

CAPITAL & REGIONAL PLC
(Incorporated in the United Kingdom)
(UK Company Number: 1399411)
LSE share code: CAL JSE share code: CRP
ISIN: GB0001741544

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

Notice of Annual General Meeting

Notice is hereby given that the 39th Annual General Meeting (“**AGM**”) of Capital & Regional plc (the “**Company**”) will be held at the Dawson Room at 110 Rochester Row, London, SW1W 1JP on 9 May 2018 at 10.00 am (British Summer Time) to consider and, if thought fit, pass the following resolutions:

Ordinary Resolutions

Resolutions 1 to 17 will be proposed as ordinary resolutions at the AGM. This means that for each of those resolutions to be passed, more than 50% of the votes cast must be in favour of that resolution.

Report and Accounts

1. To receive and adopt the Company’s annual accounts for the financial year ended 30 December 2017, and the directors’ reports and the auditor’s report on those accounts.

Dividend

2. To declare and approve the final dividend proposed by the Board of Directors for the year ended 30 December 2017 of 1.91 pence per ordinary share which will be paid to the holders of ordinary shares on the register of members of the Company at the close of business on 20 April 2018.

Remuneration Report

3. To approve the Directors’ 2017 Remuneration Report (excluding the Directors’ Remuneration Policy), as detailed on pages 54 to 60 of the Annual Report for the year ended 30 December 2017.

Auditors

4. To re-appoint Deloitte LLP as auditors from the conclusion of the AGM 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 Hugh Scott-Barrett as a director of the Company.
7. To re-elect Lawrence Hutchings as a director of the Company.
8. To re-elect Charles Staveley as a director of the Company.
9. To re-elect Tony Hales as a director of the Company.
10. To re-elect Wessel Hamman as a director of the Company.
11. To re-elect Ian Krieger as a director of the Company.
12. To re-elect Louis Norval as a director of the Company.
13. To re-elect Laura Whyte as a director of the Company.
14. To re-elect Guillaume Poitrial as a director of the Company.

Approval of the Long Term Incentive Plan 2018

15. That the Capital & Regional plc 2018 Long Term Incentive Plan (the “**LTIP**”), the main terms of which are summarised in Appendix 1 to this notice and a copy of the rules for which is now produced to the meeting and initialled by the Chairman for the purposes of identification, be hereby approved and the Directors be authorised to:

- i) make such modifications to the draft rules of the LTIP Scheme as they may consider necessary or desirable to take account of the requirements of the UK Listing Authority or any similar body or successor body, the London Stock Exchange plc, HM Revenue & Customs (including to ensure that the schedule to the LTIP is compliant with Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003) and best practice and to adopt the LTIP as so modified and to do all acts and things which they consider necessary or expedient for the purposes of implementing and operating the LTIP; and
- ii) establish such further plans based on the LTIP but modified to take account of local tax, exchange control, securities laws or other laws in overseas territories.

Approval of the SAYE scheme

16. That the Capital & Regional plc 2018 SAYE Scheme (the "SAYE Scheme"), the main terms of which are summarised in Appendix 2 to this notice and a copy of the rules for which is now produced to the meeting and initialled by the Chairman for the purposes of identification, be hereby approved and the Directors be authorised to:
- i) make such modifications to the draft rules of the SAYE Scheme as they may consider necessary or desirable to take account of the requirements of the UK Listing Authority or any similar body or successor body, the London Stock Exchange plc, HM Revenue & Customs (including to ensure that the SAYE Scheme is compliant with Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003) and best practice and to adopt the SAYE Scheme as so modified and to do all acts and things which they consider necessary or expedient for the purposes of implementing and operating the SAYE Scheme; and
 - ii) establish such further plans based on the SAYE Scheme but modified to take account of local tax, exchange control, securities laws or other laws in overseas territories.

Authority to allot shares

17. 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 £2,394,253; and
 - (ii) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a further aggregate nominal amount of £2,394,253 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 AGM of the Company or 15 months from the date of the AGM 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.

Special resolutions

Resolutions 18 to 21 will be proposed as special resolutions at the AGM. This means that for each of those resolutions to be passed, at least 75% of the votes cast must be in favour of that resolution.

Disapplication of statutory pre-emption rights

18. That subject to Resolution 17 being passed, the Directors be and they are hereby authorised pursuant to sections 570 and 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash either pursuant to the authority conferred by Resolution 17 or by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment provided that this power shall be limited to:

- (i) the allotment of equity securities and/or sale of treasury shares in connection with an offer or issue of, or invitation to apply for, equity securities (but in the case of the authority granted under sub-paragraph (ii) of Resolution 17 by way of a rights issue only) in favour of the holders of ordinary shares on the register of shareholders at such record dates as the Directors may determine and other persons entitled to participate therein (if any) where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held or deemed to be held by them on any such record dates, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter; and
- (ii) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to sub-paragraph (i) of this Resolution 18) to any person or persons up to an aggregate nominal amount of £359,138, and shall expire upon the expiry of the general authority conferred by Resolution 17 above, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

19. That, subject to Resolution 17 being passed and in addition to the power conferred by Resolution 18, the Directors be and they are hereby authorised pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash pursuant to the authority conferred by Resolution 17 or by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment provided that this power shall:

- (i) be limited to the allotment of equity securities or sale of treasury shares to any person or persons up to an aggregate nominal amount of £359,138; and
- (ii) only be used for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment, including development and refurbishment expenditure, as contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this Notice,

and shall expire upon the expiry of the general authority conferred by Resolution 17, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Authority for market purchases of own shares

20. 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 71,827,576;
 - (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 AGM of the Company to be held in 2019 or 15 months from the date of the AGM 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.

Notice period for general meetings

21. 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
22 Chapter Street
London SW1P 4NP
13 April 2018

Notes for the AGM

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 +44 (0) 20 7932 8000.
2. To be valid any proxy form or other instrument appointing a proxy must be returned by one of the following methods:
 - in hard copy form by post, by courier or by hand to the appropriate Company registrar; in the case of members on the Company's UK Register, to Equiniti at Aspect House, Spencer Road, Lancing BN99 6DA, United Kingdom and, in the case of members on the Company's South African Register, to Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000 South Africa); or
 - by email for members on the Company's UK Register to proxyvotes@equiniti.com
 - in the case of CREST members, by utilising the procedure set out below under paragraphs 8-11; or
 - in the case of dematerialised shareholders on the Company's South African register holding their shares through a CSDP or broker, by providing their voting instruction to the CSDP or broker (as applicable).

Dematerialised shareholders on the Company's South African register holding their shares through a CSDP or broker must advise their CSDP or broker if they wish to attend the AGM or send a proxy to represent them at the AGM. Their CSDP or broker will issue them with the necessary letter of representation to attend or be represented at the AGM. If they do not wish to attend the AGM, but wish to cast their votes, they should provide their CSDP or broker with their voting instructions. In the absence of such instructions, their CSDP or broker will be obliged to vote in accordance with the instructions contained in the custody agreement mandate between them and their CSDP or broker.

To be valid, proxies must be received no later than 48 hours before the time of the AGM or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting. Where shares are held by a CSDP or broker, voting instructions must be provided in sufficient time to permit the CSDP or broker to advise the registrar no later than 11am South African time on 7 May 2018, or 48 hours before the time of the AGM in the event of an adjournment

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), London Stock Exchange (LSE) shareholders must be registered in the Register of Members of the Company at 6.30pm (British Summer Time) on 7 May 2018 (or, in the event of any adjournment, you must be entered on the register at 6.30pm on the date which is two days before the date of the adjourned meeting). Johannesburg Stock Exchange (JSE) shareholders must be registered on the on the Company's JSE register of members at 7.00pm (SA time) on 7 May 2018 or, if the meeting is adjourned, you must be entered on the register at 7.00pm (SA time) on the date which is two business days prior to the date of any adjourned meeting. Changes to the Register of Members after the relevant deadlines shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. As at 12 April 2018 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 718,275,760 ordinary shares of £0.01 each, carrying one vote each. Therefore, the total voting rights in the Company as at 12 April 2018 are 718,275,760.
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). 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 10.00 am on 7 May 2018. 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 AGM 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. 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 (ii) copies of the letters of appointment of the non-executive directors of the Company.

Explanatory notes to the resolutions

Resolutions 1 to 17 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 18 to 21 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 - Report and accounts

The directors of the Company must present to the meeting the audited annual accounts and the directors' reports and auditors' report for the financial year ended 30 December 2017.

Resolution 2 - Final dividend

This Resolution seeks shareholder approval for the declaration of a final dividend. The directors are recommending a final dividend of 1.91 pence per ordinary share. An interim dividend of 1.73 pence per ordinary share was paid on 26 October 2017, making a total dividend for the year of 3.64 pence per ordinary share. If approved, the final dividend will be paid on 16 May 2018 to those shareholders whose names appeared on the register of members at close of business on 20 April 2018.

Resolution 3 - 2017 remuneration report

The Company's shareholders will be asked to approve the Annual Report on Directors' Remuneration, which is set out on pages 54 to 60 of the Annual Report at the AGM. This vote is advisory in nature and no individual director's remuneration is dependent on it.

In accordance with legislation, the Company offered shareholders at the 2016 AGM a binding vote to approve the Directors' Remuneration Policy which it is required to do at least once every three years (i.e. next scheduled for the 2019 AGM), but on a more frequent basis if changes are proposed. The Policy was approved by shareholders with an 89.51% vote in favour and no changes to it are proposed this year. The Company has applied the Policy during the year under review and will continue to apply it for the coming year (as set out in the Annual Report on Remuneration). The Policy is set out in full on pages 47 to 53 of the 2017 Annual Report.

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 auditor. 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

In accordance with the requirements of the UK Corporate Governance Code, the Directors of the Company will retire and offer themselves for re-election at the forthcoming Meeting.

Directors' biographies can be found on pages 36 to 37 of the Annual Report and on the Company's website capreg.com. Wessel Hamman and Louis Norval are representatives of the Parkdev Group of companies, a significant shareholder of the Company. Guillaume Poitral's appointment is in a personal capacity although he is not considered independent under the terms of the UK Corporate Governance Code due to his role as Chairman of ICAMAP Investments S.à r.l, a major shareholder in the Company. The Board is satisfied that all the Directors of the Company standing for re-election continue to perform effectively and demonstrate commitment to their role. The Board has considered whether each of the Independent Non-Executive Directors is free from any relationship that could materially interfere with the exercise of his or her independent judgement and has determined that each continues to be considered to be independent.

Resolution 15 - Long Term Incentive Plan 2018

The Capital & Regional 2008 Long Term Incentive Plan ("Old LTIP") will expire in November 2018 as it was approved by shareholders in 2008. No more awards may be made under the Old LTIP after 11 November 2018. The Company is, therefore, seeking shareholder approval to establish a new long term incentive plan ("LTIP") (the principal terms of which are summarised in Appendix 1 to this document) to replace the Old LTIP. The rules of the LTIP will have substantially the same terms as the Old LTIP except for certain minor amendments to reflect changes in legislation. The Remuneration Committee considers the approval of the LTIP to be in the best interests of the Company and the shareholders as a whole and unanimously recommends that the shareholders vote in favour of the resolution to adopt the LTIP.

Resolution 16 - Approval of the SAYE Scheme

There have been a number of changes to the legislation governing SAYE schemes since the Capital & Regional plc 2008 SAYE Scheme (the "Old SAYE Scheme") was approved by shareholders in 2008. The Company is, therefore, seeking shareholder approval to establish a new SAYE Scheme ("SAYE Scheme") (the principal terms of which are summarised in Appendix 2 to this document) to replace the Old SAYE Scheme. The rules of the SAYE Scheme will have substantially the same terms as the Old SAYE except for certain minor amendments to reflect changes in legislation. The SAYE Scheme has been designed to be registered with HM Revenue & Customs as a Schedule 3 SAYE Option Scheme. The Board considers the approval of the SAYE Scheme to be in the best interests of the Company and the shareholders as a whole and unanimously recommends that the shareholders vote in favour of the resolution to adopt the SAYE Scheme.

Resolution 17 - Authority to allot

Resolution 17 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 £2,394,253. This represents approximately 33.33% of the ordinary shares in issue at 12 April 2018 (being the latest practicable date prior to the publication of this document). In accordance with institutional investor guidelines, resolution 17 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 £2,394,253, again representing approximately 33.33% of the ordinary shares in issue at 12 April 2018 (being the latest practicable date prior to the publication of this document). The directors' authority will expire on the conclusion of the next AGM.

Resolutions 18 and 19 - Statutory pre-emption rights

Pursuant to the authority granted under Resolution 17, Resolutions 18 and 19 will give the Directors authority to allot shares in the capital of the Company for cash in certain circumstances without complying with the pre-emption rights provisions in the Companies Act 2006.

This disapplication authority is in accordance with institutional shareholder guidance, and in particular with the Pre-emption Group's Statement of Principles (the 'Pre-emption Principles'). The Pre-emption Principles were revised in March 2015 to allow the authority for an issue of shares for cash otherwise than in connection with a pre-emptive offer to include: (i) an authority over 5% of a company's issued

share capital for use on an unrestricted basis; and (ii) an additional authority over a further 5% of a company's issued share capital for use in connection with an acquisition or specified capital investment announced at the same time as the issue, or which has taken place in the six month period preceding the announcement of the issue.

The authority conferred by Resolution 18 will permit the Directors to allot:

- (i) shares up to a nominal amount of £2,394,253 (representing one-third of the Company's issued share capital as at 12 April 2018) in connection with a rights issue or other pre-emptive offer; and
- (ii) shares up to a maximum nominal value of £359,138 representing approximately 5% of the issued ordinary share capital of the Company as at 12 April 2018 otherwise than in connection with a pre-emptive offer to existing shareholders the proceeds of which issuance of equity securities may be used for any purpose the Directors consider is in the best interests of the Company and its shareholders.

The authority conferred by Resolution 19 will permit the Directors to allot additional shares up to a maximum nominal value of £359,138, representing approximately a further 5% of the issued ordinary share capital of the Company as at 12 April 2018, otherwise than in connection with a pre-emptive offer to existing shareholders, the proceeds of which issuance of shares may be used only in connection with an acquisition or specified capital investment, as contemplated by the Pre-emption Principles described above. The Company would also include development or refurbishment expenditure under the definition of specified capital investment. The Directors believe that it is appropriate to seek this additional 5% authority in Resolution 19 to give the Company the flexibility that this resolution affords. The Board confirms that: (i) it intends to use the authority given in Resolution 18 for any purpose that it considers is in the best interests of the Company and shareholders; and (ii) it intends to use the authority given in Resolution 19 only in connection with an acquisition or specified capital investment, including development or refurbishment expenditure and that it will not use such authority without prior consultation with significant shareholders; and (iii) in accordance with the Pre-emption Principles it does not intend to issue shares for cash on a non pre-emptive basis representing more than 7.5% of the Company's issued ordinary share capital in any rolling three-year period to those who are not existing shareholders, save in connection with an acquisition or specified capital investment, including development or refurbishment expenditure, without prior consultation with shareholders, where in each of (ii) or (iii) the acquisition, specified capital investment, development or refurbishment is announced at the same time as the issue, or has taken place in the preceding six-month period and is disclosed in the announcement of the issue. As noted in relation to Resolution 17 above, the Directors have no present intention of exercising this authority other than in relation to the Company's employee share plans. The authority contained in Resolutions 18 and 19 will expire at the same time as the expiry of the authority to allot shares conferred in Resolution 17 (that is at the end of the next Annual General Meeting of the Company or 15 months from the passing of this resolution, whichever is the earlier).

Resolution 20 - Authority for market purchases of own shares

Resolution 20 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 71,827,576 ordinary shares (representing 10% of the issued ordinary shares as at 12 April 2018 (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 AGM 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. The directors will also give careful consideration to gearing levels of the Company and its general financial position.

Resolution 21 - 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 AGM, when it is intended that a similar resolution will be proposed. AGMs will continue to be held on at least 21 clear days' notice.

The Company will give as much notice as practicable when convening a general meeting. The shorter notice period will not be used as a matter of routine for such meetings and will only be used where the Company considers the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole.

DOCUMENTS FOR INSPECTIONS

The following documentation, which is available for inspection during business hours at the registered office of the Company on any weekday (public holidays excluded) from the date of this Notice until the close of the meeting, will also be available for inspection at the place of the Annual General Meeting from 9.30 a.m. on the day of the meeting until the conclusion of the meeting:

- (a) a copy of the new Long Term Incentive Plan rules being proposed under Resolution 15; and
- (b) a copy of the new SAYE Scheme rules being proposed under Resolution 16.

APPENDIX 1

Capital & Regional plc 2018 Long Term Incentive Plan (“LTIP”)

Introduction

The LTIP is a discretionary share plan that will be administered by the Remuneration Committee. The LTIP includes a schedule (the “CSOP Plan”) designed to be registered with HM Revenue & Customs as a Schedule 4 CSOP Scheme (as defined in Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003).

The LTIP allows the award of share options and contingent share awards (together referred to as “awards”). The Remuneration Committee has discretion to set the exercise price of options. It is intended that options granted pursuant to the LTIP will be granted as ‘nil cost’ options. Awards granted under the CSOP Plan will take the form of market value options. The commercial terms of an option granted pursuant to the CSOP Plan will broadly mirror those of an option granted under the main rules of the LTIP. Where the terms differ, the difference is explained below.

Awards may be satisfied from newly issued shares, treasury shares and/or shares purchased in the market. It is intended that the LTIP will be operated in conjunction with the employee benefit trust established by the Company.

Employee Eligibility

All employees (including executive directors) of the Company and its subsidiaries may be granted awards under the LTIP provided that, in the context of the CSOP Plan, they are not prohibited under the legislation governing Schedule 4 CSOP Schemes from being granted an option by virtue of having, or having had, a material interest in the Company. It is intended that awards will be granted to selected executive directors and senior employees of the Group.

Participant Limits

Each individual's participation will be limited so that ordinarily, in any year, the aggregate market value of shares subject to all awards under the LTIP or any other discretionary share plan established by the Company will not exceed 200% of the participant's basic salary from the Group, expressed as an annual rate at the award date. Awards to Executive Directors will be made in line with the approved directors' remuneration policy.

In addition, each individual's participation in the CSOP Plan will be limited so that the aggregate market value of shares subject to all options (calculated at the date of grant of each option) held by that individual and granted under the CSOP Plan or any other Schedule 4 CSOP Scheme operated by the Company or any other associated company will not exceed £30,000 (or such other amount as may be permitted by Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 from time to time).

Shareholder dilution

The LTIP contains limits on the numbers of shares made subject to awards under the LTIP as follows:

On any date, no award may be granted under the LTIP if, following the grant of the award, the aggregate nominal value of ordinary shares issued or issuable pursuant to options or awards granted on that date or during the previous ten years under the LTIP or any other employee share plan (whether or not discretionary) operated by the Company for employees of the Group, would exceed 10% of the share capital of the Company in issue at that date.

In addition, no award may be granted under the LTIP if, following the grant of the award, the aggregate nominal value of ordinary shares issued or issuable pursuant to options or awards granted on that date or during the previous ten years under the LTIP or any other discretionary employee share plan operated by the Company for employees of the Group, would exceed 5% of the share capital of the Company in issue at that date.

Options and awards which have lapsed or been renounced are disregarded for the purposes of these limits. Shares which have been purchased in the market, including any so purchased and held by trustees for the purpose of satisfying awards are disregarded. The reissue of treasury shares will be treated as a new issue of shares if required by institutional shareholder guidelines.

Making of awards

Awards may only normally be made within the period of 42 days beginning on the day on which the LTIP is approved by the Company, or within the period of 42 days beginning on the day following the announcement of the Company's interim or annual results, or, results over any other period, or, otherwise at other times if the Remuneration Committee considers there are exceptional circumstances. It is anticipated that the first annual award under the LTIP will not be made until 2019.

The grant of any Award shall be subject to the provisions contained in the Listing Rules and the rules governing market abuse.

An award will be personal to the participant and not transferable.

No award can be granted more than 10 years after adoption of the LTIP.

Performance Targets

At the time of making an award the Remuneration Committee may set performance targets which must be satisfied before the award can vest. Such targets will normally be measured over a three year period.

After an award has been granted, the Committee may substitute, vary or waive a performance target or other condition if an event happens which causes the Committee to consider it appropriate to do so provided that the Committee considers it reasonable to do so in the circumstances and, in the case of a substitution or variation, the amended targets and conditions constitute a fairer measure of performance and are not materially less difficult to satisfy than the original target or conditions were intended to be when set.

Cessation of employment

An award will generally lapse if a participant ceases to be employed within the Group. If, however, a participant's employment ceases:

- (a) due to death;
- (b) as a result of the company or part of the business by which a participant was employed ceasing to be a member or part of the Group;
- (c) due to injury, ill-health, disability (in each case evidenced to the satisfaction of the Remuneration Committee), redundancy (within the meaning of the Employment Rights Act 1996) or retirement;
- (d) in any other circumstance that the Committee determines that the award should not automatically lapse,

an award held by that participant will not lapse. Instead, the award may be retained and, other than in the case of death and cessation as a result of the transfer of the company or part of the business from the Group (in which case, awards will vest immediately), awards will vest at the end of the usual vesting period. The proportion of the awards which will vest will be determined by the Committee in its absolute discretion taking into account the period of time for which the award has been held by the participant up to the date on which he ceases to be employed and performance against any applicable performance target. Other than in the case of death and cessation as a result of the transfer of the company or part of the business from the Group, performance will be assessed at the time it would have been assessed had the participant not ceased to be employed and shall not be assessed early. An option ordinarily lapses if it has not been exercised within 6 months (or 12 months in the case of death) of the date of cessation of employment as a result of death or a company or business transfer and, in all other circumstances, within 6 months of the date on which it is determined that the option is exercisable.

The Remuneration Committee has the discretion to allow a participant's award to vest if he is transferred to work overseas and as a result would suffer less favourable tax treatment in respect of his award or become subject to a restriction on his ability to hold or deal in the shares acquired or the sale proceeds received.

Takeover events

In the event of a takeover, scheme of arrangement or winding up of the Company, a proportion of the awards will vest immediately. The proportion of the awards which will vest will be determined by the Committee in its absolute discretion taking into account the period of time for which the award has been held by the participant and performance achieved in the period from the date of the award to the date of the relevant corporate event as compared to the applicable performance period.

The Remuneration Committee may, where it considers it likely that a takeover or scheme of arrangement will take place declare that awards will vest during a limited period prior to the relevant event.

Variation of share capital

Upon any variation of the share capital of the Company, whether by way of a capitalisation issue (other than a capitalisation issue in substitution for or as an alternative to a cash dividend), rights issue, sub-division, consolidation, or reduction in the Company's share capital, the number of shares comprised in an award and, in the case of an option, the exercise price, may be adjusted in such manner as the Remuneration Committee determines.

Other award terms

Benefits obtained under the LTIP will not be pensionable.

Dividends

If dividends have been paid in respect of the Company's shares during the vesting period, the Remuneration Committee may at its discretion determine that amounts equivalent to such dividends will be payable to an award holder (in shares or cash) following vesting of an award (other than an option granted under the CSOP Plan) based on the number of shares that vest, subject to the deduction of any applicable income tax and social security contributions.

Amendments

The LTIP may at any time be amended. However the provisions in the LTIP relating to:

- (a) the persons to whom an award may be made;
- (b) the limit on the number of shares that may be made subject to awards;
- (c) the maximum entitlement of individual participants under the 2018 LTIP;
- (d) the basis for determining a participant's entitlement to shares or awards under the LTIP and for the adjustment thereof following any variation Company's share capital;
- (e) amendment of the rules,

may not be altered without prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the LTIP or to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company or a member of the Group). Additionally, no amendment can be made which would adversely affect the rights of existing participants without their consent (as if they were a separate class of shareholder).

Appendix 2

Capital & Regional plc 2018 SAYE Scheme (“SAYE Scheme”)

Introduction

The SAYE Scheme is designed to comply with the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 (“Schedule 3”).

Eligibility

Participation in the SAYE Scheme will be offered to all employees (including full-time executive directors) of the Company and participating subsidiaries who have been employed for a continuous period to be determined by the Board (which cannot be more than five years ending on the date of grant of the relevant option) and whose earnings from employment are general earnings (or would be if there were any) for a tax year in which the employee is ordinarily resident in the United Kingdom. In addition, certain other employees of any member of the Group nominated by the Board may be permitted to participate in the SAYE Scheme.

Shareholder Dilution

The SAYE Scheme contains a limit on the number of new shares to be issued as a result of the exercise of options granted under the SAYE Scheme. This limit applies both to options granted under the SAYE Scheme and options granted/awards made under all other employee share schemes operated by the Group. Awards and options which have lapsed or been renounced are disregarded. Shares which have been purchased in the market for the purpose of satisfying options and awards are disregarded. The reissue of treasury shares will be treated as a new issue of shares if required by institutional and shareholder guidelines. The directors will ensure that appropriate policies regarding the timing and amount of SAYE options granted exist in order to spread the potential issue of new shares over the life of the SAYE Scheme.

On any date, no option may be granted under the SAYE Scheme if, following the grant of that option, the aggregate nominal value of ordinary shares issued or issuable pursuant to options granted on that date or during the previous ten years under the SAYE Scheme or any other share incentive scheme adopted by the Company for employees of the Group would exceed 10% of the share capital of the Company in issue at that date.

In addition, the rules of the SAYE Scheme allow the directors to place a limit on the maximum number or value of shares to be applied for by all employees in one offering.

Issue of Invitations

Invitations to participate in the SAYE Scheme (“Invitations”) may be issued to eligible employees at any time within the period of 42 days beginning on the dealing day following the date on which the SAYE Scheme is adopted by the Company, or within the period of 42 days following the announcement of the Company's interim or final results, or, at other times if the directors consider there are exceptional circumstances. No Invitation may be made more than 10 years after the date on which the SAYE Scheme is adopted.

Each eligible employee who receives an Invitation may apply for an option within such time period as specified in the Invitation (such period not being less than 14 days).

Savings Contract and Grant of Options

An eligible employee who wishes to be granted an option must enter into a savings contract (“Savings contract”) with an approved savings body selected by the Board. Under the Savings Contract, the eligible employee will save a regular sum each month for three or five years of not more than £500 per month (or such greater amount as may from time to time be permitted by Schedule 3). Employees who complete a Savings Contract may be entitled to a bonus from the building society or bank. The bonus is fixed at the inception of the Savings Contract.

In relation to a given round of option awards, the Board may determine whether the savings period will be three or five years or whether each employee will be given a choice.

An option to acquire ordinary shares will be granted to each eligible employee who enters into a Savings Contract. The number of ordinary shares subject to such an option will be that number of ordinary shares which have an aggregate option price not exceeding the projected proceeds of the Savings Contract concerned including the bonus (subject to any scaling back - see below).

No consideration is payable for the grant of an option.

Scaling Back

If there are insufficient ordinary shares available to fully satisfy all applications received for an option from eligible employees (either due to the scheme limit referred to below or such other limit imposed by the Board for the purposes of an option), the Board may scale down the applications by taking one or more prescribed steps approved by HMRC as set out in the rules of the SAYE Scheme to reduce the amount of savings made under each Savings Contract or otherwise reduce the proceeds derived from each Savings Contract so as to ensure that the options are granted over such number of ordinary shares as does not exceed the number of ordinary shares available to satisfy those options.

Exercise Price

The exercise price per Ordinary Share subject to an option will be selected by the Board but will not be less than the greater of 80 per cent. (or such lesser percentage as may from time to time be permitted by Schedule 3) of the market value of an Ordinary Share on the day on which Invitations to apply for options are issued and, in the case of an option to subscribe for ordinary shares, the nominal value of an Ordinary Share.

The exercise price (as well as the number of ordinary shares under option and their nominal value) may be adjusted by the Board in the event of any capitalisation issue or rights issue (other than an issue of ordinary shares pursuant to the exercise of an option given to the shareholders of the Company to receive shares in lieu of a dividend) or any other variation in the share capital of the Company including (without limitation) any consolidation, subdivision or reduction of capital. Any such adjustment will need to be effected so that the total market value of ordinary shares which are subject to options, and the total price payable by each option holder upon exercise, remain substantially the same.

Exercise and Lapse of Options

Options are not transferable and (except in the circumstances described below) an option may normally only be exercised within a period of six months following the maturity of the relevant Savings Contract by a person who remains a Director or employee.

Where an option holder dies before the maturity of his Savings Contract, his personal representatives may exercise his option within a period of 12 months from the date of his death. Where an option holder dies within a period of six months following the expiry of his Savings Contract without having exercised his option, his personal representatives may exercise his option within a period of 12 months from the date of expiry of the Savings Contract.

An option holder may exercise his option within a period of six months of ceasing to be an employee of the Group where the cessation occurs more than three years from the date of grant of the option or as a result of:

- injury, disability, redundancy (within the meaning of the Employment Rights Act 1996) or retirement;
- a relevant transfer (within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006); or
- his employing company being disposed of outside the Group.

Options will lapse upon cessation of employment of the option holder in any other circumstances not referred to above.

An option holder may exercise his option within a limited period following and, in certain limited circumstances prior to, a takeover of the Company, the Court sanctioning a scheme under section 899 of the CA 2006 or a non-UK company reorganisation. An option holder may also exercise his option within a limited period following the passing of a resolution for the voluntary winding up of the Company.

In certain circumstances option holders may release their rights under options in consideration of the grant to them of equivalent rights over shares in an acquiring company which gains control of the Company.

The number of ordinary shares acquired on exercise will in any event be limited by reference to the proceeds accrued under the relevant Savings Contract up to the date of exercise.

Other Option Terms and Issues of ordinary shares

The SAYE Scheme provides the facility for the exercise of options to be satisfied by either the issue of ordinary shares, the transfer of ordinary shares held by trustees of an employee benefit trust established for the purpose of facilitating the holding of ordinary shares by Group employees or by the transfer of ordinary shares held in treasury.

Options are not capable of transfer or assignment.

Until options are exercised, option holders have no voting or other rights in relation to the ordinary shares subject to those options.

Ordinary shares allotted pursuant to the exercise of an option will rank pari passu in all respects with the ordinary shares already in issue but shall not rank for any dividends or other distribution payable by reference to a record date preceding the date of allotment. Ordinary shares transferred on the exercise of an option shall be transferred without the benefit of any rights attaching to the ordinary shares by reference to a record date preceding the date of that exercise. For so long as the Company's ordinary shares are traded on the Official List, the Company will use its reasonable endeavours to procure that the ordinary shares issued following exercise of any options are admitted to trading on the Official List as soon as practicable after allotment.

Benefits obtained under the SAYE Scheme are not pensionable.

Administration and Amendments

The SAYE Scheme is administered by the Board. The Board may amend the provisions of the SAYE Scheme from time to time but may not make any amendment which would cause the SAYE Scheme to cease to satisfy the requirements of Parts 2 to 7 of Schedule 3. Furthermore, the rules of the SAYE Scheme which relate to:

- the persons to whom options may be granted;
- the limits on the number of ordinary shares which may be issued under the SAYE Scheme;
- the maximum entitlement of any option holder;
- the basis for determining an option holder's entitlement to ordinary shares;
- the terms of ordinary shares to be provided under the SAYE Scheme; and
- the basis for determining the adjustment of any option granted under the SAYE Scheme following any increase or variation in the share capital of the Company

cannot be amended to the advantage of any option holder or potential option holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the SAYE Scheme, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any option holder or any Group company.

Overseas Employees

The Board may adopt additional sections to the SAYE Scheme to facilitate the granting of awards to individuals not resident in the UK provided that such supplemental rules will, so far as the Board in its discretion considers reasonably practicable, follow the rules of the SAYE Scheme.