum</b>	<p>No absolute maximum has been set for Executive Director base salaries.</p> <p>Any annual increase in salaries is set at the discretion of the Remuneration Committee taking into account the factors stated in this table and the following principles:</p> <ul style="list-style-type: none"> <li>– Salaries would typically be increased at a rate no greater than the average employee salary increase</li> <li>– Larger increases may be considered appropriate in certain circumstances (including, but not limited to, a change in an individual's responsibilities or in the scale of their role or in the size and complexity of the Group)</li> <li>– Larger increases may also be considered appropriate if a Director has been initially appointed to the Board at a lower than typical salary</li> </ul>

### Benefits



<b>Purpose</b>	Part of competitive remuneration package.
<b>Operation</b>	<p>This principally comprises:</p> <ul style="list-style-type: none"> <li>– Private medical insurance</li> <li>– Life assurance</li> <li>– Permanent health insurance</li> </ul> <p>The Committee may agree to provide other benefits as it considers appropriate.</p>
<b>Maximum</b>	Benefits are provided at market rates.

### Pension



<b>Purpose</b>	Part of a competitive remuneration package.
<b>Operation</b>	The Company has established defined contribution pension arrangements for all employees. For Executive Directors the Company currently pays a monthly salary supplement in lieu of Company pension contributions, although retains discretion to alternatively offer the defined contribution arrangements.
<b>Maximum</b>	A consistent rate of pension provision applies to all employees, including Executive Directors.

### Annual bonus

<b>Purpose</b>	A short-term incentive to reward Executive Directors on meeting the Company's annual financial and strategic targets and on their personal performance.
<b>Operation</b>	At least 50% of the annual bonus will be paid in the Company's shares and deferred for two years. The Committee has discretion to amend the required level of deferral upwards or downwards as appropriate including discretion to waive the requirement for deferral for a departing Executive Director or where dealing restrictions prevent share awards being granted. Any use of this discretion would be clearly disclosed and explained in the relevant Remuneration Report. Dividend equivalents will be paid at the end of the deferral period (in the form of shares or cash).
<b>Maximum</b>	The maximum bonus permitted under the Policy will be 175% of base salary.

## Annual bonus *continued*

<b>Performance measures</b>	<p>The annual bonus is based on a range of financial, strategic, ESG, operational and individual targets (measured over a period of up to one year) set by the Committee. The weightings will also be determined annually to ensure alignment with the Company's strategic priorities, although at least 50% of the award will usually be assessed on corporate financial measures.</p> <p>For corporate financial measures, 50% of the maximum bonus opportunity will be payable for on-target performance and, if applicable, up to 25% for threshold performance.</p>
<b>Clawback</b>	<p>Malus and clawback provisions may be applied in the event (within two years of bonus determination/grant of the deferred bonus shares) of a material misstatement of the audited financial results, an error in assessing a performance condition applicable to the award or in the information or assumptions on which the award was granted or is released, a material failure of risk management, material misconduct on the part of the award holder or a corporate failure.</p>

## Long-term Incentive Plan

<b>Purpose</b>	Align Executive Directors' interests with those of shareholders and to promote the long-term success of the Company.
<b>Operation</b>	<p>Awards are granted annually usually in the form of a conditional share award or nil cost option.</p> <p>Awards will normally vest at the end of a three-year period subject to meeting the performance conditions and continuing employment.</p> <p>The Remuneration Committee may award dividend equivalents (in the form of shares or cash) on awards that vest.</p> <p>The Committee will usually apply a holding period of a further two years to awards that vest.</p>
<b>Maximum</b>	Annual awards with a maximum value of up to 150% of base salary may be made.
<b>Performance measures</b>	<p>Vesting will be subject to performance conditions, aligned to the corporate strategy, as determined by the Committee on an annual basis. The Committee has the flexibility to vary the number of conditions and their weighting for each award.</p> <p>For threshold levels of performance up to 25% of the award vests, rising usually on a straight-line basis to 100% for maximum performance.</p>
<b>Clawback</b>	<p>Malus and clawback provisions may be applied in the event (within five years of grant) of a material misstatement of the audited financial results, an error in assessing a performance condition applicable to the award or in the information or assumptions on which the award was granted or is released, a material failure of risk management, material misconduct on the part of the award holder or a corporate failure.</p>

## Shareholding guidelines

<b>Purpose</b>	To align Executive Directors with the interests of shareholders.
<b>Operation</b>	<p>Whilst in employment, Executive Directors are expected to build up and thereafter maintain a minimum shareholding equivalent to 200% of base salary.</p> <p>The Committee will review progress towards the guideline on an annual basis and has the discretion to adjust the guideline in what it feels are appropriate circumstances.</p> <p>Executive Directors will also be expected to remain compliant with the above guideline for a period of two years post-employment. The Committee retains discretion to waive this guideline if it is not considered appropriate in the specific circumstances.</p>
<b>Maximum</b>	Not applicable

## Fees

<b>Purpose</b>	To provide competitive Director fees.
<b>Operation</b>	<p>Annual fee for the Chair, and annual base fees for other Non-Executive Directors.</p> <p>Additional fees for those Directors with additional responsibilities such as chairing a Board Committee, acting as Senior Independent Director or where a Director incurs significant additional time commitment. Additional fees would also be payable in the event a Non-Executive Director temporarily took on an Executive Director role. All fees will be payable monthly in arrears in cash.</p> <p>Fees will usually be reviewed independently every three years.</p> <p>The independent Non-Executive Directors are not eligible to receive share options or other performance-related elements or receive any other benefits other than where travel to the Company's registered office is recognised as a taxable benefit in which case a Non-Executive Director may receive the grossed-up costs of travel as a benefit. Non-Executive Directors are entitled to reimbursement of reasonable expenses.</p>
<b>Maximum</b>	The Company's Articles set an annual limit for the total of Non-Executive Directors' remuneration of £425,000.
<b>Other</b>	No performance measures or clawback.



# Annual Report on Remuneration

## Breakdown of Directors' total remuneration in the year ending 31 March 2025

		Salary/fees £000	Benefits £000	Pension salary supplement £000	Total fixed £000	Annual bonus £000	Deferred bonus £000	Long-term Incentive Plan £000	Total variable £000	Total £000
<b>Executive</b>										
Michael Morris	2025	380	6	57	443	169	206	150	525	968
	2024	380	4	57	441	133	163	154	450	891
Saira Johnston	2025	240	–	36	276	106	130	–	236	512
	2024	–	–	–	–	–	–	–	–	–
Andrew Dewhirst	2024	259	4	39	302	90	111	92	293	595
<b>Non-Executive</b>										
Lena Wilson	2025	93	5	–	98	–	–	–	–	98
	2024	122	6	–	128	–	–	–	–	128
Mark Batten	2025	61	–	–	61	–	–	–	–	61
	2024	55	–	–	55	–	–	–	–	55
Maria Bentley	2025	19	–	–	19	–	–	–	–	19
	2024	55	–	–	56	–	–	–	–	56
Richard Jones	2025	56	–	–	56	–	–	–	–	56
	2024	55	–	–	55	–	–	–	–	55
Helen Beck	2025	37	–	–	37	–	–	–	–	37
	2024	–	–	–	–	–	–	–	–	–
Francis Salway	2025	31	–	–	31	–	–	–	–	31
	2024	–	–	–	–	–	–	–	–	–
<b>Total (audited)</b>		2025	917	11	93	1,021	275	336	150	761
		2024	926	15	96	1,037	223	274	246	743
										1,782
										1,780

Benefits for the Executive Directors comprise private medical insurance and life assurance. Non-Executive Directors are reimbursed expenses incurred in connection with travel and attendance at Board meetings. These expenses are taxable where the meetings take place at the Company's main office. The Company settles the tax on behalf of the Non-Executive Directors.

Executive Directors receive a salary supplement of 15% of base salary in lieu of Company pension contributions.

The above figures for 2024 Executive Directors' LTIP have been restated to reflect the actual share price at vesting (67.03 pence) rather than the average for the quarter ended 31 March 2024 (62.63 pence). The restatement represents an increase in the value of the 2024 LTIP awards of £9,000 for Michael Morris and £5,000 for Andrew Dewhirst.

The value of LTIP awards for 2025 is based on the number of shares to be awarded to the Executive Directors in respect of the June 2022 LTIP awards and the average share price over the quarter ended 31 March 2025 of 65.26 pence, and the estimated value of dividend equivalents.

## Payments to past Directors or payments for loss of office

Andrew Dewhirst retired on 31 March 2024. Andrew Dewhirst was retained by the Company on a short-term employment contract until 30 June 2024, to ensure an orderly transition with Saira Johnston. At the end of this contract, he received a final payment of £30,000 as compensation for termination of his employment and no other payments in relation to his outstanding notice period.

Full details of his arrangement are disclosed in the 2024 Remuneration Report. Andrew's 2021 LTIP arrangement vested in June 2024, and in line with previously disclosed arrangements he is treated as a good leaver under the provisions in the relevant Plan rules. His 2022 and 2023 LTIP awards are time pro-rated and subject to performance conditions.

## Executive Directors remuneration for the year end 31 March 2025

### Annual bonus

The annual bonus for the year ended 31 March 2025 for the Executive Directors was based on two financial metrics weighted equally (60%) and corporate objectives (40%).

In respect of one financial metric, relating to total return, at the date of this report not all of the companies in the total return comparator group had announced their results to 31 March 2025. The Committee has estimated, based on the results to date, that this condition will be met, resulting in an outcome of 51% against this metric. The Committee will determine the actual outcome of this condition once all companies have reported, and any adjustment required between the estimate and actual will be made in next year's Remuneration Report. There will be no payout of the bonus until a finalised result can be confirmed.

### Annual bonus – financial metric outcomes

Performance condition	Basis of calculation	Range	Actual	Awarded (% of maximum)	Awarded (% of salary)
Total return versus comparator group <b>Bonus weighting: 30%</b>	Less than median – 0% Equal to median – 50% Equal to upper quartile – 100%	Not yet available	8.1%	15% (estimate)	22% (estimate)
Total property return versus MSCI Index <b>Bonus weighting: 30%</b>	Less than median – 0% Equal to median – 50% Equal to upper quartile – 100%	Median 6.3%  Upper quartile 8.6%	7.3%	22%	32%

### Annual bonus – corporate objective outcomes

Performance condition	Assessment	Awarded (% of maximum)	Awarded (% of salary)
Portfolio performance <b>Bonus weighting: 13.3%</b>	<ul style="list-style-type: none"> <li>Completed three disposals (£51 million) of repositioned office assets and reduced offices exposure from 30% to 24%</li> <li>Reduced void costs and underlying net rental income growth of 2.4%</li> <li>Outperformed the MSCI benchmark on an income and total return basis (100bps of outperformance)</li> <li>Reduced vacancy from 9.2% to 6.2%</li> </ul>	11%	16%
Operational excellence <b>Bonus weighting: 13.3%</b>	<ul style="list-style-type: none"> <li>NAV growth of 4% to 100pps</li> <li>EPRA earnings growth of 5% to 4.2pps</li> <li>Reduced gearing to 24%</li> <li>Upgrades to systems and processes to improve efficiency</li> </ul>	9%	13%
Acting responsibly <b>Bonus weighting: 13.3%</b>	<ul style="list-style-type: none"> <li>Significant improvements in decarbonisation and improvement in EPC ratings from 80% to 83%</li> <li>Improved scores on occupier engagement</li> <li>High employee retention and engagement</li> <li>Total shareholder return of 16% and broadened the shareholder register</li> <li>Updated ESG strategy, priorities and progressed pathway to net zero</li> </ul>	11%	16%

As discussed in the Committee Chair's statement on pages 116 to 119, the Committee will consider the formulaic bonus outcome in the context of the Group's overall performance for the year when the final comparator group results are available.

Subject to the estimated total return component noted above, the overall annual bonus outcome for the Executive Directors is set out in the table below:

	Max bonus opportunity <sup>1</sup>	Financial metrics (out of maximum 60%)	Corporate objectives (out of maximum 40%)	Overall bonus % of maximum	Bonus % of salary	Total bonus £000
Michael Morris	145%	37%	31%	68%	99%	375
Saira Johnston	145%	37%	31%	68%	99%	236

In line with the Policy, the Committee has determined that 55% of this year's bonus award will be deferred. This element is paid in shares in two years' time with a cash amount equivalent to the dividends accrued since the award date.

# Remuneration Report *continued*

## Long-term Incentive Plan

The LTIP awards granted on 22 June 2022 were subject to performance conditions for the three years ended 31 March 2025. Based on the performance over the period, it is anticipated that the LTIP will vest at 45% of the awards granted.

### 2022 LTIP award performance conditions

Performance condition	Basis of calculation	Range	Actual	Weighting (% of award)	Awarded (% of maximum)
Total shareholder return versus comparator group (and absolute TSR underpin)	Less than median – 0% Equal to median – 25% Equal to upper quartile – 100%	N/A	Negative TSR so underpin failed	33.3%	0%
Total property return versus MSCI Index	Less than median – 0% Equal to median – 25% Equal to upper quartile – 100%	Median – (2.51%) Upper quartile – (0.47%)	(0.15%) (above upper quartile)	33.3%	100%
Growth in EPRA EPS	For the year ended 31 March 2025 Less than 4.15 pps: 0% Equal to 4.15 pps: 25% Between 4.15 pps and 4.50 pps: straight line basis between 25% and 100%	N/A	4.20p	33.3%	35%

The Committee was satisfied that the above performance was achieved within an acceptable risk profile. As discussed in the Committee Chair's statement on pages 116 to 119, the Committee considered the formulaic LTIP outcome in the context of the Group's overall performance over the performance period and concluded that it was satisfied the formulaic outcome was a fair reflection of overall Group performance during the period.

Based on the vesting percentage above, the shares awarded and their estimated values using an average share price of 65.26 pence for the quarter ended 31 March 2025 are shown below. The share awarded are subject to a further two year post performance holding period.

### 2022 LTIP awards to Executive Directors

Director	Maximum number of shares at grant	Number of shares vesting	Number of lapsed shares	Estimated value <sup>1,2</sup> £
Michael Morris	437,473	197,279	240,194	149,952

- The estimated value includes dividend equivalent awards which will be made in relation to vested LTIP awards at the point of vesting. The value of the dividend equivalent awards is £21,207 (Michael Morris).
- The average share price for the quarter ended 31 March 2025 is lower than the share price at grant so there has been no share price growth in the estimated value of the awards.

### 2024 LTIP awards to Executive Directors

The following awards in the Long-term Incentive Plan were granted to the Executive Directors on 6 June 2024:

	Number of shares	Basis (% of salary)	Face value per share (£)	Award face value (£)	Performance period	Threshold vesting
Michael Morris	528,316	93.75%	0.6747	356,455	1 April 2024 to 31 March 2027	25%

The face value is based on a weighted average price per share, being the average of the closing share prices over the three business days immediately preceding the award date. Awards will vest after three years subject to continued service and the achievement of three equally weighted performance conditions (relative total shareholder return and absolute TSR underpin, relative total property return and EPRA EPS).

At grant the companies in the TSR comparator group consisted of: abrdn Property Income Trust Limited, AEW REIT plc, Balanced Commercial Property Trust Limited, Custodian REIT plc, New River REIT plc, Regional REIT Limited, Schroder Real Estate Investment Trust Limited, Supermarket Income REIT PLC, Urban Logistics REIT PLC, Warehouse REIT plc, Workspace Group PLC.

The vesting schedule for the relative measures will be as applied to the June 2022 LTIP set out above. The EPS element will vest at 25% for achievement of EPRA EPS of 4.2 pence in the year ended 31 March 2027 increasing on a straight-line basis to 100% vesting for EPRA EPS of 4.6 pence.

## Summary of Executive Directors share awards

Awards under the Long-term Incentive Plan normally vest three years after the grant date and are subject to a further two-year holding period. Awards under the Deferred Bonus Plan normally vest two years after the grant date.

### Outstanding number of awards under LTIP and Deferred Bonus Plan

	Date of grant	Performance period	Market value on date of grant	At 1 April 2024	Granted in year	Exercised in year	Lapsed in year	As at 31 March 2025
<b>Michael Morris</b>								
2021 LTIP	22 June 2021	1 April 2021 to 31 March 2024	89.10p	403,339	–	(198,321)	(205,018)	–
2022 LTIP	17 June 2022	1 April 2022 to 31 March 2025	94.47p	437,473	–	–	–	<b>437,473</b>
2023 LTIP	14 June 2023	1 April 2023 to 31 March 2026	78.10p	456,408	–	–	–	<b>456,408</b>
2024 LTIP	6 June 2024	1 April 2024 to 31 March 2027	67.47p	–	528,316	–	–	<b>528,316</b>
2022 DBP	17 June 2022	1 April 2021 to 31 March 2022	94.47p	159,555	–	(159,555)	–	–
2023 DBP	14 June 2023	1 April 2022 to 31 March 2023	78.10p	301,997	–	–	–	<b>301,997</b>
2024 DBP	6 June 2024	1 April 2024 to 31 March 2026	67.47p	–	241,129	–	–	<b>241,149</b>
				<b>1,758,772</b>	<b>769,445</b>	<b>(357,876)</b>	<b>(205,018)</b>	<b>1,965,323</b>
<b>Saira Johnston</b>								
2024 DBP	6 June 2024	1 April 2024 to 31 March 2026	67.47p	–	355,713	–	–	<b>355,713</b>
				–	<b>355,713</b>	–	–	<b>355,713</b>

## Statement of Directors' shareholdings

Directors and employees are encouraged to maintain a shareholding in the Company's shares to provide alignment with investors. Executive Directors are required to maintain a shareholding of 200% of base salary and the CFO is currently in the process of building up to the required shareholding. The Executive Directors intend to retain at least 50% of any share awards (post-tax) until the guidelines are met.

### Director shareholdings including connected persons

	Beneficial holding 2025	Beneficial holding 2024	Holding as a % of salary <sup>1</sup>	Outstanding LTIP awards	Outstanding DBP awards
Michael Morris	1,114,789	925,454	210%	1,422,197	543,126
Saira Johnston	35,434	–	11%	–	355,713
Francis Salway	–	–	–	–	–
Mark Batten	38,000	38,000	–	–	–
Helen Beck	–	–	–	–	–
Richard Jones	53,845	53,845	–	–	–

1. The holding as a percentage of salary does not include the DBP awards

The percentage holding for the Executive Directors is based on base salaries as at 31 March 2025 and a share price of £0.717.

Andrew Dewhirst is required under the Executive Director shareholding guidelines post office to retain his shareholding. Awards outstanding comprise of 369,291 of DBP awards and 310,145 of LTIP awards.

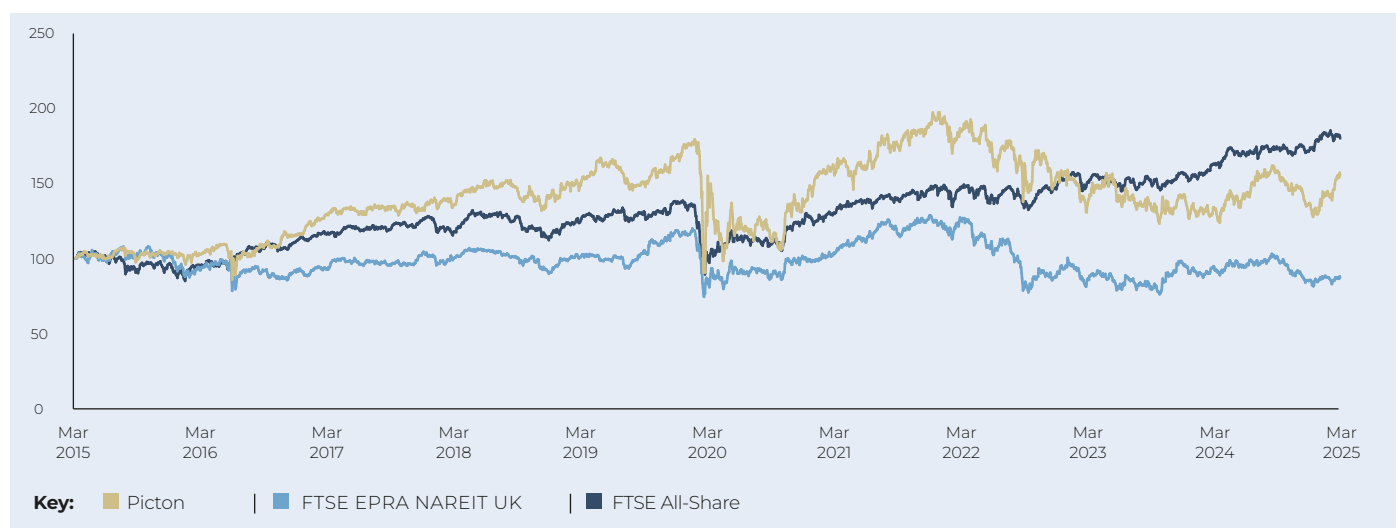
There have been no changes in these shareholdings between the year end and the date of this report.

## Remuneration Report *continued*

### Historical total shareholder return performance

The graph below shows the Company's total shareholder return (TSR) since 31 March 2015 as represented by share price growth with dividends reinvested, against the FTSE All-Share Index and the FTSE EPRA NAREIT UK Index. These indices have been chosen as they provide comparison against relevant sectoral and pan-sectoral benchmarks.

TSR: Picton versus EPRA NAREIT and FTSE All-share



### Chief Executive Pay

The table below shows the remuneration of the Chief Executive for the past seven years, together with the annual bonus percentage and LTIP vesting level. The Company has only had a Chief Executive since 1 October 2018 and therefore the table below shows his remuneration for the past seven years.

	Total remuneration (£000)	Annual bonus (% of maximum)	LTIP vesting (% of maximum award)
2025	968	68%	45%
2024	882	54%	49%
2023	902	77%	52%
2022	816	64%	54%
2021	836	76%	67%
2020	769	70%	67%
2019	920	79%	83%

### Relative importance of spend on pay

The table below shows the expenditure and percentage change in staff costs compared to other key financial indicators.

	31 March 2025 £000	31 March 2024 £000	% change
Employee costs	4,444	4,191	6.0%
Dividends	20,159	19,089	5.6%
EPRA earnings	22,840	21,745	5.0%

## Implementation of Remuneration Policy for the year ending 31 March 2026

		Change from prior year
<b>Executive Directors</b>		
Base salaries	Michael Morris (Chief Executive) – £389,750 Saira Johnston (Chief Financial Officer) – £246,000	2.5% increase in the Executive Director base salaries. The average increase for the rest of the workforce is 3%.
Pension and benefits	15% salary supplement in lieu of pension plus standard other benefits.	No change.
Annual bonus <sup>1</sup>	Maximum bonus of 145% of salary with at least 50% of any bonus deferred in shares for two years.  60% of bonus to be determined by corporate financial metrics of absolute total return and relative total property return with the remaining 40% determined by corporate and personal measures.	No change. The maximum bonus potential for the Executive Directors will remain at 145%, with a policy upper limit of 175%.  Comparator group for TR amended to an absolute metric due to the shrinking peer group and to align the timing of calculation with the reporting date.
LTIP <sup>1</sup>	Award of shares worth: – Michael Morris (Chief Executive) 125% of salary – Saira Johnston (Chief Financial Officer) 150% of salary  Vesting of shares based equally on relative TSR compared to the EPRA NAREIT UK Index, relative TPR compared to the MSCI Index and growth in EPRA earnings per share.  The vesting schedule for the relative TSR measure is to be determined and approved by the Committee. The final vesting schedule will be disclosed in the RNS relating to the LTIP award grant. The vesting schedule for the TPR measure will be as applied to the June 2022 LTIP award as set out in page 126.  Targets for the EPS measure for the year ended 31 March 2028 are: Less than 4.46 pence per share – 0% Equal to 4.46 pence per share – 25% Greater than 4.84 pence per share – 100%  A result between 4.46 pence and 4.84 pence will be calculated on a straight-line basis between 25% and 100%.  For the CFO's award, shares worth 40% of salary will be subject to the performance conditions that applied to the June 2024 LTIP award, and shares worth 110% of salary, will be subject to the performance conditions that apply to all other June 2025 LTIP awards.	The rationale for award sizes are explained in the Committee Chair's statement.  Comparator group for the TSR metric to be amended to EPRA NAREIT UK Index due to the shrinking peer group size.
<b>Non-Executive Directors</b>		
Fees	Chair – £127,700 Director – £49,200  Supplementary fee for Committee Chairs and for the Senior Independent Director – £8,200	The fees payable from 1 April 2025 have increased by an average of 2.5%.

1. The Remuneration Committee has discretion to override the formulaic outcomes in both the annual bonus and LTIP.

The Committee also confirms that performance has been achieved within an acceptable risk profile before payouts are made. Incentive payouts are subject to malus and clawback provisions.



## Remuneration Report *continued*

### Percentage change in remuneration

The table below shows the percentage change in total remuneration for each of the Directors compared to the average remuneration of the employees of the Group.

	Change from 31/3/24 to 31/3/25			Change from 31/3/23 to 31/3/24		
	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Michael Morris	–	3.4%	26.6%	15.0%	15.0%	(24.8)%
Saira Johnston	–	–	–	–	–	–
Andrew Dewhirst	(100)%	(100)%	(100)%	15.0%	15.0%	(24.8)%
Lena Wilson	(23.5)%	–	–	4.5%	–	–
Francis Salway	–	–	–	–	–	–
Mark Batten	11.5%	–	–	4.8%	–	–
Maria Bentley	(66.1)%	–	–	4.8%	–	–
Helen Beck	–	–	–	–	–	–
Richard Jones	1.8%	–	–	4.8%	–	–
Average of all other employees	6.6%	22.6%	8.6%	10.1%	12.5%	(15.6)%

	Change from 31/3/22 to 31/3/23			Change from 31/3/21 to 31/3/22			Change from 31/3/20 to 31/3/21		
	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus	Salary/fees	Benefits	Bonus
Michael Morris	15.0%	16.0%	30.4%	15.0%	15.8%	9.4%	0.0%	0.6%	9.2%
Andrew Dewhirst	15.0%	16.4%	30.4%	15.0%	16.1%	9.4%	0.0%	0.8%	3.6%
Lena Wilson	0.0%	–	–	11.2%	–	–	N/A	N/A	N/A
Mark Batten	0.0%	–	–	10.5%	–	–	0.0%	–	–
Maria Bentley	0.0%	–	–	16.7%	–	–	0.0%	–	–
Richard Jones	0.0%	–	–	16.7%	–	–	N/A	N/A	N/A
Average of all other employees	8.8%	21.2%	(5.9)%	6.4%	15.0%	13.2%	4.6%	8.1%	20.7%

### Statement of voting at the last Annual General Meeting

The following table sets out the voting for the Remuneration Report and the Remuneration Policy, which were approved by shareholders at the Annual General Meeting held on 30 July 2024. The votes cast in favour of the Remuneration Report represented 59.56% of the issued share capital of the Company and the votes cast for the Remuneration Policy represented 59.47% of the issued share capital of the Company.

	Remuneration Report		Remuneration Policy	
	Votes cast	%	Votes cast	%
For	326,147,412	99.29	325,633,104	98.61
Against	2,319,107	0.71	4,591,492	1.39
<b>Votes cast</b>	<b>328,466,519</b>	<b>100.0</b>	<b>330,224,596</b>	<b>100.0</b>
Withheld	1,773,745		15,668	

#### Helen Beck

Chair of the Remuneration Committee

21 May 2025