

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

*If you are in any doubt as to what action to take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000.*

*If you have sold or transferred all of your Ordinary Shares, please forward this document together with the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.*

**CAPITAL & REGIONAL PLC**

**(Company Number: 1399411)**

**Notice of Annual General Meeting**

Notice is hereby given that the 35th Annual General Meeting (“**AGM**”) of Capital & Regional plc (the “**Company**”) will be held at The Goring Hotel, The Archive Room, Beeston Place, London SW1W 0JW on 30 May 2014 at 10.00 am to consider and, if thought fit, pass resolutions 1 to 15 as ordinary resolutions and resolutions 16 to 18 as special resolutions:

***Report and Accounts***

1. To receive and adopt the Company’s annual accounts for the financial year ended 30 December 2013, and the directors’ report and the auditors’ report on those accounts.

***Remuneration Report***

2. To approve the Directors’ Remuneration Policy, as detailed on pages 51 to 62 of the Annual Report for the year ended 30 December 2013.
3. To approve the Directors’ Remuneration Report (excluding the Directors’ Remuneration Policy), as detailed on pages 62 to 65 of the Annual Report for the year ended 30 December 2013.

***Auditors***

4. To re-appoint Deloitte LLP as auditors from the conclusion of the Annual General Meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
5. To authorise the directors to fix the remuneration of the auditors.

***Directors***

6. To re-elect John Clare as a director.
7. To re-elect Hugh Scott-Barrett as a director.
8. To re-elect Kenneth Ford as a director.
9. To re-elect Mark Bourgeois as a director.
10. To re-elect Charles Staveley as a director.
11. To re-elect Philip Newton as a director.
12. To re-elect Louis Norval as a director.
13. To re-elect Neno Haasbroek as a director.
14. To re-elect Tony Hales as a director.
15. THAT:
  - a) the directors of the Company be generally and unconditionally authorised under section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights (“**Rights**”) to subscribe for, or to convert any security into, shares in the Company:
    - (i) up to an aggregate nominal amount of £1,165,629; and

- (ii) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a further aggregate nominal amount of £1,165,629 in connection with an offer by way of a rights issue but subject to such exclusions and other arrangements as the directors may consider necessary or appropriate in relation to fractional entitlements, record dates, treasury shares or any legal, regulatory or practical problems under the laws of any territory (including the requirements of any regulatory body or stock exchange) or any other matter; and
- b) such authority shall expire (unless previously revoked by the Company) on the conclusion of the next Annual General Meeting of the Company or 15 months from the date of the Annual General Meeting at which this resolution is passed, whichever is the earlier and the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after the authority has expired and the directors may allot shares or grant Rights in pursuance of any such offer or agreement notwithstanding that this authority has expired; and
- c) all previous authorities to allot shares or grant Rights, to the extent unused, shall be revoked.

16. THAT:

- a) subject to the passing of resolution 15 above, the directors be and are hereby empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of the Companies Act 2006) for cash, under the authority conferred by resolution 15 as if section 561(1) of the Companies Act 2006 did not apply to the allotment, and this power shall be limited to:
  - i. the allotment of equity securities in connection with an offer or issue of equity securities to or in favour of ordinary shareholders in proportion (as nearly as may be) to their existing holdings but subject to such exclusions and other arrangements as the directors may consider necessary or appropriate in relation to fractional entitlements, record dates, treasury shares or any legal, regulatory or practical problems under the laws of any territory (including the requirements of any regulatory body or stock exchange) or any other matter; and
  - ii. the allotment of equity securities (otherwise than under paragraph (i) of this resolution) up to an aggregate nominal amount of £174,844; and
- b) this power, unless previously revoked by the Company, shall expire on the conclusion of the next Annual General Meeting of the Company or 15 months from the date of the Annual General Meeting at which this resolution is passed, whichever is the earlier but the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of that offer or agreement notwithstanding that the power has expired; and
- c) this power applies in relation to a sale of treasury shares which constitutes an allotment of equity securities by virtue of section 560(3) of the Companies Act 2006 as if the words “under the authority conferred by resolution 15” were omitted from the introductory wording to this resolution 16.

17. THAT:

- a) the Company be, and it is hereby, generally and unconditionally authorised for the purpose of sections 693 and 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of £0.01 each in the capital of the Company upon such terms and in such manner as the directors of the Company shall determine, provided that:
  - i. the maximum aggregate number of ordinary shares authorised to be purchased is 34,968,880;
  - ii. the minimum price which may be paid for such ordinary shares is £0.01 per share (exclusive of expenses);

- iii. the maximum price (exclusive of expenses) which may be paid for an ordinary share cannot be more than an amount equal to the higher of:
    - a) 105% of the average of the closing middle market price for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day the purchase is made; and
    - b) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue or venues where the purchase is carried out.
  - b) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company to be in held in 2015 or 15 months from the date of the Annual General Meeting at which this resolution is passed, whichever is the earlier; and
  - c) the Company may make a contract or contracts to purchase ordinary shares under this authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.
18. THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

**S Wetherly**  
*Company Secretary*

*Registered Office:*  
52 Grosvenor Gardens  
London SW1W 0AU

8 May 2014

#### **Notes for the Annual General Meeting**

- 1 Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company on 020 7932 8000.
- 2 To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand by the Company's Registrars, Equiniti at Aspect House, Spencer Road, Lancing BN99 6DA no later than 10.00 am on 28 May 2014.
- 3 The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
- 4 Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- 5 The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to the Nominated Persons. The rights described in such paragraphs can only be exercised by shareholders of the Company.
- 6 To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6.00pm on 28 May 2014 (or, in the event of any adjournment, you must be entered on the register at 6.00pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

- 7 As at 7 May 2014 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 349,688,796 Ordinary Shares of £0.01 each, carrying one vote each. Therefore, the total voting rights in the Company as at 7 May 2014 are 349,688,796.
- 8 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 9 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (which can be viewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by 10.30 am on 28 May 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 10 CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 11 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001.
- 12 Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
- 13 Under section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
- 14 Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- 15 In accordance with section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website [www.capreg.com](http://www.capreg.com).
- 16 Shareholders may not use any electronic address provided either in this notice of meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
- 17 The following documents will be available for inspection at the AGM for 15 minutes prior to and during the AGM: (i) copies of the service contracts of the executive directors of the Company; and (iii) copies of the letters of appointment of the non-executive directors of the Company.

#### **Explanatory notes to the resolutions**

Resolutions 1 to 15 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 16 to 18 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

#### **Resolution 1 (annual report and accounts)**

The directors of the Company must present to the meeting the audited annual accounts and the directors' and auditors' report for the financial year ended 30 December 2013.

### **Resolution 2 and 3 (remuneration report)**

The Company's shareholders will be asked to approve the Directors' Remuneration Policy and Annual Report on Directors' Remuneration, which are set out on pages 51 to 62 and pages 62 to 65 of the annual report and accounts, respectively, at the Annual General Meeting.

### **Resolutions 4 and 5 (appointment and remuneration of auditors)**

The Company must appoint auditors at each general meeting at which accounts are presented to shareholders to hold office until the conclusion of the next such meeting. Resolution 4 seeks shareholder approval to re-appoint Deloitte LLP as the Company's auditors. In accordance with normal practice, Resolution 5 seeks authority for the Company's directors to fix their remuneration.

### **Resolutions 6 to 14 (re-election of directors)**

The UK Corporate Governance Code recommends that all directors should seek re-election by shareholders annually and accordingly, all directors are standing for re-election to the Board by shareholders.

The Board is satisfied that all of the non-executive directors standing for election and re-election are independent in character and judgment and there are no relationships or circumstances which are likely to affect their character or judgement. Each of the directors has had a formal performance evaluation and the nomination committee believes that the performance of each of them continues to be effective and to demonstrate commitment to the role.

Biographical details of the directors standing for election appear on pages 44 to 45 of the annual report.

### **Resolution 15 (authority to allot)**

Resolution 15 would give the directors the authority to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £1,165,629. This represents approximately 33.33% of the Ordinary Shares in issue at 7 May 2014 (being the latest practicable date prior to the publication of this document). In accordance with institutional investor guidelines, resolution 15 will also allow directors to allot further shares in the Company, in connection with a pre-emptive offer by way of a rights issue, up to an aggregate nominal amount of £1,165,629, again representing approximately 33.33% of the Ordinary Shares in issue at 7 May 2014 (being the latest practicable date prior to the publication of this document).

The directors' authority will expire on the conclusion of the next Annual General Meeting. As at the date of this report the Company does not hold any Ordinary Shares in treasury.

### **Resolution 16 (statutory pre-emption rights)**

Under company law, when new shares are allotted or treasury shares are sold for cash, they must generally first be offered to existing shareholders *pro rata* to their holdings. This special resolution gives the directors authority, for the period ending on the date of the next Annual General Meeting to: (a) allot shares of the Company and sell treasury shares for cash in connection with a rights issue or other pre-emptive offer; and (b) otherwise allot shares of the Company, or sell treasury shares, for cash up to an aggregate nominal value of £174,844 (representing in accordance with institutional investor guidelines, approximately 5% of the total Ordinary Shares in issue as at 7 May 2014 (being the latest practicable date prior to the publication of this document) in each case as if the pre-emption rights in company law did not apply.

The directors have no immediate plans to make use of these authorities. The board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles not to allot shares for cash on a non-pre-emptive basis in excess of an amount equal to 7.5% of the Ordinary Shares within a rolling three-year period without prior consultation with shareholders.

### **Resolution 17 (authority for market purchases of own shares)**

Resolution 17 renews the Company's current authority to make limited market purchases of the Company's ordinary shares. The authority is limited to a maximum aggregate number of 34,968,880 Ordinary Shares (representing 10% of the issued Ordinary Shares as at 7 May 2014 (being the latest practicable date prior to publication of this report)) and sets out the minimum and maximum prices that can be paid, exclusive of expenses. The authority conferred by this resolution will expire at the conclusion of the Company's next Annual General Meeting or 15 months from the passing of this resolution, whichever is the earlier. Any purchases of Ordinary Shares would be made by means of market purchase through the London Stock Exchange.

The directors have no present intention of exercising the authority to purchase the Company's Ordinary Shares. The Directors would only purchase shares if, in their opinion, the expected effect would be to result in an increase in earnings per Ordinary Share or net asset value and would benefit shareholders generally.

### **Resolution 18 (notice of general meetings)**

This resolution is proposed to allow the Company to call general meetings (other than an AGM) on not less than 14 clear days' notice. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. AGMs will continue to be held on at least 21 clear days' notice.