

**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 38th Annual General Meeting ("AGM") of Capital & Regional plc (the "Company") will be held at The Archive Room at The Goring, Beeston Place, London, SW1W 0JW on 9 May 2017 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 2016, 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 2016 of 1.77 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 28 April 2017.

### **Remuneration Report**

3. To approve the Directors' 2016 Remuneration Report (excluding the Directors' Remuneration Policy), as detailed on pages 57 to 63 of the Annual Report for the year ended 30 December 2016.

### **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 John Clare as a director of the Company.
7. To re-elect Hugh Scott-Barrett as a director of the Company.
8. To elect Lawrence Hutchings as a director of the Company effective from 13 June 2017.
9. To re-elect Charles Staveley 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.
15. To elect Guillaume Poitrinal as a director of the Company.

### **Introduction of the Deferred Bonus Share Plan**

16. To resolve that the Capital & Regional plc Deferred Bonus Share Plan ("Plan"), the principal terms of which are summarised in the Appendix 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 Plan 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, London Stock Exchange plc, JSE Limited and best practice and to adopt the Plan as so modified and to do all acts and things which they consider necessary or expedient for the purposes of implementing and operating the Plan; and
  - ii) establish such further plans based on the Plan 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 Plan are treated as counting against the limits on individual or overall participation in the Plan.

## **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 £2,341,142; and
  - (ii) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a further aggregate nominal amount of £2,341,142 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 £351,171, 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 £351,171; 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 70,234,250;
  - (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 2018 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  
52 Grosvenor Gardens  
London SW1W 0AU  
13 April 2017

### **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, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000 South Africa); or
  - by email for members on the Company's UK Register to proxy.votes@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 5 May 2017, 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 2017 (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 Company's JSE register of members at 7.00pm (SA time) on 5 May 2017 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 deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. As at 11 April 2017 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 702,342,500 ordinary shares of £0.01 each, carrying one vote each. Therefore, the total voting rights in the Company as at 11 April 2017 are 702,342,500.
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 7 May 2017. 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 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 2016.

#### **Resolution 2 – Final dividend**

This Resolution seeks shareholder approval for the declaration of a final dividend. The directors are recommending a final dividend of 1.77 pence per ordinary share. An interim dividend of 1.62 pence per ordinary share was paid on 27 October 2016, making a total dividend for the year of 3.39 pence per ordinary share. If approved, the final dividend will be paid on 16 May 2017 to those shareholders whose names appeared on the register of members at close of business on 28 April 2017.

#### **Resolution 3 – 2016 remuneration report**

The Company's shareholders will be asked to approve the Annual Report on Directors' Remuneration, which is set out on pages 57 to 63 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 last year's AGM a binding vote to approve the Director's Remuneration Policy which it is required to do at least 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 89.5% 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 50-56 of the 2016 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 15 – 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 election or re-election (as appropriate) at the forthcoming Meeting.

On 8 February 2017 the Company announced the proposed appointment of Lawrence Hutchings as Chief Executive to be effective from 13 June 2017. It is planned that Lawrence will replace Hugh Scott-Barrett, who will become Non-Executive Chairman, following the retirement of John Clare. In light of this John Clare's proposed re-election is only expected to be for the period from the end of the meeting until 13 June 2017, while Lawrence Hutchings' proposed election will be effective from that same date.

While fully cognisant of the UK Code of Corporate Governance recommendations, it was the unanimous conclusion of the Company's Nominations Committee and Board that in the specific circumstances, Hugh Scott-Barrett was the most appropriate candidate for the role of non-executive Chairman. The Board considered that the need for experience and continuity at the current stage of the Company's development combined with Hugh's important relationships and excellent attributes for the position mean his appointment will be strongly in the interests of the Company and its shareholders. Tony Hales, who led the process as Senior Independent Director (SID), also conducted a consultation with major shareholders prior to the Board approving the appointments and this continued subsequent to the announcement. From this process the Board noted the governance points raised by some shareholders and the requirement for the SID to ensure, on behalf of the Board, the constructive and appropriate relationship between Chairman and CEO. Reflecting this during the first year of the new arrangements the SID will meet at least quarterly with both individuals and report back to the Board as appropriate. Thereafter such meetings will be as required but at least twice per annum. The Board will keep succession planning for the Chairman role under regular review and will consult with key shareholders annually.

As announced on 13 April 2017, Ken Ford will retire from the Board following the Meeting and therefore will not offer himself for re-election. Ken will remain in the business until December 2017 and will continue to act on an advisory basis thereafter. This will allow Ken to continue to lead on a number of key development initiatives and will allow for an orderly handover of responsibilities while also providing a valuable source of advice to Lawrence Hutchings in the commencement of his role as Chief Executive.

Guillaume Poittrinal was appointed as a Director of the Company on 1 November 2016. Article 60 of the Company's Articles of Association provides that Directors appointed by the Board shall hold office until the end of the next AGM. Accordingly Guillaume will seek election as a Director of the Company.

Directors' biographies can be found on pages 38 to 39 of the Annual Report and on the Company's website [www.capreg.com](http://www.capreg.com). Wessel Hamman and Louis Norval are representatives of the Parkdev Group of companies, a significant shareholder of the Company. Guillaume Poittrinal'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 or 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 16 – Approval of Deferred Bonus Share Plan**

In accordance with the directors' remuneration policy approved by shareholders in 2016, bonuses in respect of the year ended 30 December 2016 onwards are subject to deferral arrangements whereby a proportion of a director's bonus may be subject to deferral for a period of two years before being converted into ordinary shares. In order to facilitate these arrangements, the Company is seeking shareholder approval to establish the Plan. The principal terms of this are summarised in the Appendix.

The Remuneration Committee considers the approval of the Plan 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 Plan.

A copy of the rules of the Plan will be available for inspection at the Company's head office from the date of this notice until the time of the meeting and at the AGM.

#### **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 £2,341,142. This represents approximately 33.33% of the ordinary shares in issue at 11 April 2017 (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 £2,341,142, again representing approximately 33.33% of the ordinary shares in issue at 11 April 2017 (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 £2,341,142 (representing one-third of the Company's issued share capital as at 11 April 2017) in connection with a rights issue or other pre-emptive offer; and
- (ii) shares up to a maximum nominal value of £351,171 representing approximately 5% of the issued ordinary share capital of the Company as at 11 April 2017 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 £351,171, representing approximately a further 5% of the issued ordinary share capital of the Company as at 11 April 2017, 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 70,234,250 ordinary shares (representing 10% of the issued ordinary shares as at 11 April 2017 (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 interest of shareholders as a whole.

## **APPENDIX**

### **Summary of the principal terms of the Capital & Regional plc Deferred Bonus Share Plan (“Plan”)**

#### **General**

The Plan is a discretionary share plan to facilitate the deferral of a proportion of an annual bonus into an entitlement to shares in the Company. The Plan will be administered by the remuneration committee of the board of directors (“Committee”).

Awards granted under the Plan (“Awards”) take the form of options with a nil exercise price. Awards may be satisfied from newly issued shares, treasury shares and/or shares purchased in the market.

#### **Grant of Awards**

All employees (including executive directors) of the Company and its subsidiaries are eligible to participate in the Plan.

The only proposed participants in the Plan this year will be executive directors of the Company (who will receive Awards in accordance with the Company’s directors’ remuneration policy approved by shareholders in 2016).

Awards may be granted during the period of 42 days commencing on:

- a) the date immediately after the date on which the Plan is approved by the Company in general meeting; or
- b) 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.

No consideration will be payable for the grant of an Award.

#### **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 Plan or under any other employee share plan 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 Plan or under any other employee share plan 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 this limit.

#### **Vesting**

An Award will vest and become exercisable on the date or dates specified in the Award Certificate. The intention is for Awards to vest and become exercisable two years following the date on which the cash element of the bonus to which the Award relates is paid. Awards will be capable of exercise at any time in the period of three months following vesting. If individuals are unable to exercise the Awards at that time due to it being prohibited by the Company’s share dealing code, the Market Abuse Regulations or any other statute, order, regulation or government directive then the Award will be capable of exercise in the period of three months starting from the date on which the restrictions no longer apply.

If during the vesting period of an Award the Company pays any dividends then, on the exercise of the Award, the Award Holder shall receive a cash amount from the Company equal to the value of the dividends that would have been paid in respect of the number of Shares in respect of which the Award is being exercised during the period from the date on which the cash element of the bonus to which the Award relates was paid to the vesting date of the Award.

#### **Cessation of employment**

If an Award holder ceases to be employed by the Company or by one of its subsidiaries (for whatever reason), he or she will be entitled to retain the Award. The Award will continue to vest on the date or dates specified in the Award Certificate unless the Committee in its discretion determines that the Award may be exercised early.

#### **Takeover events**

In the event of a takeover, scheme of arrangement or winding-up of the Company, Awards will vest in full early.

#### **Other Award terms**

Awards will not be capable of transfer or assignment. Benefits obtained under the Plan will not be pensionable.

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

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

#### **Malus**

Malus provisions apply where it is discovered (before the vesting of an Award) that there has been a material misstatement in the financial results of the Company for the financial year to which the corresponding bonus relates and/or an act of gross misconduct on the part of the Award Holder (that takes place before the date of grant of the Award but only comes to light after such date). In these circumstances, the Committee may make an appropriate reduction to the number of Shares subject to the Award.

#### **Administration and amendment**

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

- a) the persons to whom Awards may be granted;
- b) the limits on the number of shares that may be issued; and
- c) the basis for determining an Award holder’s entitlement to shares or Awards under the Plan 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 Plan, 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.