Key principles of remuneration policy
The Company’s remuneration policy aims to attract, motivate and retain high calibre executives by rewarding them appropriately with competitive compensation and benefit packages. The policy seeks to align the interests of Executive Directors with the performance of the Company and the interests of its shareholders.

Our incentive arrangements are designed to reward performance on our key performance indicators. Our aim is to focus management on delivering sustainable long-term performance and support the retention of critical talent.

Future policy table
The table below describes the policy in relation to the components of remuneration for Executive Directors and, at the bottom of the table, the policy for the Non-Executive Directors.

<table>
<thead>
<tr>
<th>Element and link to strategy</th>
<th>Operation</th>
<th>Maximum potential value</th>
<th>Performance metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Directors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Base salary</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To provide an appropriately competitive level of base pay to attract and retain talent.</td>
<td>Reviewed annually. Salary levels take account of: — Size and nature of the responsibilities of each role — Market pay levels for the role — Increases for the rest of the Group — The executive’s experience — Changes to the size and complexity of the Group — Implications for total remuneration — Overall affordability — Individual and Company performance. The Committee may award an out-of-cycle increase if it considers it appropriate.</td>
<td>Salaries for 2014 are: — David Fischel: £545,480 — Matthew Roberts: £430,090 Base salary increases may be applied, taking into account the factors considered as part of the annual review. There is no maximum increase or opportunity. For new appointments salaries may be set at a lower level. In such cases, there may be scope for higher than usual salary increases in the first three years as the individual progresses in the role.</td>
<td></td>
</tr>
<tr>
<td><strong>Pension</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To help provide for an appropriate retirement benefit.</td>
<td>The Company operates an approved defined contribution pension arrangement. A cash alternative may be offered in certain circumstances, for example where HMRC statutory limits have been reached.</td>
<td>Company pension contribution is 24 per cent of base salary. The Chief Executive receives an additional 6 per cent of salary in recognition of the additional value of the benefit foregone on the closure of the defined benefit scheme. This amount was actuarially determined to be cost-neutral to the Company.</td>
<td></td>
</tr>
<tr>
<td><strong>Other benefits</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To provide an appropriately competitive level of benefits.</td>
<td>Benefits include a car allowance, private medical insurance, life assurance and long-term sickness insurance. Other benefits may be provided if the Committee considers it appropriate. In the event that an Executive Director is required by the Group to relocate, benefits may include, but are not limited to, relocation allowance and housing allowance.</td>
<td>Car allowance of up to £18,000 per annum. The cost of insurance benefits may vary from year to year depending on the individual's circumstances. There is no overall maximum benefit value but the Committee aims to ensure that the total value of benefits remains proportionate.</td>
<td></td>
</tr>
</tbody>
</table>
## Element and link to strategy

<table>
<thead>
<tr>
<th>Operation</th>
<th>Maximum potential value</th>
<th>Performance metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term incentive</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To align annual reward with annual performance and to support retention and alignment with shareholders’ interests through significant deferral of bonus into shares.</td>
<td>Intu operates a short-term incentive arrangement with a maximum individual opportunity. A proportion of any earned bonus is normally deferred in intu shares, vesting over two years and three years, subject to continued employment. The Committee awards dividend equivalents in respect of dividends over the deferral period which may assume reinvestment on a cumulative basis. The Committee has discretion to apply malus to unvested deferred bonus awards in certain circumstances including if there is a material misstatement in the annual financial statements or a material failure of risk management.</td>
<td>Maximum annual opportunity of 120 per cent of salary. Executives’ performance is measured relative to targets in key financial, operational and strategic objectives in the year. The measures selected and their weightings vary each year according to the strategic priorities, however at least two thirds will be based on Group financial measures or quantitative reported key performance indicators. Entry award level for financial measures is normally between 0 and 25 per cent of maximum.</td>
</tr>
</tbody>
</table>

### Long-term incentives

To reward good long-term decisions which help grow the value of Intu over a three to five-year horizon and support the retention of critical executives.

Intu operates a Performance Share Plan ("PSP"), which was approved by shareholders at the 2013 AGM. Grants are made to eligible employees at the discretion of the Committee. Awards can be made as performance shares, nil-cost options or jointly owned equity, and vest one third, one third, one third after three, four and five years respectively. The Committee awards dividend equivalents in respect of dividends over the vesting period, which may assume reinvestment on a cumulative basis. The Committee has discretion to apply malus to unvested awards in certain circumstances including if there is a material misstatement in the annual financial statements or a material failure of risk management by the Company.

Normal maximum grant size of 250 per cent of salary per annum. In exceptional circumstances opportunity of up to 375 per cent of salary. To ensure that participants were not unduly disadvantaged as a result of the move towards longer time horizons, the first award under the plan had an opportunity of 375 per cent. Long-term incentive performance conditions are reviewed on an annual basis, and are chosen to be aligned with the long-term success of the business. The intention is that measures will be one or more of TSR, total return/NAV growth, EPS growth, relative total property return or return on capital. For 2014, awards will be based — 50 per cent on relative TSR — 50 per cent on total return (NAV growth plus dividends) If the Committee considers that the level of vesting based on the extent to which the performance conditions have been satisfied is not a fair reflection of underlying financial performance, the Committee may adjust the level of vesting (upwards or downwards) accordingly. For the current performance measures this applies to the TSR portion only. Entry vesting is 25 per cent of maximum.

### All employee share plans

To align interests of employees with Company performance.

Executive Directors may participate in the HMRC approved Share Incentive Plan on the same basis as all employees. Participants can contribute up to the relevant HMRC limit. None.

### Legacy share awards

Payments can also be made to Executive Directors under the legacy share option plan and equivalent jointly owned equity arrangements, which were the predecessor arrangements to the current PSP and were approved by shareholders in 1999. Under this plan, market value share option grants were made, with vesting based on EPS growth. It is not intended that this plan will be used to grant any future awards to the Executive Directors. Details of legacy share awards are set out in the Annual Remuneration Report.
Non-Executive Directors

Fees

To remunerate Non-Executive Directors.

Independent Non-Executive Directors

The Chairman’s fees are determined by the Remuneration Committee.
The Non-Executive Directors’ fees are determined by the Board.
The level of fees takes into account the time commitment, responsibilities, market levels and the skills and experience required.
Non-Executive Directors normally receive a basic fee and an additional fee for specific Board responsibilities, including membership and chairmanship of committees.
The Chairman is entitled to receive certain benefits in addition to fees as detailed on page 87.
Additional fees may be paid to Non-Executive Directors on a per diem basis to reflect increased time commitment in certain limited circumstances.
Expenses incurred in the performance of non-executive duties for the Company may be reimbursed or paid for directly by the Company, as appropriate, including any tax due on the expenses.

Other Non-Executive Directors

In addition to the above, in certain circumstances Non-Executive Directors (other than those deemed to be independent) may receive a fee in relation to consultancy services (including Alternate Directors).

Such fees may be provided directly to the Director or, in certain circumstances, paid to a third party company under a consultancy services agreement. Such agreements may provide for the payment of an annual fee and reimbursement of expenses.

Such an agreement is currently in place with the Peel Group for the provision of Non-Executive Director services (including Alternative Director services).

The Company also operates a shareholding policy – details can be found on pages 94 and 95 of the Annual remuneration report.

The Performance Share Plan shall be operated in accordance with the rules of the plan as approved by shareholders in 2013 and amended from time to time in accordance with those rules. In accordance with the rules of the PSP, the performance condition may be replaced or varied if an event occurs or circumstances arise which cause the Committee to determine that the performance conditions have ceased to be appropriate, in which case the Committee can vary or replace the performance condition provided that the amended performance condition is in its opinion, fair, reasonable and no more or less difficult than the original condition when set. The plan rules provide for adjustments in certain circumstances. For example, awards may be adjusted in the event of any variation of the Company’s share capital, any consolidation of profits or reserves or special dividend.

Malus applies where stated in the above table. Other elements of remuneration are not subject to recovery provisions.

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) that are not in line with the policy where the terms of the payment were agreed:

(i) before the policy came into effect (including the 2012 deferred bonus award); or
(ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

For these purposes ‘payments’ includes the Committee satisfying awards of variable remuneration and an award over shares is ‘agreed’ at the time the award is granted.
Performance measures and targets

Annual bonus

Annual bonus metrics and targets are selected to provide an appropriate balance between incentivising Directors to meet financial objectives for the year and achieve strategic operational objectives.

Annual bonus metrics and targets are chosen in line with the following principles:

— the targets set for financial measures should be incentivising and appropriately stretching. Targets may be adjusted by the Committee to take into account significant capital transactions during the year

— strategic and operational objectives should include quantitatively assessed financial and operational measures and these are weighted to each role

— there should be flexibility to change the measures and weightings year-on-year in line with the needs of the business

PSP

Performance conditions and targets are determined by the Committee to reflect the Group’s strategy and having regard to market practice within the Company’s business sector. Measuring performance over years three, four and five provides a balance between the typical executive time horizon and the longer time horizon of shopping centre investments.

For 2014 awards the measures were selected taking into account that:

— absolute total return (NAV growth plus dividends) is considered by the Company to be the best internal indicator of value creation

— total shareholder return is a key objective of most of our shareholders

Remuneration arrangements throughout the Group

Differences in the policies for Executive Directors and other employees in the Group generally reflect differences in market practice taking into account role and seniority. The remuneration policies for Executive Directors and the senior executive team are consistent in terms of structure and the performance measures used. An annual bonus plan operates below the senior team for head office, asset management staff and Intu centre staff management. The bonus is based on corporate and personal performance. As with the senior team, a portion of bonus is generally deferred into Intu shares including SIP shares. Below the senior team, employees may be awarded long-term incentives in the form of options granted under the Company’s share option schemes.

Pay for performance: scenario analysis

The following charts show the potential split between the different elements of the Executive Directors’ remuneration under three different performance scenarios: ‘Minimum’, ‘Target’ and ‘Stretch’ (see table below).

Scenario analysis chart (£000)

<table>
<thead>
<tr>
<th>Component</th>
<th>Chief Executive</th>
<th>Finance Director</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><em>Minimum</em></td>
<td>‘Target’</td>
</tr>
<tr>
<td>Base salary</td>
<td>Annual base salary</td>
<td></td>
</tr>
<tr>
<td>Fixed remuneration</td>
<td>30 per cent of salary for Chief Executive, 24 per cent of salary for Finance Director</td>
<td></td>
</tr>
<tr>
<td>Pension</td>
<td>Taxable value of annual benefits provided in 2013</td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>60 per cent of salary (target opportunity)</td>
<td></td>
</tr>
<tr>
<td>Annual bonus (cash and deferred shares*)</td>
<td>120 per cent of salary (maximum opportunity)</td>
<td></td>
</tr>
<tr>
<td>Performance share plan*</td>
<td>0 per cent of salary</td>
<td></td>
</tr>
<tr>
<td></td>
<td>25 per cent vesting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100 per cent vesting</td>
<td></td>
</tr>
</tbody>
</table>

*Excludes share price growth and dividends.
Governance
Directors’ remuneration report

Approach to recruitment remuneration
In the event that the Group appointed a new Executive Director, remuneration would be determined in line with the following principles

— the Committee will take into account all relevant factors, including the calibre and experience of the individual and the market from which they are recruited, whilst being mindful of the best interests of the Group and its shareholders and seeking not to pay more than is necessary

— so far as practical the Committee will look to align the remuneration package for any new appointment with the remuneration policy set out in the table above

— salaries may be higher or lower than the previous incumbent but will be set taking into account the review principles set out in the policy table. Where appropriate the salaries may be set at an initially lower level with the intention of increasing salary at a higher than usual rate as the executive gains experience in the role. For interim positions a cash supplement may be paid rather than salary (for example a Non-Executive Director taking on an executive function on a short-term basis)

— to facilitate recruitment the Committee may need to ‘buy out’ remuneration arrangements forfeited on joining the Company. Any buy-out would take into account the terms of the arrangements forfeited, in particular any performance conditions and the time over which they would vest. The overriding principle would be that the value of any replacement buy-out awards should be no more than the commercial value of awards which have been forfeited. The form of any award would be determined at the time and the Committee may make buy-out awards under LR 9.4.2 of the Listing Rules (for buy-out awards only)

— PSP opportunity will be no more than the plan rules maximum set out in the policy table. The exceptional maximum may be used for the purpose of recruitment

— the maximum variable pay opportunity on recruitment (excluding buy-outs) is in line with the policy table above, comprising a maximum annual bonus of 120 per cent of salary and a maximum initial grant of LTIP not exceeding 375 per cent of salary. The Committee retains the flexibility to determine that for the first year of appointment any annual incentive award will be subject to such terms as it may determine

Where an executive is appointed from within the Company, the normal policy would be to honour any legacy arrangements in line with the original terms and conditions.

Where an executive is appointed following corporate activity/reorganisation (e.g. merger with another company) legacy terms and conditions would also be honoured.

Where the recruitment requires relocation of the individual, the Committee may provide additional costs and benefits.

Details of Directors’ service contracts
Executive Directors
Executive Directors have rolling service contracts which are terminable on 12-months’ notice on either side. None of the existing service contracts for Executive Directors makes any provision for termination payments, other than for payment of salary and benefits in lieu of notice.

The Executive Directors’ service contracts contain provisions relating to salary, car allowance, pension arrangements, salary continuance in the event of extended absence due to illness, holiday and sick pay, life insurance, personal accident, medical insurance, dependants’ pensions, and the reimbursement of reasonable out of pocket expenses incurred by the Executive Directors while on Company business.

The following service contracts in respect of Executive Directors who were in office during the year are rolling service contracts and therefore have no end date:

<table>
<thead>
<tr>
<th>Date of commencement of contract</th>
<th>Notice period</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Fischel 24 June 1999</td>
<td>12 months</td>
</tr>
<tr>
<td>Matthew Roberts 17 May 2010</td>
<td>12 months</td>
</tr>
</tbody>
</table>

Chairman
The terms of the Chairman’s appointment broadly reflect the terms of the three-year appointments of the Non-Executive Directors. However, the Chairman’s appointment is subject to a 12-month notice period. During the Chairman’s period of service, he is also entitled to the following benefits: office support (for Company business), a car and driver (for Company business), private medical insurance and personal accident and travel insurance. The Chairman does not currently take all benefits to which he is entitled. The Chairman may also receive independent professional advice of a value of up to £2,500 when such expenditures are authorised by the Chief Executive.
Non-Executive Directors
All Non-Executive Directors have been appointed on fixed terms of two or three years, subject to renewal thereafter.
Mr R.M. Gordon is deemed to have served for more than nine years and is now subject to a one-year term. All are subject to annual re-election by shareholders.

The Non-Executive Directors have letters of appointment which include provisions for early termination in specified circumstances.

Non-Executive Directors receive no benefits from their office other than fees and reimbursement of expenses incurred in performance of their duties, including any tax due on the expenses. They are not eligible to participate in Group pension arrangements.

In the event of a takeover of the Company, and exceptionally on other occasions, Non-Executive Directors would be entitled to an additional payment to reflect any additional time spent on Company affairs, over and above that normally expected in the performance of ordinary duties as a Non-Executive Director. The payment will be calculated by reference to the amount of additional time spent at a rate per diem.

The following table sets out the dates of appointment for the Non-Executive Directors:

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of appointment</th>
<th>Current term expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adèle Anderson</td>
<td>22 February 2013</td>
<td>2016 AGM</td>
</tr>
<tr>
<td>Richard Gordon</td>
<td>7 May 2010</td>
<td>2014 AGM</td>
</tr>
<tr>
<td>Andrew Huntley</td>
<td>8 July 2009</td>
<td>2014 AGM</td>
</tr>
<tr>
<td>Louise Patten</td>
<td>22 September 2011</td>
<td>2014 AGM</td>
</tr>
<tr>
<td>Neil Sachdev</td>
<td>1 November 2006</td>
<td>2016 AGM</td>
</tr>
<tr>
<td>Andrew Strang</td>
<td>8 July 2009</td>
<td>2015 AGM</td>
</tr>
<tr>
<td>John Whittaker</td>
<td>28 January 2011</td>
<td>2014 AGM</td>
</tr>
</tbody>
</table>

Directors’ service contracts are kept available for inspection at the Company’s registered office.

**Loss of office payment policy**
In the event that the employment of an Executive Director is terminated, any compensation payable will be determined by reference to the terms of the service contract between the Company and the employee, as well as the rules of any incentive plans. The Committee may structure any compensation payments in such a way as it deems appropriate taking into account the circumstances of departure. In the event of the Company terminating an Executive Director’s contract, the level of compensation would be subject to mitigation if considered appropriate.

**Payment in lieu of notice**
The Company may at its discretion make termination payments in lieu of notice based on base salary and benefits only. The notice period for both Executive Directors is one year.

**Bonus**
There is no automatic entitlement to annual bonus. The Committee retains discretion to award bonuses for leavers taking into account the circumstances of departure. Any bonus would normally be subject to performance and time pro-rating.

**Deferred bonus**
Deferred bonus awards will lapse if the executive ceases to be employed before the normal vesting date except in good leaver circumstances, which include retirement, redundancy, a transfer of the business or company by which the individual is employed, ill-health, death or any other reason at the discretion of the Committee.
Performance share plan
In the event an executive is a good leaver any outstanding PSP awards will be pro-rated for time and will vest based on performance to the end of the performance period unless the Committee determines an alternative level of vesting in its discretion. Good leaver circumstances are reasons of injury, disability, ill-health, redundancy, retirement, the sale of the individual’s employing company or businesses out of the Group or for any other reason at the discretion of the Committee. For JSOP awards under the PSP time and pro-rating applies below the threshold only. The Committee may adjust the number of shares vesting below the threshold in order to apply an appropriate overall pro-rating for the award.

In the event of death, early vesting is permitted, based either on the Committee’s assessment of performance against the performance condition to date of death, or 50 per cent vesting. The award would also be subject to time pro-rating. However, the Committee has discretion to adjust the level of vesting.

Award under LR 9.4.2
Were an award to be made under LR 9.4.2 then the leaver provisions would be determined at the time of award.

Other circumstances
Under the PSP on a change-of-control or winding up of the Company, PSP awards may vest in accordance with the rules of the plan. Vesting would be subject to pro-rating for time and performance, unless the Committee determines otherwise. Bonuses may be paid in respect of the year in which the change of control or winding up of the Company occurs, if the Committee considers this appropriate. The Committee may determine the level of bonus taking into account any factors it considers appropriate.

Deferred bonus awards, which have been earned in respect of previous performance periods, will normally vest in full on a change of control or winding up.

Legacy share option plan
All awards granted under the legacy share option plan were made prior to 27 June 2012. Vesting would be in accordance with the plan rules. On voluntary resignation, awards granted less than three years before cessation lapse and other subsisting awards are exercisable within 6 months of cessation (subject to any performance conditions). In other leaving circumstances subsisting options may be exercised within 6 months of cessation (subject to any performance conditions) or 12 months in the case of death. However, in the above cases the Committee has discretion to decide alternative vesting and may impose other conditions. Both unvested and vested awards will lapse if the Director leaves for reasons involving misconduct, impropriety and inefficiency (as determined by the Committee).

Consideration of conditions elsewhere in the Group
In making remuneration decisions, the Committee also considers the pay and employment conditions elsewhere in the Group. Prior to the annual pay review, the Committee receives a detailed report from the HR Director setting out changes to broader employee pay. This forms part of the basis for determining Executive Director remuneration. The Company does not consult with employees on Executive Director remuneration, but does consult with employees as part of an annual employee survey, which includes questions regarding the Company’s approach to reward and recognition.

Consideration of shareholder views
When determining remuneration, the Committee takes into account the guidelines of investor bodies and shareholder views. The remuneration policy was developed following extensive consultation with major shareholders and their views were taken into account during its formation. The Committee seeks to have an ongoing dialogue with shareholders on executive remuneration matters.

Minor changes
The Committee may make minor amendments to the policy set out above (for regulatory, exchange control, tax, administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.