



# Q+A with the Chief Executive

Brian Bickell answers questions on our performance and activities during this challenging year, the evolution of our business and longer-term challenges and priorities

**Q:** What are your reflections on the year?

**A:** Rarely in history has the world seen such widespread disruption to normal patterns of life, which came without warning from the beginning of 2020. In the UK, since 2016 Brexit and its political ramifications dominated the national agenda but the result of the December 2019 general election brought certainty and early signs of a return of business and consumer confidence. However, this was short-lived, as concerns regarding the Covid-19 virus grew rapidly, and governments around the world introduced measures never before seen in peacetime to address the pandemic. Only now are we seeing the first positive signs that the crisis could recede in the year ahead. However, the social and economic consequences of the disruption we have all experienced this year will be important factors in the pace of recovery in the months and years ahead.

**Q:** How has London's West End been affected by the pandemic?

**A:** At the heart of one of the world's great cities, the West End's long record of success reflects its domestic and global appeal to businesses, visitors and residents. In normal times, its flourishing commercial and leisure economy draws over 200 million visits annually, which supports its rich and unrivalled offer of cultural and historic attractions, hospitality choices and shopping. The bedrock of this footfall are Londoners, its huge working population, and daily domestic leisure visitors.

Measures to contain the pandemic continue to have a material effect on normally busy city centres around the world. Since March, there has been a material and sustained reduction in the West End's economy as a result of measures imposed to contain the spread of Covid-19 infections as a consequence of:

- Advice to avoid unnecessary travel and use of public transport;
- For office-based workers, recommendation to avoid commuting and work from home wherever possible;
- Closure of non-essential retail and all hospitality from late March until the end of June, and again throughout November with capacity constraints when open to maintain social distancing;
- Continuing closure of theatres, bars and clubs, which has severely curtailed the West End's renowned evening and night-time economy; and
- A collapse in international leisure and business travel due to border control restrictions around the world.

# Our people and culture

## Our Board

### Executive directors



#### Brian Bickell

Chief Executive

##### Date appointed to the Board

July 1987

**Independent:** No

##### Key strengths and experience

- a chartered accountant
- long tenure with Shaftesbury
- extensive experience within the property sector
- proven record of driving strategy, delivering success and setting an open and transparent culture

Brian joined Shaftesbury in 1986 and was appointed Finance Director in 1987. Brian was later appointed as Chief Executive in 2011.

Brian is responsible for implementing the Shaftesbury strategy and the day-to-day operations of the Group.

##### Committee memberships:

Strategic and Operations Executive Committee (Chair)  
Risk Committee  
Disclosure Committee  
Sustainability Committee (Chair)  
Pension Committee

##### Current external appointments

Director of Longmartin Properties Limited, Board member of Westminster Property Association and Board member of Freehold. A trustee of Young Westminster Foundation.



#### Chris Ward

Finance Director

##### Date appointed to the Board

January 2012

**Independent:** No

##### Key strengths and experience

- a chartered accountant
- has financial and real estate experience, which contribute to the Group's strategy.

Prior to joining Shaftesbury, Chris was Finance Director of the UK and Nordic countries for Redevco for nine years.

Chris is responsible for financial accounting, tax and IT matters.

##### Committee memberships:

Strategic and Operations Executive Committee  
Risk Committee (Chair)  
Disclosure Committee  
Pension Committee (Chair)  
IT Committee (Chair)



#### Simon Quayle

Executive Director

##### Date appointed to the Board

October 1997

**Independent:** No

##### Key strengths and experience

- a chartered surveyor
- long tenure with Shaftesbury
- knowledge of the West End property market which provides valuable knowledge and insight to our villages and strategy

Simon joined Shaftesbury in 1987 and was appointed as Property Director in 1997.

Simon is responsible for the asset management and operational strategy in Carnaby, Soho and Fitzrovia.

##### Committee memberships:

Strategic and Operations Executive Committee  
Operations Committee  
Sustainability Committee

##### Current external appointments

Member of the Strategy Board for ZSL.



#### Tom Welton

Executive Director

##### Date appointed to the Board

October 1997

**Independent:** No

##### Key strengths and experience

- a chartered surveyor
- long tenure with Shaftesbury
- commercial experience and knowledge of the Group and West End property market provide value to our villages and strategy

Tom joined Shaftesbury in 1989 and was appointed as Property Director in 1997.

Tom is responsible for the asset management and operational strategy in Covent Garden and Chinatown.

##### Committee memberships:

Strategic and Operations Executive Committee  
Operations Committee

##### Current external appointments

Director of Longmartin Properties Limited.



# Leadership and purpose

## Chairman's introduction

In this period of considerable uncertainty, good governance, the strength of our stakeholder relationships, maintaining a close dialogue with our talented team and living our values, is, I believe, fundamental to our long-term success

Dear shareholder

I am pleased to present our 2020 Governance report and, as this is our first year under which the revised UK Corporate Governance Code 2018 has applied to Shaftesbury, we have taken the opportunity to present some of our governance initiatives under the key themes of the new governance and reporting rules.

## Our purpose, strategy and culture

Given the uncertain and evolving environment in which we have been living and working this year, I am pleased to be able to report that the Shaftesbury team's actions have been critical in delivering on short-term strategic priorities to support our long-term underlying purpose: to curate vibrant and thriving villages in the heart of London's West End. A key focus for the Board from the beginning of the Covid-19 disruption has been maintaining occupancy across the Group's portfolio. We believe this approach, underpinned by a strong financial base following our capital raise of £307 million through the Firm Placing, Placing and Open Offer and Offer for Subscription, which completed in November 2020, will position the business to return to long-term growth as the pandemic issues recede.

Fundamental to our purpose and strategy is their alignment with our culture based on our values of being human, original, community minded, responsible and long term. We are pleased that these have been a cornerstone to the Shaftesbury team's actions throughout the year and, in particular, in the period since the pandemic dominated the global agenda. How the Board has sought to achieve our purpose and discharge its duties under s172 of the Companies Act during the year, including in relation to the pandemic, and our successful post year-end capital raise, is covered in more detail in our s172 statement on pages 40 and 41.

✚ Our people and culture: pages 42 to 45

✚ Monitoring of culture and engagement with employees: page 84

## Board members and meeting attendance

	Scheduled Board meetings (4 held)				Additional Board meetings <sup>2</sup>
Chairman					
Jonathan Nicholls	+	+	+	+	17/17
Executive directors					
Brian Bickell	+	+	+	+	17/17
Simon Quayle	+	+	+	+	17/17
Tom Welton	+	+	+	+	17/17
Chris Ward	+	+	+	+	17/17
Non-executive directors					
Richard Akers	+	+	+	+	17/17
Dermot Mathias	+	+	+	+	17/17
Sally Walden	+	+	+	+	17/17
Jennelle Tilling	+	+	+	+	17/17
Jill Little <sup>1</sup>	+	+			-

1. Jill Little retired from the Board on 31 January 2020 and could have attended a maximum of two meetings.

2. In response to the pandemic, frequent ad hoc Board calls were introduced to keep the Board informed of the changing market circumstances.

# Our people and culture

## Strategy and Operations Executive Committee

The Strategy and Operations Executive comprises the executive directors and the senior leadership team.



**Desna Martin**  
Company Secretary

**Date joined Shaftesbury**  
2020

**Responsibilities**

Leads on corporate governance within the Group and advising the Board. Company Secretary for the Longmartin joint venture.

**Other committee memberships**

Operations Committee  
Risk Committee  
Disclosure Committee  
Community Investment Committee  
Pension Committee



**Julia Wilkinson**  
Restaurant Director

**Date joined Shaftesbury**  
1997

**Responsibilities**

Group restaurant and leisure strategy and leasing.

**Committee memberships**

Operations Committee



**Charles Owen**  
Property Director

**Date joined Shaftesbury**  
2012

**Responsibilities**

Asset management of Covent Garden and a member of the Longmartin joint venture Management Committee.

**Committee memberships**

Operations Committee  
Risk Committee  
Sustainability Committee  
Community Investment Committee



**Karen Baines**  
Head of Group Marketing & Communications

**Date joined Shaftesbury**  
2016

**Responsibilities**

Group-wide strategic marketing and PR for consumer, trade and corporate communications.

**Committee memberships**

Operations Committee  
Community Investment Committee



**Sam Bain-Mollison**  
Retail Director

**Date joined Shaftesbury**  
2011

**Responsibilities**

Group retail strategy and leasing.

**Other committee memberships**

Operations Committee



**Andrew Price**  
Property Director

**Date joined Shaftesbury**  
2001

**Responsibilities**

Group-wide acquisitions strategy and asset management of Chinatown and Soho.

**Committee memberships**

Operations Committee  
Risk Committee  
Community Investment Committee (Chair)  
Pension Committee



**Jenna Slade**  
Senior Portfolio Executive

**Date joined Shaftesbury**  
2019

**Responsibilities**

Asset management of Carnaby and Fitzrovia.

**Committee memberships**

Operations Committee  
Risk Committee



**Alastair Deutsch**  
Head of Finance

**Date joined Shaftesbury**  
2020

**Responsibilities**

Financial planning and analysis, strategic commercial insights, treasury, tax, investor relations and IT.

**Committee memberships**

Operations Committee  
Risk Committee  
IT Committee



Dermot Mathias, having served eight years on the Board in October 2020, will be retiring from the Board at our 2021 AGM. To ensure an orderly succession, we are proposing that Sally Walden, who has also served eight years on the Board as of October 2020, remain as chair of our Remuneration Committee until the 2022 AGM. In order to provide an orderly succession, it is proposed that Sally will lead on the 2022 triennial Remuneration policy review, shadowed by Jennelle Tilling, who will become our Remuneration Committee chair on Sally's retirement from the Board. As Dermot and Sally have been on the Board for more than six years, a rigorous examination of their continued effectiveness and independence was considered by the Nomination Committee in considering the individual director reappointments at the AGM and the Committee concluded that they continue to be independent and effective in their roles. As Senior Independent Director, Richard Akers, in consultation with the other members of the Board, keeps succession planning of my role as Chair under regular review.

During the year, the executive directors revisited our internal management committee structures and established two new committees, being our Strategy and Operations Executive Committee ('SOE') made up of our executive directors and senior management chaired by Brian Bickell and an Operations Committee, reporting into the SOE.

The Nomination Committee recognises that our executive directors have a long tenure with Shaftesbury and their succession remains under continual review. The clear roles and responsibilities of the SOE ensures that our key senior management team below Board work closely with the executive directors in the implementation of the Company's strategy and oversight of operations. This structure both ensures an appropriate breadth and depth below Board level and aids in the personal development of our senior management team. To provide additional resilience to our Finance team, we recruited Alastair Deutsch as Head of Finance and a member of the SOE in September 2020.

The whole Board has been kept informed of our development plans for all our employees through updates on our Strategic People Plan, which, as a result of Covid-19, has seen a re-prioritisation of a number of different actions.

✚ Our Strategic People Plan: page 43

## Diversity and inclusion

The Board recognises the importance of diversity and a culture of inclusion, both in its membership, and the Company's employees. We have a clear policy to promote diversity across the business, which is available on our website. The Board feels that a group that is diverse in its nature, in respect of gender, race, religious beliefs, social background and personal and professional experiences is able to provide valuable differing perspectives across the business as well as fostering constructive challenge to established behaviours and attitudes.

The Board considers that quotas are not appropriate in determining its composition and has, therefore, chosen not to set formal targets but keeps diversity under consideration in all aspects of Board composition. The Group is a signatory to the 30% Club which is a campaign to achieve a minimum of 30% women on FTSE 350 boards. Whilst we fell below this level as a result of Jill Little's retirement earlier this year, following Ruth Anderson's appointment we will again have 30% female representation on the Board which will increase to 33% after Dermot Mathias's retirement at the 2021 AGM.

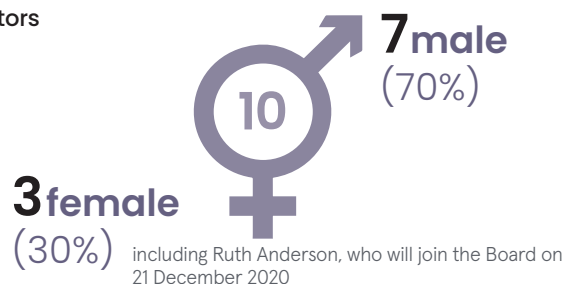
Below Board level, we have a gender-diverse talent pool, with 63% female membership on our SOE (excluding the executive directors) and of direct reports to the SOE, 74% are female.

Diversity includes but is not limited to gender, and is considered at every level of recruitment. All appointments are made on merit and based on objective criteria. We support initiatives to promote diversity within the real estate sector:

- We are a member of Real Estate Balance whose objective is to achieve a better gender balance at board and executive management level, in the real estate industry, by supporting the development of a female talent pipeline across the sector.
- We are a corporate sponsor of Freehold, a London-based forum for LGBT real estate professionals.

## Diversity figures

### Directors



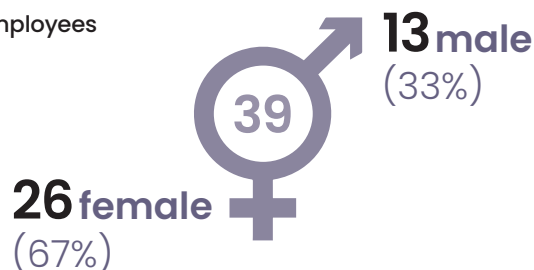
### Strategy and Operations Executive Committee (excluding executive directors)



### Direct reports into the Strategy and Operations Executive Committee



### All employees



## Committee effectiveness

During the year, we updated our Nomination Committee terms of reference and, following the Board and Committee evaluation process, to respond to a number of challenges as to how the Nomination Committee could be more effective we have:

- revisited our Board member skill matrix in advance of recruitment of a new non-executive director in 2021. Prior to this search being started, we will review, as a Board, any key areas of experience we believe we should be seeking that would add to the Board; and
- designed a programme between the non-executive directors and SOE to enable an informal forum for mentoring and engagement of our senior management team.

In a more challenging year than normal, I would like to thank my fellow Committee members for their support throughout the year.

**Jonathan Nicholls**

Chair of the Nomination Committee

14 December 2020

# Sustainability

We are committed to being a responsible business. For us, that means investing for the long term, continuing to support our local communities and operating in an environmentally sustainable manner.

At the heart of our sustainability strategy is the long held policy of reducing the environmental impact of our operations by extending the useful economic lives of our buildings, through refurbishment, change of use and reconfiguration. This enables us to protect the unique heritage of the West End whilst improving the energy efficiency of our buildings and minimising the carbon emissions and waste that inevitably come with new construction.

Our corporate values recognise the importance of being community-minded. As a responsible, long-term investor in our areas, being a good neighbour and focusing on local issues is essential. We work with local charities and not-for-profit organisations to help them address these challenges. By partnering with grassroots operations, we can rely on their expertise to maximise the value of our support.



As a society, we're at a crossroads for sustainability. The impact of climate change, biodiversity loss and social inequality is being felt across the world. In response, governments, communities and businesses are taking action.

As a responsible business, we are committed to making a positive impact. This is the right thing to do for our planet, our stakeholders and our business.

We utilise the full reach of our operations, our influence over partner organisations and the unique profile of our villages to achieve meaningful environmental and social outcomes. We believe that small actions add up and through our relationships we can have more impact than acting alone.

With much achieved to date, in 2021, we will take our sustainability aspirations to the next level. We will commit our business to long-term targets on carbon emissions and to continue working with our partners to make progress against the UN Sustainable Development Goals (SDGs).

As the demand for ethical consumption grows, we want to be the destination of choice for sustainable businesses in the West End. The pandemic has had a serious impact on our business, but our commitment to sustainability remains as strong as ever.

## UN Sustainable Development Goals and Global Compact

### WE SUPPORT



We support the ten principles of the UN Global Compact on human rights, labour, environment and anti-corruption. We became a signatory in February 2015 and have since annually reviewed and updated our Sustainability Policy to reflect our commitment. We have identified the Sustainable Development Goals that are most relevant to our business,

integrating them into our sustainability policies and targets. Our Sustainability Data Report, which is available on our website, contains our UN Global Compact Communication on Progress.



## Embedding sustainability in our business

Sustainability is embedded into our business and considered in major strategic and operational decisions. To continually improve environmental performance across our operations, we set annual targets and communicate our sustainability policies to our wide range of advisors, suppliers, occupiers and stakeholders. We believe that good governance also includes transparency and our Sustainability Policy is available on our website. This policy details our minimum expectations, our reporting requirements, and sets out annual performance including energy, carbon, water, waste and material use.

This year, we recruited a Head of Sustainability, who is responsible for setting and coordinating our strategy. We have a Sustainability Committee, chaired by our CEO, at which staff from across the business consider all aspects of sustainability and review our policies. Our external sustainability advisor attends committee meetings to provide independent review and analysis.

Community engagement activities are coordinated by the Community Investment Committee, ensuring that we have a fair and consistent approach to the allocation of funds and in-kind support.

Our sustainability strategy, policies, action plan and overall performance are reviewed and considered annually by the Board. Progress against the strategy and material changes to sustainability related risks, including climate change, are considered by the Risk Committee and the Board.

+ [Community activities: pages 36 and 37](#)

+ [Environmental activities: page 29](#)

# Composition, succession and evaluation

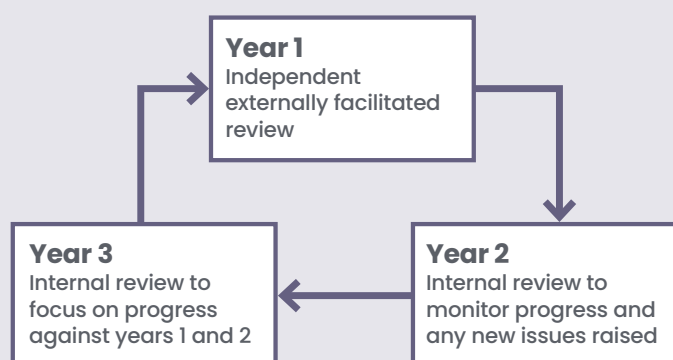
## Board evaluation

### Board skills and experience

	Real estate	Food, beverage, retail	Corporate finance	Accounting/finance	Fund management/financial markets	Consumer marketing
<b>EXECUTIVE DIRECTORS</b>						
Brian Bickell	+		+	+	+	
Simon Quayle	+	+				+
Tom Welton	+	+				+
Chris Ward	+		+	+	+	
<b>NON-EXECUTIVE DIRECTORS</b>						
Jonathan Nicholls	+		+	+	+	
Richard Akers	+	+				
Dermot Mathias			+	+		
Sally Walden			+	+	+	
Jennelle Tilling		+				+

### Our 2019/20 Board evaluation process

#### Board performance evaluation cycle



As part of our three year external Board evaluation cycle, this year our Board and Committee evaluation process was externally facilitated by Sean O'Hare of Boardroom Dialogue and included matters arising as a result of the start of the pandemic. In considering the appointment, the Board believed that Sean O'Hare, having undertaken our 2017 Board evaluation, was best placed to consider how the Board had and should continue to evolve, to maximise its effectiveness. Neither Sean O'Hare nor Boardroom Dialogue have any other connection with the Company or any director.

As part of the review Sean O'Hare:

- interviewed each Board director and the Company Secretary;
- attended a meeting of each of the Board, Audit, Remuneration and Nomination Committees; and
- provided his feedback to a meeting of the Board in July 2020.

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. Richard Akers as Senior Independent Director also led a discussion with the non-executive directors as to the Chairman's performance.

The review was focused on the following key areas:

- Board leadership and company purpose – including strategy, values and culture, allocation of resources to deliver on the strategy, stakeholder (including workforce) engagement.
- Division of responsibilities – the effectiveness of the Chairman, size of the Board, quality of engagement in Board discussions, appropriateness of Board papers, frequency and length of Board meetings, and interaction of Board members outside of formal meetings.
- Composition, succession and evaluation – effectiveness of the Nomination Committee, appointments process for Board and senior management roles, induction and development of Board members, leadership development and action arising from the most recent internal and external evaluations; and
- Committee effectiveness – including the Audit Committee oversight of finance, risk and controls plus the Remuneration Committee's effectiveness in aligning remuneration with Company values and reviewing performance outcomes in light of market expectations.

The review concluded that the flow and activities of both the Board and Committees worked well. The Chairman's personal style of openness and supporting change enhanced the Board and the directors' effectiveness in working in a collegiate manner with engaged and open discussions.

Reflecting the timing of the review and the impact of Covid-19, recommendations of areas for the Board to keep under review included:

- regular consideration of the resilience of the business model;
- continued monitoring of the Group's culture;
- consideration of the Group's science-based targets as part of its Sustainability strategy;
- reviewing the strengths of the Group's stakeholder relationships; and
- capitalising on the learnings arising from the revised ways of working as a result of Covid-19 and streamlining of board processes.

### Progress against the Group's 2019 evaluation:

Area of Focus	Objective	Progress
<b>Director succession</b>	Clarify the succession plans in place for both the non-executive and executive directors.	Ruth Anderson to join the Board as a non-executive director in December 2020. To ensure a staggered succession, Dermot Mathias will be retiring after 8 years at the 2021 AGM, and it is proposed that Sally Walden remain as Chair of the Remuneration Committee until the 2022 AGM. Given her knowledge of the Group, Sally will lead on the 2022 Remuneration Policy, shadowed by Jennelle Tilling, who will succeed her as Chair of the Remuneration Committee. Changes made to internal management committees and recruitment of a Head of Finance to add resilience below Board level. Executive directors' succession kept under review.
<b>Stakeholder engagement</b>	Improve reporting on the stakeholder engagement and reporting to the Board.	A stakeholder 'dashboard' of engagement by the executive and non-executive directors and wider Shaftesbury teams is tabled at each scheduled Board meeting. As part of this, the Strategy and Operations Executive Committee and Board consider the strength of Shaftesbury's relationship with shareholders, employees, occupiers, our community, local authorities, London promotional groups and local property owners, suppliers and advisors, lenders and our joint venture partners.



# Nomination committee report

As our business continues to evolve, and our operating environment becomes more complex, our focus this year has been on non-executive director succession and to ensure our management structure, skills and experience below the Board support the effective delivery of our long-term ambitions

Dear shareholder

As chair of the Nomination Committee, I am pleased to present our report for 2020, covering the work of the Committee during the year with our key focus on non-executive succession planning.

## Succession planning and talent development

This year, following Jill Little's retirement from the Board at the January 2020 AGM, and in light of Dermot Mathias and Sally Walden's length of tenure and anticipated retirement from the Board over the course of the next two years, our focus was to find the right person to join our Board. We are delighted that Ruth Anderson, with over 20 years' experience as a KPMG partner acting as tax and business advisor to a range of UK and global businesses and previously Audit Committee chair of Ocado plc, Coats Group plc and Travis Perkins plc, will be joining the Board on 21 December 2020. As part of her induction, Ruth attended our December 2020 Board and Committee meetings.

Inzito, an external search agency, was engaged to undertake the search which started in February 2020 with the shortlist initially interviewed by Brian Bickell and myself. Inzito, are a signatory to the Voluntary Code of Conduct, and have no other connection with the Company or the individual directors. A key element of our consideration as to individual's suitability for the role was that candidates would be able to devote sufficient time to the role and which, on challenge, precluded a number of candidates. A shortlist was then interviewed by Chris Ward and the other non-executive directors. After due consideration, the Committee recommended the appointment of Ruth to the Board, which was approved at our December 2020 Board meeting.

## Nomination Committee members and attendance

	Number of meetings attended (5 held)
Jonathan Nicholls (Chair)	+ + + + +
Richard Akers	+ + + + +
Dermot Mathias	+ + + + +
Jennelle Tilling	+ + + + +
Sally Walden	+ + + + +

## Key responsibilities

- Monitor and review the structure, size, composition (including skills, knowledge, experience and diversity) of the Board and its Committees
- To ensure that there are sufficient plans in place for the orderly and effective succession of the Board and senior leadership team
- Keep under consideration directors' skills, experience and independence
- Lead the process for Board appointments
- Review the time commitment expected from directors
- Review the results of the Board performance evaluation that relate to its composition, diversity and how effectively members of the Board work together

## 2020 areas of focus

- Undertook the search and appointment process for a new non-executive director and recommended to the Board the appointment of Ruth Anderson
- Reviewed non-executive director succession plans
- Reviewed executive director succession
- Updated the Committee terms of reference
- Reviewed the Committee's effectiveness



## Developing talent for the future

We operate with an outsourced business model, employing a small team and working with a wider group of external advisors. Developing our talent for the future is an essential ingredient in our success and, due to our size, we are able to tailor development to the needs of individuals. This year saw the completion of our “Leading Self” programme, a nine month, modular-based leadership development course for rising talent. We plan to develop phase 2 of the programme for its participants, whilst introducing a new cohort in the coming year.

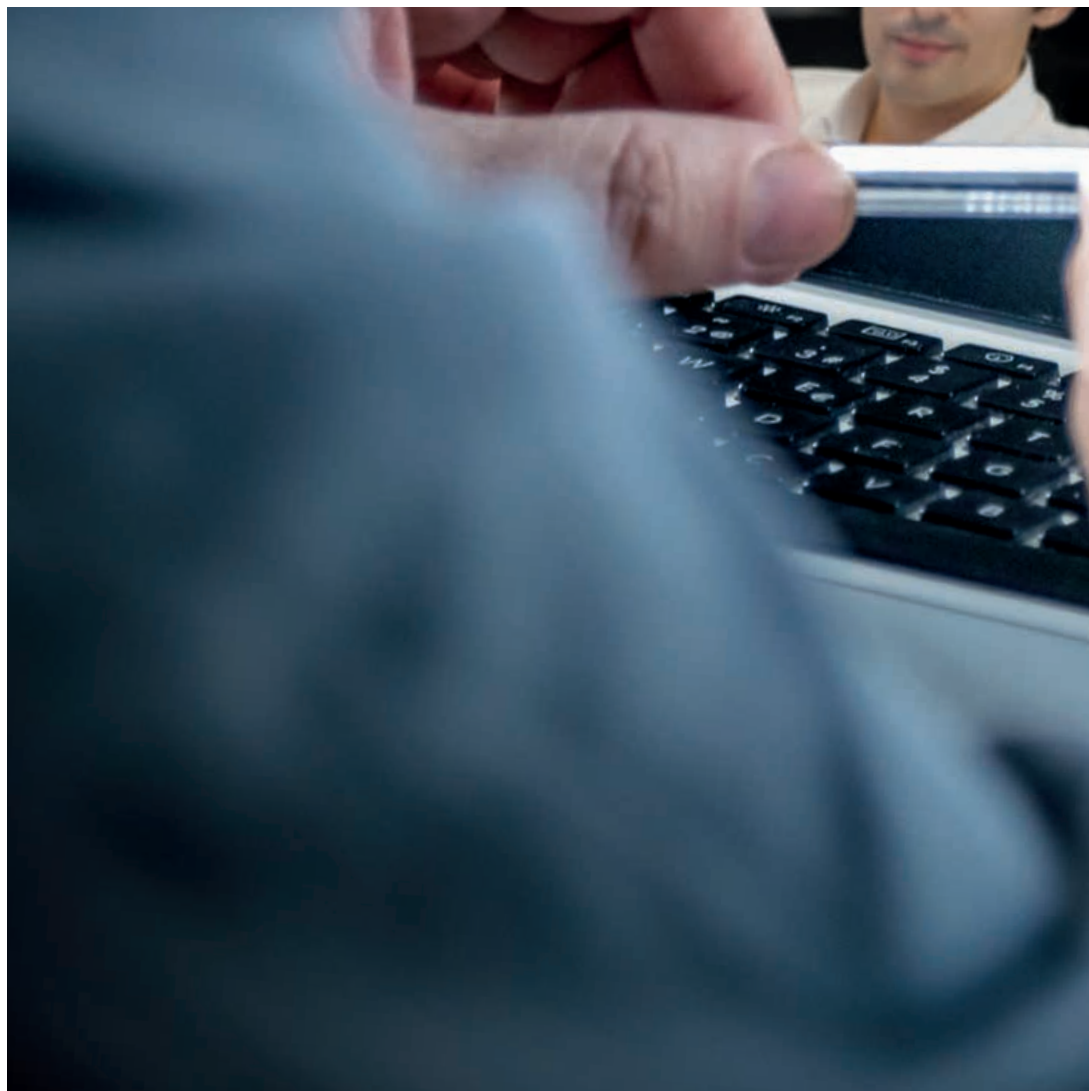
Recently, we launched ‘Performance Conversations @ Shaftesbury’, our new performance review process. Moving away from annual appraisals, we have introduced a focus on regular and better two-way performance conversations, which we feel will be more valuable to the whole team. As part of this, we have provided training for managers and their reports to ensure effective outcomes.

## Developing a diverse and inclusive team

We have a clear policy to promote diversity and inclusivity across the business, recognising that a group that is diverse in nature, irrespective of visible and non-visible differences, backgrounds, gender, experience and orientation is able to provide differing perspectives and challenge. The passion, expertise, warmth and diversity of our people is vital to our ongoing success.

We strive for an inclusive culture with a collaborative environment that is open to different ideas and styles of thinking, where all of our people feel they can be themselves and contribute to the Company’s success. Whether someone has been here three days, three months or three years, we ensure everyone has a voice. We treat everyone with fairness, respect and openness, and encourage our people to share ideas, develop their skills and reach their potential. Our commitment extends to the standards we expect of the businesses with whom we partner and work.

Diversity is considered at every level of recruitment. All appointments are made on merit and based on objective criteria. We support initiatives to promote diversity within the real estate sector. We are a member of the 30% Club, which is a campaign to achieve a minimum of 30% representation of women on FTSE 350 boards. The Hampton-Alexander review, which is an independent, business-led initiative supported by the Government, aims to increase the number of women in leadership positions in FTSE 350 companies. In 2019, for the third year running, Shaftesbury was top of the FTSE 250 in the Hampton-Alexander review for the highest female representation on the executive committee and direct reports.



## Non-executive directors



### 1 Jonathan Nicholls **N** Chairman of the Board

**Date appointed to the Board**  
September 2016

**Independent:** Yes on appointment to the Board

#### Key strengths and experience

- over 21 years' experience of public company boards and their operations
- over 22 years' of experience within the property sector

Jonathan was finance director of Hanson plc between 1998 and 2006, and of Old Mutual plc between 2006 and 2008.

Jonathan has been a non-executive director and chairman of the audit committee of Great Portland Estates plc (2009 to 2016), SIG Plc (2009 to 2017) and DS Smith plc (2009 to 2019), where he was also Senior Independent Director between 2013 and 2019.

**Current external appointments**  
Chairman of Ibstock plc

### 2 Richard Akers **NAR**

Senior Independent Director

**Date appointed to the Board**  
November 2017

**Independent:** Yes

#### Key strengths and experience

- a chartered surveyor
- provides a broad range of real estate knowledge and experience at board level.

Prior to joining Shaftesbury, Richard was a senior executive of Land Securities Group PLC from 1995, and joined the main board in 2005 as managing director of the Retail Portfolio.

Richard was appointed Senior Independent Director and designated non-executive director for employee engagement in February 2019.

#### Current external appointments

Non-executive director, senior independent director and chairman of the remuneration committee and safety, health and environmental committee of Barratt Developments PLC. Non-executive director of The Unite Group plc.

### 3 Dermot Mathias **NAR**

Non-executive director

**Date appointed to the Board**  
October 2012

Will retire from the Board in February 2021

**Independent:** Yes

#### Key strengths and experience

- a chartered accountant
- provides recent and relevant financial experience to the board and the audit committee
- extensive experience in leadership and management

Prior to joining Shaftesbury, Dermot was a partner in the corporate finance department of BDO LLP from 1980, and from 2004 to 2010 was senior partner of BDO and chairman of the Policy Board of BDO International.

#### Current external appointments

Non-executive director, senior independent director and chairman of the audit committee of JTC PLC, governor and vice chair of Activate Learning Education Trust.

### 4 Sally Walden **NAR**

Non-executive director

**Date appointed to the Board**  
October 2012

**Independent:** Yes

#### Key strengths and experience

- provides knowledge and insight into remuneration, financial markets and fund management.

Sally held senior fund management roles in Fidelity International from 1984 to 2009.

#### Current external appointments

Trustee of the Fidelity Foundation and director of the Pantry Partnership

### 5 Jennelle Tilling **NAR**

Non-executive director

**Date appointed to the Board**  
January 2019

**Independent:** Yes

#### Key strengths and experience

- Fellow of The Marketing Society
- over 25 years' experience of consumer marketing, digital and innovation within food retail brands, which complements the skills on the Board

Jennelle held a variety of senior marketing roles for over 17 years at Yum! Restaurants, and is the Founder and Chief Brand Strategist at Marketing with Insight.

#### Current external appointments

Non-executive director of Camelot and non-executive director of Butchies and Trustee for Guide Dogs to the Blind.

#### Key to Committee Membership

**N** Nomination Committee

**A** Audit Committee

**R** Remuneration Committee

**■** Committee Chair

## Board composition and changes

Succession planning is an important part of our Board governance. In order to phase our non-executive director retirements, Dermot Mathias, who continues to bring to the Board a strong level of skill and independence, but who will have served nine years on the Board in October 2021, will retire at our 2021 AGM. On behalf of the Board, I would like to thank Dermot for his valued contribution to the Board over the years and, in particular, his sage advice over the course of our recent capital raise. As Sally Walden will also have served nine years on the Board in October 2021, we have carried out a rigorous review of her contribution, and are satisfied that Sally remains independent and objective. In order to provide an orderly succession, it is proposed that Sally will lead on the 2022 triennial remuneration policy review, shadowed by Jennelle Tilling, who will become our Remuneration Committee chair on Sally's retirement from the Board.

Following Jill Little's retirement at the 2020 AGM and in anticipation of Dermot Mathias' retirement at the 2021 AGM, we are delighted that Ruth Anderson will join us in December 2020 as a non-executive director and will bring to the Board her experience as a tax and business advisor to a range of UK and global businesses as well as previous Audit Committee chair roles at Ocado plc, Coats Group plc and Travis Perkins plc. From the 2021 AGM it is intended that Ruth will become Audit Committee chair.

## Diversity and inclusion

Of our Strategy and Operations Executive Committee, and their direct reports, 42% and 74% respectively are female. Following the retirement of Dermot Mathias at the 2021 AGM, 33% of our Board will be female.

We appreciate that diversity extends beyond gender and we continue to actively consider diversity and inclusion in all Board and employee appointments.

## Board evaluation

This year our Board evaluation was undertaken externally by Sean O'Hare of Boardroom Dialogue during the first lockdown and I am pleased to report that the Board and its Committee's were considered to be working effectively.

Details of this process, the findings of the review and our progress against 2018/19 objectives can be found on page 93.

## Risk management

One of the ways the Board has monitored the evolution of our risks and priorities to the challenging circumstances through the pandemic has been through the introduction of additional Board calls between our scheduled meetings. Through these additional 17 virtual meetings, the executive directors, wider team and advisers kept the Board fully apprised of the changing conditions and actions both taken and planned. As these more-frequent Board engagements regarding day-to-day operations have proved valuable, the plan is to continue to have monthly calls in between our scheduled Board meetings for the foreseeable future, enabling us to use our scheduled meetings to focus on more strategic matters.

Our consideration of risks is integral to the way we operate and is intrinsic in approval of any material transaction. Twice yearly, the Audit Committee and the Board formally review current and emerging risks. As the impact of the pandemic has been felt across our operations, we have considered this within each aspect of the business rather than treating it as a separate risk. See more on our risk management, principal risks and uncertainties outlined on pages 71 to 77.

## Sustainability, the environment and the community

Whilst the pandemic has, and will continue to, impact our business, our commitment to sustainability remains as strong as ever. To ensure we meet the long-term expectations of our stakeholders, we continue to monitor our sustainability priorities, including actions we need to take to address climate change, minimise our environmental impact and invest in our local community.

✚ Sustainability: pages 27 to 28

✚ Environment: pages 29 to 31

As a result of the pandemic we have refocused our efforts on supporting young people and our communities in Westminster and Camden. Recognising the impact of Covid-19 on these groups, in April 2020, we announced our Covid-19 Community Fund and are pleased to report that we have provided support of over £310,000 for 18 causes. Part of the funding for this initiative came through savings made from waivers of directors' remuneration. Recognising that there will be ongoing implications for young people and our local communities, we have also made a commitment of a further £50,000 from our 2020/21 Community Investment budget split over the Young Westminster and Camden Foundations.

✚ Making a positive difference to our community: pages 46 and 47

## Legal proceedings instigated by a major shareholder

As previously reported, on 11 June 2019, the Board was served with legal proceedings issued by companies controlled by Mr Samuel Tak Lee, who was at the time the beneficial holder of 26.32% of our share capital. At the 2020 AGM, Mr Lee, by then the ultimate beneficial owner of 26.15% of the issued share capital, voted against nine resolutions, of which only three, which were Special Resolutions, were not passed by the requisite 75% majority. Mr Lee did not vote on any other resolutions, all of which were passed with in excess of 98% of those voting in favour.

On 30 May 2020, we announced that entities beneficially owned by Mr Lee had agreed to sell their 26.3% interest in the Company. This was followed by an announcement on 1 June 2020 that legal proceedings had been withdrawn. Given the sale of his interest, no further action was taken in connection with engaging with Mr Lee on his votes against the 2020 AGM resolutions.

## Engaging with our stakeholders

Critical to our long-term success is the strength of our stakeholder relationships. Whilst a large element of the Board's regular stakeholder engagement is with shareholders and employees, a key part of our role as a Board is oversight of the wider team's relationships with other stakeholders including occupiers, the local community, suppliers, finance providers, joint venture partners, visitors, local authorities, adjoining property owners and industry associations. For more details on how we have engaged with stakeholders and the outcome of that engagement see our s172 statement on pages 40 and 41.

✚ Stakeholder engagement: pages 35 to 39

The Shaftesbury team's efforts this year have been unparalleled in navigating the challenges faced by the business and nurturing our relationships across all areas and I would like to thank them for their continued hard work and dedication. In addition, I would like to express my gratitude to my fellow Board members for their continued challenge, support and extra time commitment over the past twelve months.

Lastly, I would just like to say thank you to all of our shareholders for your continued support in these extraordinary times.

**Jonathan Nicholls**  
Chairman

14 December 2020