

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.

CAPITAL & REGIONAL PLC

NOTICE OF ANNUAL GENERAL MEETING TO BE HELD ON 5 JUNE 2013

AUTHORITY TO MAKE PURCHASES OF ITS OWN SHARES

AND

**APPROVAL OF WAIVER UNDER RULE 9 OF THE CITY CODE ON TAKEOVERS
AND MERGERS**

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.

Shareholders who hold their shares in certificated form are requested to complete and return the enclosed Form of Proxy to the Company's registrars at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible but in any event, to be valid, so as to arrive no later than 10.30 a.m. on 3 June 2013. Shareholders who hold their shares in uncertificated form may use the CREST electronic proxy appointment service. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent, Equiniti Limited (Issuers Agent ID RA 19) by 10.30 a.m. on 3 June 2013. The return of a Form of Proxy or the appointment of a proxy through CREST will not preclude a member from attending and voting at the Annual General Meeting in person, should they subsequently decide to do so.

Numis Securities Limited, which is regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Capital & Regional plc in connection with the proposals described in this document, and accordingly will not be responsible to anyone other than Capital & Regional plc for providing the protections afforded to customers of Numis Securities Limited, or for providing advice in relation to the proposals described in this document or any other matter in relation to the contents of this document.

The Directors, whose names appear on page 5, accept responsibility for the information contained in this document (save that the only responsibility accepted by the Independent Directors in respect of the information relating to the Concert Party has been to ensure that such information has been correctly and fairly reproduced or presented). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts, and does not omit anything likely to affect the import of such information.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Notice of Annual General Meeting and Form of Proxy posted or notified to shareholders	8 May 2013
Latest time for receipt of completed Forms of Proxy for General Meeting	10.30 a.m. on 3 June 2013
Latest time for receipt of CREST Proxy Instruction	10.30 a.m. on 3 June 2013
Annual General Meeting	10.30 a.m. on 5 June 2013

DEFINITIONS

“Act”	the Companies Act 2006;
“AGM” or “Annual General Meeting”	the Annual General Meeting of the Company convened for 10.30 a.m. on 5 June 2013;
“Articles of Association”	the articles of association of the Company in place on the date of this document;
“City Code”	the City Code on Takeovers and Mergers;
“Company”	Capital & Regional plc;
“Concert Party”	PDI Investment Holdings Limited, Pinelake International Limited, Clearance Capital (Cayman) Limited, Exdiem Trust, Robs Trust, Boz Trust together with Louis Norval, Neno Haasbroek, Susjan Wentzel and Careen Norval;
“CREST”	the United Kingdom paperless share settlement system of which CRESTCo Limited is the Operator (as defined in the Uncertificated Securities Regulations 2001);
“CREST Manual”	the manual, as amended from time to time, produced by Euroclear UK and Ireland Limited describing the CREST system and supplied by Euroclear UK and Ireland Limited to users and participants thereof;
“CREST member”	a person who has been admitted by Euroclear UK and Ireland Limited as a system member (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755));
“CREST Proxy Instruction”	an instruction whereby CREST members send a CREST message appointing a proxy for a meeting and instructing the proxy on how to vote;
“Directors” or “the Board”	the directors of the Company whose names are set out on page 5 of this document;
“Form of Proxy”	the hard copy form of proxy accompanying this document for use by the shareholders of the Company in connection with the AGM;
“Group”	the Company and its subsidiaries;
“Independent Directors”	all the executive and non-executive Directors other than Louis Norval and Neno Haasbroek;
“Independent Shareholders”	the shareholders of the Company, other than the members of the Concert Party, who own voting shares in the Company;
“Latest Practicable Date”	2 May 2013, being the latest practicable date prior to the publication of this document;
“Notice”	the notice of the AGM attached to this document;
“Numis Securities”	Numis Securities Limited;
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company;
“Panel”	the Panel on Takeovers and Mergers;

“Proposed Buy Back Authority”	the proposal to grant authority to the Company to purchase up to 10% of its issued Ordinary Shares;
“Rights”	rights to subscribe for or to convert any security into shares;
“Waiver”	the waiver by the Panel, subject to the approval of Independent Shareholders, of the obligation which would otherwise arise under Rule 9 of the City Code requiring the Concert Party to make an offer for the issued share capital of the Company following re-purchases of Ordinary Shares by the Company pursuant to resolution 16 that could potentially increase the Concert Party’s shareholding from approximately 29.2909% of the issued share capital of the Company to a maximum of approximately 32.5455% of issued share capital of the Company; and
“Waiver Resolution”	resolution 17 set out in the Notice approving the Waiver.

PART I

LETTER FROM CHAIRMAN OF CAPITAL & REGIONAL PLC

(Incorporated in England and Wales with registered number 1399411)

Registered and Head Office
52 Grosvenor Gardens
London
SW1W 0AU

Directors

John Clare (*Chairman*)
Hugh Scott-Barrett (*Chief Executive*)
Charles Staveley (*Group Finance Director*)
Kenneth Ford (*Executive Director*)
Xavier Pullen (*Executive Director*)
Neno Haasbroek (*Non-Executive Director*)
Philip Newton (*Non-Executive Director*)
Louis Norval (*Non-Executive Director*)
Tony Hales (*Non-Executive Director*)

8 May 2013

Dear Shareholder

Notice of Annual General Meeting, including resolutions relating to a Proposed Buy Back Authority and Rule 9 Waiver

Introduction

In January 2013, the Company obtained approval from shareholders of a waiver granted by the Panel under Rule 9 of the City Code (the “**Approval**”). The Approval will expire on the date of the AGM. Following the terms of the Approval, the Company commenced a share buy back programme in January 2013 based on the authority to execute share buy backs, as granted at the last AGM. The Company is now seeking to renew both its Proposed Buy Back Authority and approval of a waiver granted by the Panel under Rule 9 of the City Code.

Set out at the end of this document is the Notice of the Annual General Meeting of the Company to be held on 5 June 2013 which sets out an explanation of the resolutions to be proposed at the AGM, and in particular provides you with details of the Proposed Buy Back Authority sought by resolution 16 and the approval of a waiver granted by the Panel under Rule 9 of the City Code pursuant to resolution 17.

If the Company undertakes a share repurchase in accordance with the authority sought by resolution 16, the Concert Party’s interest in Ordinary Shares could increase from approximately 29.2909% to approximately 32.5455% of the issued share capital of the Company, in which case one or more of the members of the Concert Party could be required under Rule 9 of the City Code to make a mandatory offer for the remainder of the share capital of the Company. We are therefore asking the Independent Shareholders to approve the terms of the Waiver granted by the Panel to the Concert Party. An explanation of the reasons for this request, and the background to the obligation arising from Rule 9 of the City Code, is set out below.

Reason for the share repurchase

The Board believes the proposal to repurchase shares in accordance with the authority sought by resolution 16 represents an excellent opportunity to return value to the Company shareholders.

The Resolutions

Resolutions 1 to 13 set out in the Notice deal with ordinary business to be transacted at the AGM. Further explanation in relation to resolutions 14 to 18, being the special business to be transacted at the AGM, is set out below.

Resolution 14 – Authority to allot shares or grant subscription or pre-emption rights (ordinary resolution)

The purpose of Resolution 14 is to renew the Directors' power to allot shares.

Under section 549 of the Act, the Directors are prevented, subject to certain exceptions, from allotting shares in the Company or from granting Rights without the authority of the shareholders in general meeting. Resolution 14 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 value of £1,165,629. This represents approximately 33.33% of the Ordinary Shares in issue at the Latest Applicable Date.

The Directors' authority shall be exercisable until the conclusion of the next Annual General Meeting in 2014. The Directors have no present intention to make use of the authority sought under this resolution, although the Directors are currently considering certain employee incentive plans which may involve the grant of options to Company employees over certain shares in the capital of the Company. As at the date of this report the Company does not hold any Ordinary Shares in treasury.

Resolution 15 – Disapplication of pre-emption rights (special resolution)

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an executive or employee share scheme), the Act requires that these shares are offered first to shareholders in proportion to their existing holdings.

Resolution 15, which is proposed as a 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 the Latest Practicable Date) in each case as if the pre-emption rights of section 561 of the Act 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 of the Company's shareholders.

Resolution 16 – The Proposed Buy Back Authority (special resolution)

Resolution 16 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 34,968,879 ordinary shares (representing 10% of the issued share capital as at the Latest Practicable Date). The authority conferred by this resolution shall be exercisable until the conclusion of the Company's next Annual General Meeting in 2014.

The maximum price payable for the purchase by the Company of Ordinary Shares will be limited to the higher of the price 5 per cent. above the average of the middle market quotations of such Ordinary Shares, as derived from the Daily Official List of the London Stock Exchange for the five business days prior to the purchase, the price of the last independent trade of an Ordinary Share and the highest current independent bid of an Ordinary Share as derived from the London Stock Exchange Trading System (SETS). The minimum price payable by the Company for purchase of Ordinary Shares shall be £0.01 per share (being the nominal value of an Ordinary Share). Any purchases of Ordinary Shares would be made by means of market purchase through the London Stock Exchange.

The Directors would use the Proposed Buy Back Authority with discretion, and purchases would only be made from the Company's distributable reserves not required for other purposes and in the light of market conditions prevailing at the time. No provider of finance will be required in relation to any purchase of Ordinary Shares, and therefore no payment of interest, repayment of, or security for, any liability will be required to be dependent upon the business of the Company. In reaching a decision to purchase Ordinary Shares, the Directors would take account of the Company's cash resources and capital and the effect of such purchase on the Company's business, and would only make market purchases if satisfied that they would increase earnings per Ordinary Share and be in the interests of shareholders generally. No announcement will be made by the Company in advance of market purchases but any purchases made by the Company would be announced on the next business day following the transaction.

Nothing said above should be taken as an indication that, if the Proposed Buy Back Authority is exercised, earnings per share will necessarily be greater than those for the preceding financial period.

Resolution 17 – Rule 9 Waiver (ordinary resolution)

Rule 9 of the City Code applies where any person, whether by a series of transactions over a period of time or not, acquires an interest in shares which, when taken together with the shares in which he is already interested (together with shares in which persons acting in concert with him are interested), carry 30% or more of the voting rights in a company which is subject to the City Code. In those circumstances, that person is normally required to make a general offer to all of the remaining shareholders to acquire their shares. Similarly, when any person (or persons acting in concert) is or are already interested in shares which carry 30% or more but do/does not hold more than 50% of the voting rights in the company in question, a general offer will normally be required to be made if any further interests in such shares are acquired.

An offer under Rule 9 of the City Code must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for any shares acquired in the company by the person required to make the offer (or any person acting in concert with him).

Under Rule 37 of the City Code, when a company purchases its own voting shares, the resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 (although a shareholder who is neither a Director, nor acting in concert with a Director, will not normally incur an obligation to make an offer under Rule 9).

If the Company were to repurchase shares under the authority to be granted by resolution 16, and at the time the voting rights attributable to the aggregate holding of the Concert Party (details of which are set out below) carry 30% or more of the voting rights of the Company, an obligation under Rule 9 of the City Code would arise for the Concert Party to make a cash offer for the issued shares of the Company which they do not already own.

The Panel has however agreed to waive the obligation to make a general offer that would otherwise arise as a result of the repurchase of shares, subject to the approval of Independent Shareholders. Accordingly, the Waiver Resolution seeks to waive the requirement under Rule 9 of the City Code that the Concert Party must make a general cash offer to all the remaining shareholders to acquire their shares if the Company were to buy back Ordinary Shares and such an obligation would otherwise arise as a result of the Concert Party carrying 30% or more of the voting rights of the Company. In accordance with the City Code, the Waiver Resolution is being proposed at the AGM and will be taken on a poll. The Concert Party will not be entitled to vote on the resolution.

The Waiver, which is valid only for so long as the authority granted pursuant to resolution 16 remains in force, applies only in respect of increases in the percentage interests of the Concert Party resulting from market purchases by the Company of its own shares and not in respect of other increases in the holdings of the Concert Party.

If the Independent Shareholders do not approve the Waiver Resolution, but resolution 16 is passed, the Directors will not make use of the authority to be granted under resolution 16 unless arrangements can be put in place to ensure that the Concert Party's percentage interest in Ordinary Shares will not increase as a result of any purchases by the Company of its own shares or a further waiver is sought from the Panel in respect of such increases (and Independent Shareholder approval is granted), since, based on the issued share capital of the Company and the Concert Party's percentage interest in the Ordinary Shares as at the Latest Practicable Date, any significant purchases by the Company of its own shares from Shareholders other than the Concert Party could result in the Concert Party having to make a mandatory offer to all shareholders under Rule 9 of the City Code.

Details of the Concert Party

The Concert Party consists of PDI Investment Holdings Limited, Pinelake International Limited, Clearance Capital (Cayman) Limited, Exdiem Trust, Robs Trust, Boz Trust and each of Louis Norval, Neno Haasbroek, Susjan Wentzel and Careen Norval. Further details relating to each member of the Concert Party are set out below.

PDI Investment Holdings Limited ("PDI")

Louis Norval is a director of PDI. PDI is an investment vehicle for Louis Norval, Neno Haasbroek and their related family interests.

Homestead Group Holdings Limited (a company of which Louis Norval is a director, the shareholder of which is The Mountain Trust, a trust of which Louis Norval is a trustee and beneficiary) holds 61.25% of the shares issued in PDI.

Stabilis Investments Holdings Limited (a company of which Neno Haasbroek is a director, the shareholder of which is Eerlijk Family Trust, a trust of which Neno Haasbroek is a trustee and beneficiary) holds 20% of the shares issued in PDI.

Canal Trust (a trust of which Susjan Wentzel is a trustee and beneficiary) holds 6.25% of the shares issued in PDI.

Pinelake International Limited

Pinelake International Limited is an investment vehicle for Louis Norval, Neno Haasbroek and their related family interests.

International Lakes Limited (a company of which Louis Norval is a director) holds 61.25% of the shares issued in Pinelake International Limited. The entire issued share capital of International Lakes Limited is held by Forest Trust, a trust in which Louis Norval is a trustee and beneficiary.

Outeniqua Limited holds 20% of the shares issued in Pinelake International Limited. The entire issued share capital of Outeniqua Limited is held by Gryphon Family Trust, a trust in which Neno Haasbroek is a trustee and beneficiary.

Canal Trust holds 6.25% of the shares issued in Pinelake International Limited. Susjan Wentzel is a trustee and beneficiary of this trust.

Clearance Capital (Cayman) Limited

Louis Norval is a director of Clearance Capital (Cayman) Limited. Clearance Capital (Cayman) Limited is an investment vehicle for Louis Norval, Neno Haasbroek and their related family interests.

Parkdev Investments (Pty) Limited ("**Parkdev Investments**") holds 10% the ordinary shares and 50% of the preference shares issued in Clearance Capital (Cayman) Limited. Louis Norval, Neno Haasbroek and Susjan Wentzel are directors of Parkdev Investments.

Louis Norval holds 62.5% of the shares issued in Parkdev Investments.

De Katwijk Trust (a trust of which Neno Haasbroek is a trustee and a beneficiary) has a 18.75% shareholding in Parkdev Investments.

Exdiem Trust (a trust of which Louis Norval and Susjan Wentzel are trustees and Susjan Wentzel a beneficiary) holds 6.25% of the shares in Parkdev Investments.

Exdiem Trust

The Exdiem Trust is Susjan Wentzel's family trust. The trustees of this trust are Susjan Wentzel, Louis Norval and Gary Steynberg. The beneficiaries of this trust are Susjan Wentzel, Kobus Wentzel (Susjan Wentzel's husband), Jana Wentzel (Susjan Wentzel's daughter) and Carel Wentzel (Susjan Wentzel's son).

Susjan Wentzel

Susjan Wentzel is a director of Parkdev Investments and a trustee and beneficiary of Exdiem Trust which holds 6.25% of the shares issued in Parkdev Investments.

Robs Trust

The beneficiary of Robs Trust is Robyn Merrington, the daughter of Louis Norval. The trustees of Robs Trust are Robyn Merrington, Sean Merrington (Robyn's husband) and Louis Norval.

Boz Trust

The beneficiary of Boz Trust is Byron Norval, the son of Louis Norval. The trustees of Boz Trust are Byron Norval and Louis Norval.

Mrs Careen Norval

Careen Norval is the wife of Louis Norval.

Interests of the Concert Party

Save as disclosed in this letter and paragraph 4 of Part II (Additional Information), as at the close of business on the Latest Practicable Date, no member of the Concert Party or anyone acting in concert with any member has any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of any Ordinary Shares.

The Concert Party's current interests in and the percentages of the voting rights in the Company attributable to such holdings are:

<i>Concert Party member</i>	<i>Number of Ordinary Shares</i>	<i>Current percentage of voting rights</i>
NFJ Haasbroek	120,000	0.0343%
PDI Investment Holdings Limited	82,505,610	23.594%
Pinelake International Limited	18,924,243	5.4117%
Clearance Capital (Cayman) Limited	306,060	0.0875%
Exdiem Trust	111,000	0.0317%
Susjan Wentzel	76,000	0.0217%
Robs Trust	22,500	0.0064%
Boz Trust	169,500	0.0485%
Mrs Careen Norval	192,250	0.0550%
	<u>102,427,163</u>	<u>29.2909%</u>

If the authority to be granted by resolution 16 were exercised in full and assuming no disposals of Ordinary Shares by members of the Concert Party and no issues of Ordinary Shares by the Company in the meantime, the holdings of the Concert Party and the percentage of the voting rights in the Company attributable to such holdings would be:

<i>Concert Party member</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of voting rights in the Company</i>
NFJ Haasbroek	120,000	0.0381%
PDI Investment Holdings Limited	82,505,610	26.2156%
Pinelake International Limited	18,924,243	6.0130%
Clearance Capital (Cayman) Limited	306,060	0.0972%
Exdiem Trust	111,000	0.0353%
Susjan Wentzel	76,000	0.0241%
Robb Trust	22,500	0.0071%
Boz Trust	169,500	0.0539%
Mrs Careen Norval	192,250	0.0611%
	<u>102,427,163</u>	<u>32.5455%</u>

Following the repurchase of shares pursuant to the authority to be granted by resolution 16 members of the Concert Party may between them be interested in shares carrying 30% or more of the Company's voting share capital but will not hold shares carrying more than 50% of such voting rights and for so long as they continue to be treated as acting in concert any further increase in that aggregate interest in shares will be subject to the provisions of Rule 9 of the Takeover Code.

Dealings of the Concert Party

Save as set out below, as at the close of business on the Latest Practicable Date, no member of the Concert Party or anyone acting in concert with any member had any dealings (including borrowing or lending) in Ordinary Shares which took place in the period beginning 12 months preceding the date of this document and ending on 2 May 2013.

Members of the Concert Party have purchased shares as set out in the table below in the last 12 months.

<i>Date</i>	<i>Member of Concert Party acquiring shares</i>	<i>Number of Ordinary Shares purchased</i>	<i>Percentage of issued share capital</i>	<i>Price per Ordinary Share</i>
23 May 2012	Mrs Careen Norval	27,000	0.008%	28.50p
20 August 2012	Boz Trust	150,000	0.043%	23.90p
1 May 2013	PDI Investment Holdings Limited	82,505,610	23.59%	33.0p

Following a reorganisation completed on 1 May 2013, Parkdev International Asset Managers (Pty) Limited transferred its shareholding of 73,064,197 ordinary shares (representing 20.89% of the issued share capital of the Company) to PDI and Parkdev Investments (Pty) Limited transferred its shareholding of 9,441,413 ordinary shares (representing 2.70% of the issued share capital of the Company) to PDI. The reorganisation did not affect the total shareholdings of the Concert Party.

The Concert Party's intentions

The Directors and the Concert Party have confirmed to the Company that their intentions regarding the continuance of the Company's business, the strategic plans of the Company, the deployment of the fixed assets of the Company, the maintenance of any existing trading facilities for the relevant securities, and the continued employment of its employees and those of the Company's subsidiaries will not be altered as a result of any increase in their percentage shareholdings or voting rights as a result of a repurchase of Ordinary Shares by the Company.

Resolution 18 (special resolution)

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.

Directors' Recommendations

Resolutions 1 to 16 and 18

The Directors unanimously recommend that you vote in favour of resolutions 1 to 16 and 18 at the AGM, as they intend to do in respect of their own beneficial holdings of 108,166,725 Ordinary Shares in aggregate, representing approximately 30.9323 % of the Ordinary Shares currently in issue.

Independent Directors' Recommendations

Resolution 17

Louis Norval and Neno Haasbroek have not taken part in any decision of the Board relating to any proposal to seek a waiver of Rule 9 as their shareholdings in the Company are the subject of such resolution. No members of the Concert Party are able to vote on the Waiver Resolution.

In addition, the Independent Directors, who have been so advised by Numis Securities, consider the approval of the waiver by the Panel of any requirement for the Concert Party to make a general offer to shareholders under Rule 9 of the City Code, where such obligation would otherwise arise as a result of exercise by the Board of the Proposed Buy Back Authority being sought, are fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In providing advice to the Independent Directors, Numis Securities has taken account of the Independent Directors' commercial assessment. Accordingly, the Independent Directors unanimously recommend that you vote in favour of resolution 17 at the AGM as they intend to do in respect of their own beneficial holdings of 5,739,562 Ordinary Shares in aggregate, representing approximately 1.6413% of the Ordinary Shares currently in issue.

Yours faithfully

John Clare
Chairman

PART II

ADDITIONAL INFORMATION

1. Principal Activities of the Group

The principal activity of the Group is that of a specialist property company focusing on retail investments in the UK and Germany. The Group uses in-house asset and property management teams to maximise the value from the properties for investors and tenants. The Group has an investment in a well established UK retail fund; a joint venture with a German retail property portfolio; joint ventures in two UK retail properties and interests in wholly owned leisure properties.

2. Directors

The names and principal functions of the Directors of the Company are as follows:

<i>Directors</i>	<i>Position</i>
John Clare	<i>Chairman</i>
Hugh Scott-Barrett	<i>Chief Executive</i>
Xavier Pullen	<i>Executive Director</i>
Charles Staveley	<i>Group Finance Director</i>
Kenneth Ford	<i>Executive Director</i>
Philip Newton	<i>Non-Executive Director</i>
Louis Norval	<i>Non-Executive Director</i>
Neno Haasbroek	<i>Non-Executive Director</i>
Tony Hales	<i>Non-Executive Director</i>

3. Directors' service agreements and letters of appointment

Executive Directors: service agreements

Each of the Executive Directors has a rolling service agreement that may be terminated on one year's notice by either party. In the event of early termination of an Executive Director's agreement, the Remuneration Committee will determine the amount of compensation (if any) to be paid by reference to the circumstances of the case at the time. It is the Remuneration Committee's policy not to reward poor performance and to take account of the executive Director's duty to mitigate loss.

The key provisions of the Executive Directors' service agreements are set out below:

<i>Name</i>	<i>Current Annual salary</i>	<i>Maximum Bonus as percentage of salary</i>	<i>Benefits</i>	<i>Notice Period</i>	<i>Date of Contract</i>
Hugh Scott-Barrett	£400,000	100	Pension contribution, Private medical, permanent health and critical illness insurance Life cover	1 year	9 March 2008
Xavier Pullen	£295,000	100	Cash in lieu of pension contribution. Private medical permanent health and critical illness insurance Life cover	1 year	28 October 1993

<i>Name</i>	<i>Current Annual salary</i>	<i>Maximum Bonus as percentage of salary</i>	<i>Benefits</i>	<i>Notice Period</i>	<i>Date of Contract</i>
Charles Staveley	£280,000	100	Pension contribution, Private medical, permanent health and critical illness insurance Life cover	1 year	1 October 2008
Kenneth Ford	£295,000	100	Pension contribution, Private medical, permanent health and critical illness insurance Life cover	1 year	17 May 1996

Non Executive Directors: Letters of appointment

Non-Executive Directors, including the Chairman, do not hold service contracts and each of the Non-Executive Directors has been appointed pursuant to letters of appointment. The appointments under these letters continue for a fixed-term of three years, subject to the terms of the Company's Articles of Association, the Companies Act and Shareholder approval.

The Non-Executive Directors are not entitled to bonuses, benefits, pensions contributions or to participate in any incentive schemes. The fees payable to the Non-Executive Directors comprise a standard director's fee and a fee, where relevant, for additional responsibilities. Philip Newton receives an additional fee of £5,000 in respect of his position as Senior Independent Director. Tony Hales receives an additional fee of £5,000 in respect of his position as chairman of the Audit Committee.

In respect of the termination of their appointments, there are no notice obligations and they are not entitled to any payments.

The key provisions of the Non-Executive Directors' letters of appointment are set out below:

<i>Name</i>	<i>Basic Fee (£)</i>	<i>Chair Fee (£)</i>	<i>Additional Fee (£)</i>	<i>Total (£)</i>	<i>Appointment</i>
John Clare	40,000	85,000		125,000	29 June 2010
Philip Newton	40,000		5,000	45,000	28 July 2006
Louis Norval	40,000			40,000	15 September 2009
Neno Haasbroek	40,000			40,000	15 September 2009
Tony Hales	40,000		5,000	45,000	1 August 2011

Save as set out above, none of the service agreements of members of the administrative, management or supervisory bodies with the Company or any of its subsidiaries provide for benefits upon termination of employment.

There have been no amendments to the service agreements or letters of appointment of any of the Directors within the period of six months preceding the date of this Notice.

4. Directors' Interests

Directors' Interests in Ordinary Shares

As at the close of business on the Latest Practicable Date, the beneficial interests of the Directors of Capital & Regional and their connected persons (as defined in sections 252 to 255 of the Companies Act) in the issued share capital of the Company which (i) have been notified by each Director or connected person to the Company or (ii) are holdings of a connected person which would, if the connected person were a Director be required to be disclosed under (i) above and the existence of which is known to the Director or could with reasonable diligence be ascertained are as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares</i>
John Clare	269,300	0.0847%
Hugh Scott-Barrett	1,352,055	0.3866%
Xavier Pullen	1,914,854	0.5476%
Charles Staveley	283,121	0.0810%
Kenneth Ford	1,679,432	0.4803%
Philip Newton	163,800	0.0468%
Louis Norval	102,427,163	29.2909%
Neno Haasbroek	102,042,913	29.1811%
Tony Hales	50,000	0.0143%

Directors' Interests under the Long Term Incentive Plan 2008

As at the Latest Practicable Date, the Ordinary Shares set out below had been conditionally awarded to the Directors on 14 June 2010 under the Long Term Incentive Plan 2008:

<i>Name</i>	<i>Shares Awarded</i>
Hugh Scott-Barrett	3,000,000
Kenneth Ford	2,000,000
Charles Staveley	2,000,000
Xavier Pullen	2,000,000

Save as disclosed in this paragraph 4 and Part I (Letter from the Chairman), as at the close of business on the Latest Practicable Date, none of the Directors, their immediate families, persons connected with them or any person acting in concert with them had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of any Ordinary Shares.

Save as disclosed in this paragraph 4, none of the Directors has any interest, beneficial or non-beneficial in the share capital of the Company or any of its subsidiaries.

Save as set out in Part 1 (Letter from the Chairman), none of the Directors, their immediate families, persons connected with them or any person acting in concert with them had any dealings (including borrowing or lending) in Ordinary Shares which took place in the period beginning 12 months preceding the date of this document and ending on 2 May 2013.

Save as disclosed in Part 1 (Letter from the Chairman), as at the Latest Practicable Date, none of the Company and the Directors, their immediate families, persons connected with them or any person acting in concert with them had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of any interest in any Concert Party entity.

5. Substantial shareholdings

As at the Latest Practicable Date, save as disclosed in Paragraph 4 of this Part II (Additional Information) in respect of Directors' interests, the Company had been notified of, or was otherwise aware of, the following persons who were directly or indirectly interested in 3% or more of the existing issue share capital of the Company:

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Issued Share Ordinary Shares</i>
PDI Investment Holdings Limited	82,505,610	23.59%
Henderson Global Investors	47,519,383	13.59%
Standard Life Investments	34,843,641	9.96%
Morgan Stanley Investment Management	31,367,486	8.97%
Pinelake International	18,924,243	5.41%
APG Asset Management	15,820,147	4.52%

6. Material Contracts

The following contracts have been entered into (other than contracts entered into in the ordinary course of business) by any member of the Group, either: (a) within the two years immediately preceding the date of this document which are or may be material; or (b) which contain any provision under which any member of the Company has any obligations or entitlements which are or may be material as at the date of this document.

The Amended RCF

On 31 August 2012 Capital & Regional Holdings Limited (“**CRH**”) entered into a new revolving credit facility agreement (the “**Amended RCF**”) with Bank of Scotland (“**BoS**”) which provides for an extension of the revolving credit facility entered into in August 2009.

The Amended RCF provides:

- (i) a reduction in the Facility to £25 million from £58 million;
- (ii) an extension of the maturity of the facility to July 2016 from its previous maturity in September 2013;
- (iii) a margin of 320 basis points and a non-utilisation fee of 45% of the margin;
- (iv) the principal financial covenants are:
 - (A) the gearing ratio shall not at any time be more than 1:1 (as tested on each 30 June and 31 December);
 - (B) the net asset cover ratio shall not at any time be less than 2:1 (as tested quarterly); and
 - (C) the interest cover ratio shall not be less than 1.5:1 (as tested on each 30 June and 31 December);
 - (D) the ratio of consolidated net worth to the facility limit shall not at any time be less than 4:1. The consolidated net worth of the Parent Guarantor shall not at any time be less than £25 million.

The Amended RCF contains various representations, warranties and covenants and is guaranteed by the Company.

The Amended Great Northern Warehouse (GNW) Facility Agreement

On 31 August 2012 Morrison Merlin Limited (“**MM**”) and BoS entered into an amendment and restatement agreement (the “**Amended GNW Facility Agreement**”) which provides for the amendment and restatement of the terms of the 2005 GNW Facility Agreement. The Amended GNW Facility Agreement includes the following main terms:

- (i) a reduction in the GNW Facility to £57.6 million;
- (ii) the extension of the term of the GNW Facility to October 2014;
- (iii) an increase of the margin to 3% per annum up to and including the first anniversary of the amendment date and 3.20% per annum thereafter;

- (iv) the loan to value shall not at any time exceed 0.8:1;
- (v) the interest cover shall not at any time be less than 1.45:1;
- (vi) an exit fee of 200 basis points on a repayment in the first 18 months and 300 basis points thereafter;
- (vii) a guarantee of the principal and interest from Capital & Regional Plc until the loan to value of the loan falls below 50%.

The Amended GNW Facility Agreement contains various representations, warranties and covenants and is guaranteed by the Company.

The German Joint Venture

(a) *The German SPA*

On 19 August 2008, the Company and Capital & Regional (Europe Holding 5) Limited entered into a sale and purchase agreement with Apollo Euro B.V. ("**Apollo**") pursuant to which the Company agreed to sell 50% of its German Business to Apollo for circa. €65.6 million (the "**German SPA**").

Under the German SPA, the Company gave to Apollo certain warranties and indemnities that are customary for a transaction of this nature including an indemnity in respect of certain taxation liabilities of the German Business. The Company's liability for claims other than claims relating to tax expired on 6 April 2010.

(b) *The German SHAs*

On 19 August 2008 and 3 October 2008 respectively the Company entered into two shareholders' agreements with Apollo establishing a joint venture in relation to the German Business (the "**German SHAs**"). The joint venture with Apollo was established to acquire, own, operate, manage, develop, lease and sell the German Properties (as defined in the SHAs) in accordance with an agreed business plan.

Apollo and the Company each own 50% of the issued share capital (and shareholder loans) of each of the Joint Venture companies except for one portfolio entity in which Apollo owns 49.9% and the Company owns 50.1% of the issued share capital. However the parties have equal shareholder voting rights in respect of this entity. In general the German SHAs provide equal governance rights for the Company and Apollo and provide that each of the Company and Apollo are entitled to nominate two (out of a total of four) directors to the boards for each joint venture company, each of whom have a vote.

In the event of an uncured material breach or insolvency of a shareholder, the non-defaulting shareholder has the right to call for the defaulting shareholder's shares and shareholder loans at 90% of market value.

Transfers of (or other dealings with) shares (other than transfers to affiliates) require the consent of the other shareholder. However, at any time after 6 October 2011, either the Company or Apollo may request that the assets owned by the German Business be sold. On receipt of such notice, the other party shall be entitled to offer to purchase (or procure a purchaser for) all of the shares and shareholder loans of the party who made the sale request. If either party does not wish to proceed with such sale, both parties will appoint a third party real estate advisory firm to advise upon and implement the best way to market and dispose of the properties of the German Business.

The Mall Fund Property Asset Management Agreement

Pursuant to the terms of a property and asset management agreement (the "**PMA**") originally dated 28 February 2002 and a number of Deeds of Variation up to and including 4 April 2013, Capital & Regional Management Limited (the Property Manager) receives management and other fees in relation to the Mall Limited Partnership (MLP). The appointment continues for so long as the MLP continues (including any extensions) and terminates on the later of the termination of the partnership and the sale of all the properties. The MLP has the right to terminate this agreement in certain circumstances including:

- illegal, fraudulent or dishonest acts or material defaults by the Property Manager;
- the Property Manager ceasing to be part of the Group;
- if the property IRR in the period from (i) 30 June 2010 and (ii) ending on 31 December 2014, 31 December 2015 or if the Partnership is extended 31 December 2018 respectively, is less than the Benchmark minus 100 basis point, or
- a change of control of the Company (defined to be either 50% of its issued share capital being held by or on behalf of a single entity or group or 30% or more of its issued share capital being held by or on behalf of a single entity or group if, in addition, one half or more of its executive directors over the previous 12 months cease to be executive directors). The GP Board has indicated that it would exercise its discretion against enforcing a termination where there has been such a change of control;
- any bank or financial institution or other arms-length lender which has taken security over any of the Units held by a Group Company enforces that security, by sale or otherwise, so that, following such enforcement, the aggregate percentage of Units beneficially owned by the Company and any of its Associates is less than 94,214,925 units; or
- on three months' notice to be served at any time after the passing of the special resolution where an offer is made to all unit holders for the sale of their units (as defined in the Trust Instrument) has been passed where the Company voted in favour of the sale.

The Junction SPA

By sale and purchase agreements dated 19 October 2012 between the Junction investors including Capital & Regional Units LLP ("**Capital & Regional Junction**") (the "**Junction SPA**"), Capital & Regional (Junction GP) Limited ("**Capital & Regional Junction GP**") and various subsidiaries of Hammerson Plc ("**Hammerson**"), Capital & Regional Junction and Capital & Regional Junction GP sold its holding in The Junction Fund and the General Partner of the Fund to Hammerson.

The consideration received for the shares in Junction GP was £5,128.12. The consideration received for the units in the Junction Fund was calculated on the basis of the consolidated net asset value of the Junction Fund less certain deductions. On this basis Capital & Regional Junction's share of the estimated unit consideration at completion was £10,639,893.55.

An amount (Capital & Regional Junction's share being £619,555.16) was retained from the aggregate consideration in relation to capital expenditure and various other costs.

The estimated payment is subject to an adjustment based upon a completion accounts process which will determine the actual net asset value of the Junction Fund at the completion date which will increase or decrease the consideration payable.

On completion of the sale, Capital & Regional Property Management Limited entered into a deed of termination in respect of its asset management agreement with the Junction Fund.

Under the agreement, Capital & Regional Junction and Capital & Regional Junction GP gave certain customary warranties as to their title to the relevant units and shares and certain warranties in relation to the Junction Fund generally and the GP sellers gave warranties in relation to the Junction GP. The relevant warranties were given on a several basis and the maximum liability of Capital & Regional Junction in respect the title and capacity warranties is £34,843,065 and the maximum liability of Capital & Regional Junction GP in respect of the title and capacity warranties is £35,356,875. The maximum liability of Capital & Regional Junction in respect of the other warranties is £3,484,306.50 and the maximum liability of Capital & Regional Junction GP in respect of the other warranties is £3,535,688. Any claims in respect of the warranties must be bought within 12 months of the date of the agreement other than in respect of certain claims relating to taxation, where the claims must be bought within either 24 months or six years from the date of agreement.

The obligations of Capital & Regional Junction under the agreement were guaranteed by Capital & Regional Holdings Limited.

Parkdev Relationship Agreement

The Company and the Parkdev Parties (as defined in the Relationship Agreement) entered into a relationship agreement on 20 August 2009, which became effective upon the Parkdev Parties acquiring shares in the Company (the “**Relationship Agreement**”).

Under the Relationship Agreement, Parkdev International Asset Managers (Pty) Limited (“Parkdev”) is entitled to nominate one non-executive director to the Board where Parkdev holds 15% or more of the issued Ordinary Shares, and two non-executive directors to the Board where Parkdev holds 20% or more of the issued ordinary share capital of the Company. Pursuant to the Relationship Agreement, on 15 September 2009, Louis Norval and Neno Haasbroek were appointed to the Board of the Company.

The Company has agreed to use reasonable endeavours to procure that, in the event of any future issues of equity securities or other offer to, or other corporate action affecting shareholders generally (whether by way of rights issue, open offer, buyback, tender offer, takeover offer or otherwise), the arrangements for distribution or acquisition of such securities, or for participation in such corporate action, would be such as to enable each of the Parkdev Investors to participate pro rata to its shareholding in the Company at the relevant time.

The Company has also undertaken that it would not solicit or recommend any partial tender offer, or undertake any buyback of equity securities without the consent of the Parkdev Parties where as a consequence of that transaction the Parkdev Parties together with any concert parties would be forced to make a general offer for the shares of the Company as a result of the Takeover Code.

In addition, the Relationship Agreement also contains customary provisions regarding the making of announcements without written approval of the other party, the supply of information and confidentiality obligations. The Relationship Agreement will terminate if the Parkdev Parties (including their respective holding companies and subsidiary undertakings) cease to own or control at least 15% of the share capital of the Company.

The X-Leisure SPA

By the disposal agreement dated 4 December 2012 between AREA (X-L) Limited (“**AREA**”) and Capital & Regional Units LLP (together with AREA (X-L) Limited, the “**Sellers**”); LS Mirage Limited (the “**Buyer**”), BNP Paribas Jersey Trust Corporation Limited (the “**Trustee**”), AREA (X-L Jersey) Limited (the “**Manager**”) and Capital & Regional Holdings Limited (“**Capital & Regional Holdings**”), the Company sold its entire 11 per cent. interest in the issued units of the X Leisure Fund and its 50 per cent. interests in The X-Leisure General Partner Limited and X-Leisure Limited (the “**X Leisure SPA**”).

The consideration received for the Units was £31.7 million subject to certain adjustments based on the completion balance sheet.

The X-Leisure SPA contains customary warranties given by each party as to capacity, title to the disposed assets, solvency, accounting and financial matters, litigation, compliance with laws and regulatory consents and taxation.

The aggregate liability of the Sellers in respect of breaches of certain warranties including those relating to title and capacity and authority shall not exceed an amount equal to the consideration received by that Seller. Other than in the case of fraud, the aggregate liability of the Sellers and the Manager in respect of claims under the X-Leisure SPA shall not exceed £25 million and in any event the liability of the Company shall not exceed the amount of consideration received by it pursuant to the terms of the X-Leisure SPA.

The GP SPA

In connection with the X-Leisure SPA, Capital & Regional (Leisure GP) Limited (“**Capital & Regional GP**”) entered into a sale and purchase agreement dated 4 December 2012 with, amongst others, Land Securities Partnerships Limited (“**LS**”) relating to the acquisition by LS of The X-Leisure (General Partner) Limited on 4 December 2012 (the “**GP SPA**”) for a total aggregate consideration of £1.00 with £0.50 due in respect of the

shares held by Capital & Regional GP and £0.50 due in respect of the shares held by AREA (X-L General Partner) Limited.

The GP SPA contains customary warranties given by each party including warranties as to solvency, accounting and financial matters, litigation, compliance with laws and regulatory consents and taxation.

Pursuant to the terms of the GP SPA the Company has no liability for breach of any warranty unless (i) an individual claim (or a series of claims arising from substantially identical facts or circumstances) exceeds £10,000 (a Relevant Claim) and (ii) the total of all Relevant Claims exceeds £50,000. The aggregate liability of the Sellers in respect of all warranty claims shall not exceed £1,000,000.

The Fund Manager SPA

In connection with the X-Leisure SPA, Capital & Regional Property Management Limited entered into a sale and purchased agreement dated 4 December 2012 with, amongst others, AREA (X-L Management) Limited relating to the sale of the entire issued share capital of X-Leisure Limited (the "Fund Manager SPA"). The consideration for the sale of the entire issued share capital is £500,000 for the Capital & Regional Management Shares, £500,000 for the AREA XXL Shares and an amount equal to the Distribution Substitute which shall be allocated on the basis of the number of shares being sold such that Capital & Regional Property Management shall receive 50% and AREA XLL shall receive 50%.

The Fund Manager SPA contains customary warranties given by each party including warranties as to solvency, accounting and financial matters, litigation, compliance with laws and regulatory consents and taxation.

Pursuant to the terms of the Fund Manager SPA the Company has no liability for breach of any warranty unless (i) an individual claim (or a series of claims arising from substantially identical facts or circumstances) exceeds £50,000 (a Relevant Claim) and (ii) the total of all Relevant Claims exceeds £100,000. The aggregate liability of the Sellers under the GP SPA in respect of all warranty claims shall not exceed £4,000,000.

7. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) nor have there been any such proceedings during the 12 months preceding the date of this document, which may have or have had a significant effect on the financial position or profitability of the Continuing Group.

8. Significant change

There has been no significant change in the financial or trading position of the Company from 30 December 2012, the date to which the last audited consolidated financial information of the Company was prepared, up until the date of this document save for the completion of the Company's disposal of The X-Leisure Fund, details of which are set out in section 6.

9. Middle Market Quotations

The following table sets out the middle market quotations for an Ordinary Share, as derived from the Daily Official List of the London Stock Exchange plc for the first business date of each of the six months immediately preceding the date of this document and for the latest practicable date:

<i>Date</i>	<i>Price per Ordinary Share</i>
3 December 2012	29.00p
1 January 2013	28.75p
1 February 2013	28.50p
1 March 2013	30.00p
1 April 2013	33.00p
1 May 2013	34.50p
2 May 2013	35.00p

10. General

Numis Securities Limited has given, and not withdrawn, its written consent to the issue of this document with the inclusion herein of references to its name and the form and its advice to the Independent Directors in the form and context in which they are included.

No agreement, arrangement or understanding (including any compensation arrangement) exists between the Concert Party, the Directors, recent directors, shareholders or recent shareholders in the Company having any connection with the dependence upon the proposals set out in this document.

No agreement, arrangement or understanding existing whereby the Ordinary Shares held by the Concert Party will be transferred to any other party. All Ordinary Shares acquired by the Company will, in accordance with the Act, be cancelled and the issued share capital of the Company will be reduced by the nominal amount of the Ordinary Shares so purchased.

The Directors' intentions regarding the continuance of the Company's business and its intentions regarding the continued employment of its employees and those of its subsidiaries will not be altered on completion of any proposed purchase by the Company of its Ordinary Shares.

The Concert Party has not entered into or reached an advanced stage of discussions or proposals to enter into any form of incentivisation arrangements with members of the Company's management who are interested in Ordinary Shares in connection with the matters contemplated by this document.

This document is being made available to all shareholders on the register of members of the Company at close of business on the Latest Practicable Date.

11. Sources of information

In accordance with Rule 24.3(a) of the City Code, the financial information contained in the annual reports and accounts set out below are incorporated by reference into this document.

- (i) the annual report and accounts of the Company for the financial year ended 30 December 2010;
- (ii) the annual report and accounts of the Company for the financial year ended 30 December 2011;
- (iii) the annual report and accounts of the Company for the financial year ended 30 December 2012;

This document and documents (i) to (iii) (inclusive) are available on the Company's website at <http://www.capreg.com/investor-relations/reports-webcasts-and-presentations/default.html>

Copies of any of the documents set out at (i) to (iii) (inclusive) above and this document will only be provided in hard-copy on request. Such requests should be made either in writing to the Company Secretary at 52 Grosvenor Gardens, London SW1W 0AU or by contacting the Company Secretary by telephone on +44 (0) 20 7932 8000.

12. Documents for Inspection

Copies of the following documents will be made available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of posting of this document up to the date of the Annual General Meeting and at the place of meeting for 15 minutes prior to the AGM and during the AGM:

- (a) the memorandum and articles of association of the Company;
- (b) the consent letter from Numis Securities referred to in paragraph 10 above;
- (c) material contracts entered into by the Company and/or its subsidiaries, other than in the ordinary course of business, during the period of two years preceding the date of this document; and
- (d) the Notice and this document.

Copies of the documents (a), (b) and (d) set out above will also be available at the Company's website at www.capreg.com/investor-relations/reports-webcastsandpresentations/default.html

CAPITAL & REGIONAL PLC

(Company Number: 1399411)

Notice of Annual General Meeting

Notice is hereby given that the 34th Annual General Meeting (“**AGM**”) of Capital & Regional plc (the “**Company**”) will be held at The Rubens Hotel, Rembrandt Suite, 39 Buckingham Palace Road, London SW1W 0PS on 5 June 2013 at 10.30 a.m. for the following purposes.

Ordinary business

To consider and, if thought fit, pass resolutions 1 to 13 as ordinary resolutions:

1. To receive and adopt the Company’s annual accounts for the financial year ended 30 December 2012, and the directors’ report and the auditors’ report on those accounts.
2. To approve the directors’ remuneration report for the financial year ended 30 December 2012 together with the auditors’ report on it as set out in the annual report and accounts for the financial year ended 30 December 2012.
3. 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.
4. To authorise the directors to fix the remuneration of the auditors.
5. To re-elect John Clare as a director.
6. To re-elect Hugh Scott-Barrett as a director.
7. To re-elect Kenneth Ford as a director.
8. To re-elect Xavier Pullen as a director.
9. To re-elect Charles Staveley as a director.
10. To re-elect Philip Newton as a director.
11. To re-elect Louis Norval as a director.
12. To re-elect Neno Haasbroek as a director.
13. To re-elect Tony Hales as a director.

Special business

To consider and, if thought fit, pass resolution 14 as an ordinary resolution and resolutions 15, 16, 17 and 18 as special resolutions.

14. 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 to subscribe for, or to convert any security into, shares in the Company (“**Rights**”) up to an aggregate nominal amount of £1,165,629 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 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.

15. THAT:

- (a) subject to the passing of resolution 14 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 14 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 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 14 were omitted from the introductory wording to this resolution 15.

16. 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 34,968,879;
 - (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 held in 2014 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.
17. THAT the waiver by the Panel on Takeovers and Mergers (the “**Panel**”) of any requirement under Rule 9 of the City Code on Takeovers and Mergers (the “**Code**”) for PDI Investment Holdings Limited, Pinelake International Limited, Clearance Capital (Cayman) Limited, Exdiem Trust, Robs Trust, Boz Trust together with Louis Norval, Neno Haasbroek, Susjan Wentzel and Careen Norval (the “**Concert Party**”) to make a general offer to Shareholders as a result of market purchases by the Company of up to 10% of the ordinary shares of 1 pence each in issue in the capital of the Company (“**Ordinary Shares**”) pursuant to the authority to make market purchases of Ordinary Shares conferred on the Company by resolution 16 be and is hereby approved such that if the authority were exercised in full, no disposals of Ordinary Shares by any member of the Concert Party took place and no options or right to acquire Ordinary Shares were exercised or taken up and no issues of Ordinary Shares made, the aggregate holding of that Concert Party would represent 32.5455% of the issued Ordinary Shares.
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 2013

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 10.30 a.m. on 3 June 2013.
- 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 6.00 p.m. on 3 June 2013 (or, in the event of any adjournment, you must be entered on the register at 6.00 p.m. 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 2 May 2013 (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 2 May 2013 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). 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 3 June 2013. 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.
- 16 Under section 338 and section 338A of the Companies Act 2006, shareholders meeting the threshold requirements in those sections have the right to require the Company (i) to give, to shareholders of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included

in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 6 weeks before the meeting or the date on which notice of the meeting is given, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

- 17 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."
- 18 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 14 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 15 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 2012.

Resolution 2 (remuneration report)

The Company's shareholders will be asked to approve the remuneration report set out on pages 34 to 39 of the annual report and accounts at the Annual General Meeting.

Resolutions 3 and 4 (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 3 seeks shareholder approval to re-appoint Deloitte LLP as the Company's auditors. In accordance with normal practice, Resolution 4 seeks authority for the Company's directors to fix their remuneration.

Resolutions 5 to 13 (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 28 to 29 of the annual report.

Resolution 14 (authority to allot)

Resolution 14 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 value of £1,165,629. This represents approximately 33.33% of the Ordinary Shares in issue at 2 May 2013 (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. The directors have no present intention to make use of the authority sought under this resolution. As at the date of this report the Company does not hold any Ordinary Shares in treasury.

Resolution 15 (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 2 May 2013 (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 16 (authority for market purchases of own shares)

Resolution 16 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 34,968,879 Ordinary Shares (representing 10% of the issued Ordinary Shares as at 2 May 2013 (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 17 (approval of Rule 9 waiver)

Resolution 17 is proposed to approve the waiver by the Panel of any requirement under Rule 9 of the Code for the Concert Party to make a general offer to Shareholders as a result of market purchases by the Company of up to 10% of the Ordinary Shares pursuant to the authority conferred on the Company by resolution 16, such that if the authority were exercised in full, no disposals of Ordinary Shares by any member of the Concert Party took place and no options or right to acquire Ordinary Shares were exercised or taken up and no issues of Ordinary Shares made, the aggregate holding of that Concert Party would represent 32.5455% of the issued Ordinary Shares.

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.

