

CAPITAL & REGIONAL PLC  
(Incorporated in the United Kingdom)  
(UK Company number 01399411)  
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.**

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# CAPITAL & REGIONAL PLC

## Notice of Annual General Meeting

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Notice is hereby given that the 40th Annual General Meeting ("**AGM**") of Capital & Regional plc (the "**Company**") will be held at etc.venues Victoria, 1 Drummond Gate, London, SW1V 2QQ on Thursday, 16 May 2019 at 10.00 am (British Summer Time)/ 11.00 am (South African Time) to consider and, if thought fit, pass the following resolutions:

### **Ordinary Resolutions**

Resolutions 1 to 16 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 2018, 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 2018 of 0.60 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 5 April 2019.

### **Remuneration Report**

3. To approve the Directors' Remuneration Policy, as detailed on pages 48 to 54 of the Annual Report for the year ended 30 December 2018.
4. To approve the Directors' 2018 Remuneration Report (excluding the Directors' Remuneration Policy), as detailed on pages 55 to 63 of the Annual Report for the year ended 30 December 2018.

### **Auditors**

5. 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.
6. To authorise the directors to fix the remuneration of the auditors.

### **Directors**

7. To re-elect Hugh Scott-Barrett as a director of the Company.
8. To re-elect Lawrence Hutchings as a director of the Company.
9. To elect Stuart Wetherly as a director of the Company.
10. To re-elect Tony Hales as a director of the Company.
11. To re-elect Wessel Hamman as a director of the Company.
12. To re-elect Ian Krieger as a director of the Company.
13. To re-elect Louis Norval as a director of the Company.
14. To re-elect Laura Whyte as a director of the Company.

### **Approval of the Capital & Regional plc Combined Incentive Plan**

15. That the Capital & Regional plc 2019 Combined Incentive Plan (the "CIP"), the principal 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 CIP 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 and best practice and to adopt the CIP as so modified and to do all acts and things which they consider necessary or expedient for the purposes of implementing and operating the CIP; and
- (ii) establish such further plans based on the CIP but modified to take account of local tax, exchange control, securities laws or other laws in overseas territories, provided that any shares made available under such plans are treated as counting against the limits on individual or overall participation in the CIP.

### **Authority to allot shares**

16. 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 £2,421,297; and
  - (ii) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a further aggregate nominal amount of £2,421,297 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 17 to 20 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**

17. That subject to Resolution 16 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 16 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 16 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 17) to any person or persons up to an aggregate nominal amount of £363,195, and shall expire upon the expiry of the general authority conferred by Resolution 16 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.

18. That, subject to Resolution 16 being passed and in addition to the power conferred by Resolution 17, 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 16 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 £363,195; 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 16, 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**

19. 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 72,638,911;
  - (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 in held in 2020 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**

20. 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

15 April 2019

## 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 and for members on the Company's South African Register to meetfax@linkmarketservices.co.za; or
  - 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 11.00am South African time on 14 May 2019, 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 6.30 pm (British Summer Time) on 14 May 2019 (or, in the event of any adjournment, you must be entered on the register at 6.30 pm 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 7.00 pm (SA time) on 14 May 2019 or, if the meeting is adjourned, you must be entered on the register at 7.00 pm (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 2019 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 726,389,117 ordinary shares of £0.01 each, carrying one vote each. Therefore, the total voting rights in the Company as at 12 April 2019 are 726,389,117.
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](http://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 14 May 2019. 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](http://www.capreg.com)
16. Shareholders may not use any electronic address provided either in this notice of meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
17. The following documents will be available for inspection at the AGM for 15 minutes prior to and during the AGM: (i) copies of the service contracts of the Executive Directors of the Company; and (ii) copies of the letters of appointment of the Non-Executive Directors of the Company.

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

Resolutions 1 to 16 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 17 to 20 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 2018.

#### **Resolution 2 - Final dividend**

This Resolution seeks shareholder approval for the declaration of a final dividend. The Directors are recommending a final dividend of 0.60 pence per ordinary share. An interim dividend of 1.82 pence per ordinary share was paid on 25 October 2018, making a total dividend for the year of 2.42 pence per ordinary share. If approved, the final dividend will be paid on 23 May 2019 to those shareholders whose names appeared on the register of members at close of business on 5 April 2019.

#### **Resolution 3 and 4 - Remuneration policy and 2018 remuneration report**

The Company's shareholders will be asked to approve the Director's Remuneration Policy and Annual Report on Directors' Remuneration, which are set out on pages 48 to 54 and pages 55 to 63 of the Annual Report respectively, at the AGM.

The Company's shareholders will be asked to approve the revised Remuneration Policy, which is set out on pages 48 to 54 of the Annual Report at the AGM. The Remuneration Policy has been revised in the year in response to both previous concerns raised by shareholders and the wish of the Remuneration Committee that the policy complies with best standards of corporate governance and is clearly aligned with our strategy to deliver shareholder value. An extensive consultation with major shareholders has been undertaken as part of this review.

The vote on the Directors' Remuneration Policy will be binding and, if the Policy is approved, will take effect for a period of three years from the end of the 2019 AGM until the 2022 AGM.

The vote on the 2018 Annual Report on Directors' Remuneration is advisory in nature and no individual Director's remuneration is dependent on it.

### **Resolutions 5 and 6 - 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 5 seeks shareholder approval to re-appoint Deloitte LLP as the Company's auditor. In accordance with normal practice, Resolution 6 seeks authority for the Company's Directors to fix their remuneration.

### **Resolutions 7 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](http://capreg.com). Wessel Hamman and Louis Norval are representatives of the Parkdev Group of companies, a significant shareholder of 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 - Combined Incentive Plan 2019**

The Company is seeking shareholder approval to establish a new combined incentive plan ("CIP") (the principal terms of which are summarised in Appendix 1 to this document) to replace the Capital & Regional plc 2018 Long Term Incentive Plan (the "LTIP"), the Company's existing annual bonus arrangements and the Capital & Regional plc Deferred Bonus Share Plan (the "DBSP"). No further bonuses are intended to be granted to Executive Directors under the Company's existing annual bonus arrangements and no awards are intended to be granted to Executive Directors under the LTIP or the DBSP in the future. The Remuneration Committee considers the approval of the CIP 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 CIP.

### **Resolution 16 - Authority to allot**

Resolution 16 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 £2,421,297. This represents approximately 33.33% of the ordinary shares in issue at 12 April 2019 (being the latest practicable date prior to the publication of this document). In accordance with institutional investor guidelines, Resolution 16 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 £2,421,297, again representing approximately 33.33% of the ordinary shares in issue at 12 April 2019 (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 17 and 18 - Statutory pre-emption rights**

Pursuant to the authority granted under Resolution 16, Resolutions 17 and 18 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 17 will permit the Directors to allot:

- (i) shares up to a nominal amount of £2,421,297 (representing one-third of the Company's issued share capital as at 12 April 2019) in connection with a rights issue or other pre-emptive offer; and
- (ii) shares up to a maximum nominal value of £363,195 representing approximately 5% of the issued ordinary share capital of the Company as at 12 April 2019 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 18 will permit the Directors to allot additional shares up to a maximum nominal value of £363,195, representing approximately a further 5% of the issued ordinary share capital of the Company as at 12 April 2019, 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 18 to give the Company the flexibility that this resolution affords. The Board confirms that: (i) it intends to use the authority given in Resolution 17 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 18 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 16 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 17 and 18 will expire at the same time as the expiry

of the authority to allot shares conferred in Resolution 16 (that is at the end of the next AGM of the Company or 15 months from the passing of this resolution, whichever is the earlier).

**Resolution 19 - Authority for market purchases of own shares**

Resolution 19 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 72,638,911 ordinary shares (representing 10% of the issued ordinary shares as at 12 April 2019 (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 20 - 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 AGM from 9.30 am on the day of the meeting until the conclusion of the meeting:

- a) a copy of the new Combined Incentive Plan rules being proposed under Resolution 15.

## **APPENDIX 1**

### **Summary of the principal terms of the Capital & Regional plc Combined Incentive CIP (“CIP”)**

#### **General**

The CIP is a discretionary incentive plan that will be administered by the remuneration committee of the board of directors of the Company (“Committee”).

Bonus Awards granted under the CIP (“Bonus Awards”) will entitle the holder to a cash payment (“Cash Payment”) and a notional right to receive an award to acquire shares in the capital of the Company (“Share Award”).

#### **Eligibility and Individual Limits**

All employees (including executive directors) of the Company and its subsidiaries (“Group”) may be granted Bonus Awards under the CIP.

Each individual's participation will be limited so that, in any one financial year of the Company (“Financial Year”), the amount of all Bonus Awards granted to the individual under the CIP in that Financial Year will not exceed three hundred per cent of the individual's gross annual base salary.

Ordinarily, each individual's entitlement to a Cash Payment under a Bonus Award will be limited to one-third of the amount of the Bonus Award.

Share Awards may only be granted to individuals who have been granted a Bonus Award in respect of the previous financial year and only to the extent to which such Bonus Award vests. For the avoidance of doubt and as further described below, Share Awards may be granted to former employees (and executive directors) of the Group.

#### **Grant of Bonus Awards**

The Committee will have absolute discretion to select the persons to whom Bonus Awards may be granted and, subject to the limit above, in determining the amount of a Bonus Award. The Committee will also have absolute discretion in determining the date on which a Bonus Award is to be granted, provided it falls before the ninth anniversary of the date on which the CIP is approved by the Company in general meeting.

#### **Performance target and vesting of Bonus Awards**

Vesting of Bonus Awards granted under the CIP will be made conditional upon the achievement of a performance target (or targets) set at the time of grant and measured over the Financial Year to which it relates and/or to other conditions as determined by the Committee.

#### **Cessation of employment – Bonus Awards**

If, during a Financial Year to which a Bonus Award relates, an Award holder ceases to be employed by the Group, his Bonus Award will lapse with immediate effect. Where, however, an Award holder's employment ceases:

- a) due to death; or
- b) due to injury, ill-health or disability (in each case evidenced to the satisfaction of the Committee); or
- c) due to redundancy or upon the transfer out of the Group of a company or business by which the Award holder is employed; or
- d) in any other circumstance that the Committee determines (other than dishonesty, fraud, misconduct or any other circumstance that justifies the summary dismissal of the Award holder),

any Bonus Award held by that individual will not lapse and, other than in the case of death, may be retained to the extent that the Committee in its discretion determines taking into account such factors as the Committee in its discretion determines including, but not limited to, the proportion of the Financial Year which had expired on the date of cessation of employment. Such retained Bonus Award will vest on the normal vesting date and in the normal manner subject to the extent to which any performance targets or other conditions applying to the Bonus Award are met unless the Committee in its discretion determines that the circumstances are so exceptional as to justify the Bonus Award being settled, to the extent vested, in full by the payment of a Cash Payment.

Where the employment ends in the case of death, vesting of the Bonus Award will take place on the date of death to the extent that the Committee in its discretion determines taking into account such factors as the Committee in its discretion determines including, but not limited to, the proportion of the Financial Year which had expired on the date of death and any performance target or other condition applying to the Bonus Award (assessed on such modified basis at the Committee considers in its discretion to be appropriate). To the extent to which a Bonus Award vests on the death of an individual, it will be settled in full by the payment of a Cash Payment.

#### **Takeover events – Bonus Awards**

In the event of a takeover, scheme of arrangement or winding-up of the Company during the Financial Year to which a Bonus Award relates, Bonus Awards will vest early to the extent that the Committee in its discretion determines taking into account such factors as the Committee in its discretion determines including, but not limited to, the proportion of the Financial Year which had expired before the takeover, scheme of arrangement or winding up of the Company and any performance target or other condition applying to the Bonus Award (assessed on such modified basis at the Committee considers in its discretion to be appropriate). To the extent that a Bonus Award vests in the event of a takeover, scheme of arrangement or winding-up of the Company, it will be settled in the normal way unless the Committee in its discretion determines that the circumstances are so exceptional as to justify the Bonus Award being settled, to the extent vested, in full by the payment of a Cash Payment.



### **Settlement of Bonus Awards**

As soon as practicable following the end of the Financial Year in respect of which a Bonus Award is granted, the Committee will determine the extent to which the Bonus Award has vested and may, in its discretion, adjust the extent of such vesting if it reasonably considers that the extent of vesting is not a fair and accurate reflection of the Company's performance over the Financial Year to which the Bonus Award relates. Any such adjustment may increase or decrease the extent of vesting provided always that a Bonus Award may not vest at to more than 100% of the Bonus Award.

To the extent that a Bonus Award vests, the Company will pay the relevant holder of the Bonus Award a Cash Payment of up to one-third of the Bonus Award and will consider the grant of a Share Award in respect of the balance of the vested Bonus Award. All Cash Payments will be paid subject to any necessary withholdings in respect of income tax and employee's national insurance contributions (or any equivalent taxes and social security arising outside the United Kingdom).

### **Grant of Share Awards**

The Committee will have absolute discretion in determining the date on which a Share Award is to be granted, provided it falls before the tenth anniversary of the date on which the CIP is approved by the Company in general meeting. Share Awards may be granted during the period of 42 days commencing on the date immediately after the end of a closed period of the Company (as determined in accordance with the rules governing market abuse), or at any other time when the Committee in its discretion considers that exceptional circumstances justify the grant of Awards. If the grant of an Award during any such 42 day period would be prohibited by any statute, order, regulation or government directive, such Award may be granted during the 42 day period commencing at the time that such prohibition ceases to have effect. Share Awards may only be granted in respect of a Bonus Award that has vested in respect of the financial year ending immediately before the date of grant (including, for the avoidance of doubt, to a 'good leaver' who holds a vested Bonus Award).

The aggregate value of shares to be subject to a Share Award to be granted to an individual will equate to the amount of the vested Bonus Award held by that individual that was not (or will not be) satisfied by payment of a Cash Payment. The number of shares subject to the Share Award (rounded down to the nearest whole share) will be calculated by dividing this value by the average market value of a share over the final 20 dealing days of the Financial Year to which the associated Bonus Award relates.

Share Awards granted under the CIP may take the form of options with a nil or nominal exercise price ("Options") or contingent rights to acquire shares for no consideration ("Conditional Awards").

Share Awards may be satisfied from newly issued shares, treasury shares and/or shares purchased in the market. It is intended that the CIP will be operated in conjunction with the Capital & Regional plc Employee Benefit Trust.

### **Plan limits**

On a given date, the total number of shares issued or transferred from treasury (or capable of issue or transfer from treasury) in respect of awards granted in the preceding ten year period under the CIP or under any other employee share CIP operated by the Company, shall not exceed 10% of the ordinary share capital of the Company in issue at that time.

In addition, the total number of shares issued or transferred from treasury (or capable of issue or transfer from treasury) in respect of awards granted in the preceding ten year period under the CIP or under any other employee share CIP operated by the Company on a discretionary basis shall not exceed 5% of the ordinary share capital of the Company in issue at that time.

Options, awards or other rights that are satisfied, or which are intended to be satisfied, from shares purchased in the market shall not be taken into account for the purpose of applying these limits.

### **Performance target and vesting of Share Awards**

Vesting of Share Awards granted under the CIP will be made conditional upon the achievement of a performance underpin (or underpins) set at the time of grant and measured over a specified period of time and/or to other conditions as determined by the Committee. Subject to any applicable performance underpin or other condition, a Share Award will vest on the date or dates specified in the certificate relating to the Share Award provided that no vesting shall take place before the third anniversary of the start of the financial year in which the Share Award is granted ("Vesting Commencement Date").

The Committee's current proposal is for Share Awards to vest as follows:

- as to one-third of the Shares subject to the Share Award (rounded down to the nearest whole share), on the third anniversary of the Vesting Commencement Date subject to the achievement of a total shareholder return underpin during the three year period ending on the proposed vesting date;
- as to one-third of the Shares subject to the Share Award (rounded down to the nearest whole share), on the fourth anniversary of the Vesting Commencement Date subject to the achievement of a total shareholder return underpin during the three year period ending on the proposed vesting date; and
- as to the balance of the Shares subject to the Share Award, on the fifth anniversary of the Vesting Commencement Date subject to the achievement of a total shareholder return underpin during the three year period ending on the proposed vesting date.

Before vesting of Share Awards (or, in the case of Options, before exercise), Award holders will have no voting or other rights in relation to the shares subject to those Share Awards. Shares transferred on the vesting of a Conditional Award or on the exercise of an Option shall be transferred without the benefit of any rights attaching to the shares by reference to a record date preceding the date of vesting (or exercise).

## **Settlement of Share Awards**

On vesting:

- a) an Option shall become exercisable; and
- b) shares shall be transferred or issued to the holder of a Conditional Award.

If, at any time, a dividend or other cash distribution is paid by the Company in respect of its shares, the number of shares subject to each Share Award then subsisting (and in respect of which the normal vesting date has not passed) shall be increased to reflect the value of the dividend. The number of shares to be added to a Share Award ("Dividend Equivalent Shares") shall equate to such number of shares as could have been purchased, at the share price prevailing on the date the dividend is paid, from an amount equal to the dividend paid on each share multiplied by the number of shares under the Share Award.

To the extent that a Share Award does not vest in relation to any shares, the Share Award shall also cease to be capable of vesting in respect of a proportionate number of Dividend Equivalent Shares.

Dividend Equivalent Shares that have been issued and any Dividend Equivalent Shares that have been notionally added to a Share Award shall be taken into account for the purposes of applying the plan limits set out above. Any potential right to receive additional Dividend Equivalent Shares in the future shall not, however, be taken into account.

## **Holding Periods**

Shares acquired pursuant to Share Awards will be subject to one or more holding periods (which must not end earlier than the fifth anniversary of the Vesting Commencement Date) during which such shares or interests in such shares may not be assigned, transferred or otherwise disposed of other than to fund any tax liability of the Award holder arising on the vesting of a Share Award (in the case of a Conditional Award) or on the exercise of a Share Award (in the case of an Option) and/or to enable the Award holder to take up the balance of their nil-paid entitlements under a rights issue. The Committee's current proposal is for all Share Awards to be subject to a holding period that ends on the fifth anniversary of the Vesting Commencement Date.

## **Cessation of employment – Share Awards**

If, before the normal vesting date of a Share Award, an Award holder ceases to be employed by the Group, his Bonus Award will lapse with immediate effect. Where, however, an Award holder's employment ceases:

- a) due to death; or
- b) due to injury, ill-health or disability (in each case evidenced to the satisfaction of the Committee); or
- c) due to redundancy or upon the transfer out of the Group of a company or business by which the Award holder is employed; or
- d) in any other circumstance that the Committee determines (other than dishonesty, fraud, misconduct or any other circumstance that justifies the summary dismissal of the Award holder),

any Share Award held by that individual will not lapse and, other than in the case of death, may be retained to the extent that the Committee in its discretion determines taking into account such factors as the Committee in its discretion determines including, but not limited to, the number of days of the normal vesting period which had elapsed on the date of cessation of employment as compared to the total number of days in the normal vesting period. Such retained Bonus Award will vest on the normal vesting date subject to the extent to which any performance underpin or other condition applying to the Share Award have been met. If the Committee in its discretion determines that it would be appropriate or necessary in the circumstances to assess vesting before the normal vesting date and to allow the Share Award to vest (and allow any applicable holding period to cease to apply) on the date on which the Award holder ceases to be an employee, the Committee will assess the performance underpin or other condition applying to the Share Award on such modified basis as the Committee in its discretion determines to be appropriate. To the extent that the Committee determine that a Share Award may not be retained, it will lapse with immediate effect.

Where the employment ends in the case of death, vesting of the Share Award will take place (and any applicable holding period will cease to apply) on the date of death to the extent that the Committee in its discretion determines taking into account such factors as the Committee in its discretion determines including, but not limited to, the number of days in the normal vesting period which had elapsed on the date of death as compared to the total number of days in the normal vesting period and any performance underpin or other condition applying to the Share Award (assessed on such modified basis as the Committee considers in its discretion to be appropriate). To the extent that an Option vests on the death of an individual, it may be exercised at any time until such date as the Committee in its discretion determines. Any Option not exercised by such date will lapse with immediate effect.

## **Takeover events – Share Awards**

In the event of a takeover, scheme of arrangement or winding-up of the Company before the normal vesting date of a Share Award, Share Awards will vest early (and any applicable holding period will cease to apply) to the extent that the Committee in its discretion determines taking into account such factors as the Committee in its discretion determines including, but not limited to, the number of days of the normal vesting period which had elapsed before the takeover, scheme of arrangement or winding up of the Company (as compared to the total number of days in the normal vesting period) and subject to the extent to which any performance underpin or other condition applying to the Share Award (assessed on such modified basis as the Committee considers in its discretion to be appropriate) have been met. To the extent that a Share Award does not vest in the event of a takeover, scheme of arrangement or winding-up of the Company, it will lapse with immediate effect.

### **Adjustment of Share Awards**

The number of shares under a Share Award and their nominal value may be adjusted by the Committee in the event of any variation of the share capital of the Company.

### **Terms applying to both Bonus Awards and Share Awards (“Awards”)**

#### **Performance targets, performance underpins and vesting of Awards**

After a Bonus Award or a Share Award (either being an “Award”) has been granted, the Committee may vary a performance target, performance underpin or other condition if an event happens which causes the Committee to consider it appropriate to do so provided that the Committee reasonably considers the amended targets, underpins and conditions to constitute a fairer measure of performance and a more effective incentive to the Award holder and the amended targets, underpins or conditions are no more difficult to satisfy than the original performance target or conditions were intended to be when set.

#### **Malus and Clawback**

The rules of the CIP include malus and ‘clawback’ provisions that will apply to all Awards if it is discovered (within two years of the vesting of an Award) that:

- there has been a material misstatement in the financial results of the Company or a miscalculation of any performance target or performance underpin;
- any information used to determine the Bonus Award and/or the number of shares subject to a Share Award was based on error or inaccurate or misleading information;
- the Award Holder has committed an act of gross misconduct;
- the Award holder has committed an act which in the Committee’s opinion has given or could give rise to serious reputational damage to the Group;
- the Award Holder has committed an act which in the Committee’s opinion deliberately misled the Board or the market as to the performance of the Group;
- the Award Holder has committed an act which in the Committee’s opinion has caused the Company or business in which the Award holder is employed to suffer a material failure of risk management; and/or
- the Company enters an involuntary administration or insolvency process or a company voluntary arrangement,

and such misstatement, miscalculation, conduct or event has resulted in an Award vesting to a greater extent than it otherwise should have done (“Excessive Award”).

In these circumstances, the Committee may make reductions (up to the value of the Excessive Award) to other Awards held by the Award holder in question which would otherwise vest under the CIP and/or require the Award holder in question to pay an amount equal to the value of the Excessive Award which has not otherwise been recovered (after taking into account any income tax and social security paid by the Award holder in relation to the Excessive Award).

#### **Other Award terms**

Other than in the event of death, Awards will not be capable of transfer or assignment. Benefits obtained under the CIP will not be pensionable.

The Company may adopt additional sections of the CIP or further CIPs applicable in any jurisdiction under which Awards may be granted subject to additional and/or modified terms and conditions having regard to any securities, exchange control or tax laws which apply to the Award holder, the Company or any other member of the Group.

#### **Administration and amendment**

The Committee may amend the provisions of the CIP. The rules of the CIP which relate to:

- a) the persons to whom Awards may be granted;
- b) the limits on the number of shares that may be issued;
- c) the maximum entitlement for any Award holder;
- d) the basis for determining an Award holder’s entitlement to shares or Awards under the CIP and for the adjustment thereof following any increase or variation to the share capital of the company,

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

