

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

If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial or tax advice from a stockbroker, bank manager, solicitor, accountant, or other appropriate independent financial advisor authorised under the Financial Services and Markets Act 2000.

If you sell or have sold or otherwise transferred all your shares in The Berkeley Group Holdings plc (the 'Company'), please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of shares in the Company, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

Please register your proxy vote no later than 11.00 am on 1 September 2021 via the website of the Company's registrar at [www.signalshares.com](http://www.signalshares.com) or by completing a hard copy Form of Proxy (which can be requested from the Company's registrar) and returning it in accordance with the instructions printed on it. If you are a CREST member, you can register your proxy vote electronically by using the service provided by Euroclear.

Further details on proxy votes are given in the notes to this document on pages 40 and 41.



**The Berkeley Group Holdings plc**

(incorporated and registered in England and Wales under number 05172586)

Notice of Annual General Meeting  
to be held on Friday 3 September 2021



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### The Berkeley Group Holdings plc

(Registered in England and Wales, No. 05172586)  
Berkeley House, 19 Portsmouth Road,  
Cobham, Surrey KT11 1JG

2 August 2021

To the holders of ordinary shares of The Berkeley Group Holdings plc

Dear Shareholder,

## Annual General Meeting

### Introduction

I am pleased to provide you with details of the 2021 Annual General Meeting of The Berkeley Group Holdings plc (the 'Company' or 'Berkeley') which will be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG on Friday 3 September 2021 at 11.00 am.

It is with great sadness that June 2020 saw the sudden passing of Berkeley's co-founder and former Chairman, Tony Pidgley CBE. I had the privilege of knowing Tony since before he took Berkeley to the public market in 1984. He is of course irreplaceable, but his drive, ambition and vision is deeply embedded in the Berkeley of today. Tony was always looking to the future and, in the years before his passing, he had the wisdom to put in place strong succession within the Executive team. This exceptional team, led by Rob Perrins, has enabled the Company to respond to the challenges over the last year so resiliently. The strength and cohesion of the Board has also provided the foundation over the past year to allow for smooth transition as four new Non-Executives have been appointed, ensuring the Board, as a whole, continues to represent a diverse and inclusive team with the requisite balance of skills, expertise and experience that is closely aligned to the Berkeley Group purpose and values. The Ven. Elizabeth Adekunle and William Jackson joined the Board in January 2021. Sarah Sands joined the Board in April 2021 and, the Board has been further strengthened by the appointment of Andy Kemp in July 2021. 2021 also saw Baroness Fleet, Veronica Wadley stepping down as a Non-Executive Director and Adrian Li, Peter Vernon and Dame Alison Nimmo will be stepping down as Non-Executive Directors at the Annual General Meeting.

The Annual Report and Accounts for the year ended 30 April 2021 (the 'Annual Report') is available on the Company's website. Printed copies of the Annual Report have been sent to those shareholders that requested them. If you requested a printed copy of the Annual Report and have not received it, please contact the Company Secretary.

### Summary of Resolutions

The full form of the resolutions is set out in the Notice of Annual General Meeting accompanying this letter. However, by way of summary, we will be proposing the following: (a) that the accounts for the year ended 30 April 2021 be received; (b) that the Annual Report on Remuneration for the year ended 30 April 2021 be approved; (c) that the Directors be elected or re-elected; (d) that KPMG LLP be re-appointed as auditor; (e) that the Audit Committee be authorised to determine the auditor's remuneration; (f) that the Directors be authorised to allot a percentage of the share capital of the Company and that authority be granted for the allotment for cash of certain of those shares without reference to shareholders' pre-emption rights; (g) that the authority be renewed allowing the Company to purchase its own shares in the market; (h) that the authority be renewed allowing the Company to make donations to certain political organisations and to incur certain political expenditure; (i) that general meetings may be held on 14 days' notice, and (j) resolutions necessary for the implementation of the proposed return of cash to shareholders of approximately £451 million following the announcement on 23 June 2021 of a return of cash of approximately £450 million.

### Presentation of Report and Accounts (Resolution 1)

In accordance with Section 437 of the Companies Act 2006 (the 'Act'), Directors must present the Report of the Directors and the accounts of the Company for the year ended 30 April 2021 to shareholders at the Annual General Meeting. The Report of the Directors, the accounts and the Report of the Company's Auditor on the accounts and on those parts of the Remuneration Report that are capable of being audited are contained within the Annual Report.

### Remuneration Report (Resolution 2)

In accordance with Section 439 and 439A of the Act, shareholders are required to approve the Annual Report on Remuneration which forms part of the Remuneration Report as presented on pages 122 to 150 of the Annual Report. In accordance with the Act, Resolution 2 in respect of the Annual Report on Remuneration is advisory only in order to provide shareholder feedback to the Company's Board of Directors (the 'Board') and does not affect the future remuneration paid to any director.

### Re-election and Election of Directors (Resolutions 3 to 17)

In accordance with the UK Corporate Governance Code 2018 (the 'Code'), all Directors, as applicable, are subject to annual re-election. As previously announced Adrian Li, Peter Vernon and Dame Alison Nimmo are stepping down from the Board at the conclusion of the Annual General Meeting. At this Annual General Meeting all other Directors will retire and are offering themselves for re-election or for election if the appointment has taken place since the last Annual General Meeting.

The Board considers the effectiveness and independence of the current Non-Executive Directors under the Code on an annual basis, taking into account each individual's professional characteristics, behaviour and their contribution to unbiased and independent



debate. It has concluded that the Non-Executive Directors, have the skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities skilfully and effectively. The Board annually reviews the outside directorships and time commitments of the Non-Executive Directors. The Non-Executive Directors' letters of appointment set out the expected time commitment and the Board has determined that each Non-Executive Director is able to allocate sufficient time to the Company to discharge their responsibilities effectively. All of the Non-Executive Directors presenting themselves for re-election or for election are considered to have been independent in character and judgment throughout the year and are free of any other business or other relationship with the Group. Biographical details of the Directors, including details of their contribution and how it is and continues to be important to the Company's long term sustainable success, are set out in Appendix 1 to this notice.

Following the annual evaluation of the Board and its Committees, the Board is satisfied that each Director standing for re-election or election, as appropriate, continues and will make effective and valuable contributions to the Board and demonstrates commitment to the role.

#### **Reappointment of Auditor and Auditor's Remuneration (Resolutions 18 and 19)**

In accordance with Section 489 of the Act, the auditor of a company must be re-appointed at each general meeting at which accounts are laid. Resolution 18 proposes the re-appointment of the Company's existing auditor, KPMG LLP, until the conclusion of the next general meeting of the Company at which accounts are laid. Resolution 19 gives authority to the Audit Committee to determine the auditor's remuneration.

#### **Allotment of Shares (Resolution 20)**

The Directors may allot shares and grant rights to subscribe for, or convert any security into, shares only if authorised to do so by shareholders pursuant to Section 551 of the Act. The authority granted at the last Annual General Meeting is due to expire at the conclusion of this year's Annual General Meeting or on 31 October 2021, whichever is earlier. Accordingly, Resolution 20 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares. If given, these authorities will expire at the conclusion of the Company's next Annual General Meeting or on 31 October 2022, whichever is the earlier.

Paragraph (a) of Resolution 20 will allow the Directors to allot ordinary shares up to a maximum nominal amount of £2,028,267.40 representing approximately one third (33.33%) of the Company's existing issued share capital (excluding treasury shares), calculated as at 26 July 2021 (being the latest practicable date prior to publication of this document). In accordance with the latest institutional guidelines issued by the Investment Association (the 'IA'), paragraph (b) of Resolution 20 will also allow the Directors to allot, including the ordinary shares referred to in paragraph (a) of Resolution 20, ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £4,056,534.85, representing approximately two thirds (66.67%) of the Company's existing issued share capital (excluding treasury shares) calculated as at 26 July 2021 (being the latest practicable date prior to publication of this document). The Directors have no present intention of allotting new ordinary shares other than in relation to the Company's employee share schemes. However, the Board considers it appropriate to maintain the flexibility that this authority provides. If they do exercise the authority, the Directors intend to follow emerging best practice as regards its use (including, where appropriate, the Directors standing for re-election) as recommended by the IA.

As at 26 July 2021 (being the latest practicable date prior to publication of this document), the Company holds 10,540,622 shares in treasury. This represents 8.66% of the total ordinary share capital in issue (excluding treasury shares) as at 26 July 2021 (being the latest practicable date prior to the publication of this notice).

#### **Pre-emption Rights (Resolutions 21 and 22)**

The Directors also seek a power from shareholders pursuant to Sections 570(1) and 573 of the Act to allot equity securities or sell treasury shares for cash without complying with the pre-emption rights in the Act in certain circumstances. The power granted at the last Annual General Meeting is due to expire at the conclusion of this year's Annual General Meeting or on 31 October 2021, whichever is the earlier. Accordingly, Resolutions 21 and 22 will be proposed as special resolutions to grant such power. This disapplication authority is in line with institutional shareholder guidance, and in particular with the Pre-Emption Group's Statement of Principles (the 'Pre-Emption Principles') 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 the Company's issued share capital for use on an unrestricted basis; and (ii) an additional authority over a further 5% of the Company's issued share capital for use in connection with an acquisition or specified capital investment announced contemporaneously with the issue, or which has taken place in the six month period preceding the announcement of the issue.

Resolution 21 will permit the Directors to allot:

- (a) equity securities for cash and sell treasury shares up to an aggregate nominal value of £4,056,534.85 representing two thirds of the Company's issued share capital (excluding treasury shares) as at 26 July 2021 (the latest practicable date prior to the publication of this document) on an offer to existing shareholders on a pre-emptive basis including a rights issue or an open offer (in the case of the authority granted under paragraph (b) of Resolution 20 by way of a rights issue only), in each case subject to any adjustments, such as for fractional entitlements, as the Directors see fit; and
- (b) equity securities for cash and sell treasury shares up to a maximum nominal value of £304,240.10 representing approximately 5% of the Company's issued share capital less treasury shares as at 26 July 2021 (the latest practicable date prior to the publication of this document) otherwise than in a pre-emptive offer to existing shareholders.

Resolution 22 will permit the Directors to allot additional equity securities for cash and sell treasury shares up to a maximum nominal value of £304,240.10 representing approximately 5% of the Company's issued share capital less treasury shares as at 26 July 2021 (the latest practicable date prior to the publication of this document), otherwise than in connection with a pre-emptive offer to existing shareholders only in connection with an acquisition or specified capital investment as contemplated by the Pre-Emption Principles described above.

As noted in Resolution 20 above, the Directors have no present intention of allotting ordinary shares other than in relation to the Company's employee share schemes. However, the Board considers that it is in the best interests of the Company and its shareholders generally that the Company should seek the maximum authority permitted by the pre-emption guidelines and preserve flexibility conferred by Resolutions 21 and 22 to conduct a pre-emptive offering without complying with the strict requirements of the statutory pre-emption provisions and to finance business opportunities quickly and efficiently when they arise.

If given, this power will expire upon the expiry of the authority to allot shares in Resolution 20 (that is at the conclusion of the Company's next Annual General Meeting or, if earlier, on 31 October 2022). In accordance with the Pre-Emption Principles, the Directors do not intend to issue more than 7.5% (excluding treasury shares) of the issued share capital of the Company for cash on a non-pre-emptive basis in any rolling three year period without prior consultation with shareholders and the investment committees of the IA and Institutional Shareholder Services.

#### **Purchase of the Company's Own Shares (Resolution 23)**

In accordance with Section 701 of the Act, this resolution, which is a special resolution, will give the Company authority to purchase its own shares in the market up to a limit of 10% of its issued ordinary share capital (excluding treasury shares) as at 26 July 2021 (being the latest practicable date prior to the publication of this document). The maximum and minimum prices are stated in the resolution. The Directors intend to use the authority granted by this resolution to continue making market purchases of the Company's ordinary shares as a method of returning value to shareholders and believe that it is advantageous for the Company to have this flexibility. The Directors will exercise this authority only if they are satisfied that a purchase would result in an increase in expected earnings per share and would be in the interests of shareholders generally.

Listed companies purchasing their own shares are allowed to hold them in treasury as an alternative to cancelling them. No dividends are paid on shares while they are held in treasury and no voting rights are attached to treasury shares. It is the Company's current intention to cancel the shares that it may purchase pursuant to the authority granted to it. However, in order to respond properly to the Company's capital requirements and prevailing market conditions, the Directors will from time to time reassess whether to hold the shares it purchases pursuant to this authority in treasury, provided it is permitted to do so, for example for use in connection with the satisfaction of the Company's employee share schemes.

As at 26 July 2021 (being the latest practicable date prior to publication of this document), the total number of options over shares that were outstanding under all of the Company's share option plans was 5,620,694, which if exercised would represent 4.62% of the Company's issued share capital at that date (excluding treasury shares). In view of the proposed return of cash detailed in Appendix 2, the Company is not proposing to make any further purchases of shares pursuant to the authority granted at the 2020 Annual General Meeting. If the Company were to purchase its own shares to the fullest possible extent of the authority from shareholders being sought at this year's Annual General Meeting, this number of outstanding options could potentially represent 5.56% of the issued share capital of the Company (excluding treasury shares), on the assumption that the proposed return of cash to shareholders completes and 5.13% of the issued share capital of the Company (excluding treasury shares) if, for any reason, the proposed return of cash does not complete. There are no warrants over ordinary shares in the capital of the Company outstanding.

Unless renewed, revoked or varied, this authority will expire at the conclusion of the next Annual General Meeting of the Company after the date on which this resolution is passed or, if earlier, on 31 October 2022.

#### **Political Donations and Expenditure (Resolution 24)**

The Company intends to renew the authorisation to make donations to political organisations and to incur political expenditure. Whilst it is the Company's policy not to make donations to political parties, Section 366 of the Act contains restrictions on companies making donations or incurring expenditure in relation to political organisations. Therefore, as any expenditure which is regulated by the Act requires shareholder approval, the Directors consider that it is prudent to seek such approval in order to avoid inadvertent infringement of the Act.

The Company has no intention of making a political donation. This authority shall expire at the conclusion of the next Annual General Meeting of the Company after the date on which this resolution is passed.

#### **Notice of General Meetings (Resolution 25)**

The notice period required for general meetings of the Company under the Act is 21 days unless shareholders agree to a shorter notice period, which cannot be less than 14 clear days. Annual General Meetings must be held on at least 21 clear days' notice.

At the 2020 Annual General Meeting, a resolution was passed approving the Company's ability to call general meetings on not less than 14 clear days' notice. As this approval will expire at the conclusion of this Annual General Meeting, Resolution 25, which is a special resolution, proposes its renewal.

The shorter notice period, if approved, would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. The renewed approval will be effective until the conclusion of the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

Shareholders should note that the changes to the Act mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

#### **Proposed return of cash to shareholders (Resolutions 26 to 28)**

On 23 June 2021, the Company announced that it was proposing that approximately £450 million (£3.70 per share) be returned to shareholders by means of a B Share Scheme followed by a consolidation of the Company's ordinary shares. The Company is now proposing to return approximately £451 million (£3.71 per share) to shareholders following the same process as described in that announcement. Appendix 2 sets out further details of this proposal. In particular, paragraph 12 of Part II of Appendix 2



summarises Resolutions 26, 27 and 28, the passing of which is necessary for the implementation of the return of cash and the related share consolidation.

**Voting at the Meeting**

At the meeting itself, voting on all resolutions will be conducted by way of a poll. Further details on voting are set out in the notes to the Notice of Annual General Meeting on pages 40 and 41 of this document.

**Voting by proxy**

If you would like to vote on the resolutions but cannot come to the Annual General Meeting, you can appoint a proxy to exercise all or any of your rights to attend, vote and speak at the Annual General Meeting by using one of the methods set out in the notes to the Notice of Annual General Meeting on pages 40 and 41 of this document.

Shareholders are requested, whether or not they propose to attend the Annual General Meeting, to register their proxy votes as soon as possible but in any event by no later than 11.00 am on 1 September 2021. The registration of proxy votes will not prevent shareholders from attending and voting in person, should they so wish.

**Recommendation**

The Board considers the proposed resolutions to be in the best interests of the Company and its shareholders as a whole and are therefore likely to promote the success of the Company.

Accordingly, the Board recommend unanimously that you vote in favour of the proposed resolutions and intend to vote in favour of the proposed resolutions in respect of their own beneficial shareholdings in the Company.

Yours faithfully

**G BARKER**  
CHAIRMAN



**The Berkeley Group Holdings plc**  
(the 'Company')

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG on Friday 3 September 2021 at 11.00 am to consider and, if thought fit, to pass the following resolutions. It is intended to propose Resolutions 21, 22, 23, 25 and 26 as special resolutions. All other Resolutions will be proposed as ordinary resolutions.

1. To receive the accounts for the year ended 30 April 2021, together with the Reports of the Directors and auditor thereon. (Resolution 1)
2. To approve the Annual Report on Remuneration for the year ended 30 April 2021. (Resolution 2)
3. To re-elect G Barker as a Director of the Company. (Resolution 3)
4. To re-elect D Brightmore-Armour as a Director of the Company. (Resolution 4)
5. To re-elect A Myers as a Director of the Company. (Resolution 5)
6. To re-elect R C Perrins as a Director of the Company. (Resolution 6)
7. To re-elect R J Stearn as a Director of the Company. (Resolution 7)
8. To re-elect S Ellis as a Director of the Company. (Resolution 8)
9. To re-elect K Whiteman as a Director of the Company. (Resolution 9)
10. To re-elect J Tibaldi as a Director of the Company. (Resolution 10)
11. To re-elect P Vallone as a Director of the Company. (Resolution 11)
12. To re-elect Sir J Armitt as a Director of the Company. (Resolution 12)
13. To re-elect R Downey as a Director of the Company. (Resolution 13)
14. To elect E Adekunle as a Director of the Company. (Resolution 14)
15. To elect W Jackson as a Director of the Company. (Resolution 15)
16. To elect S Sands as a Director of the Company. (Resolution 16)
17. To elect A Kemp as a Director of the Company. (Resolution 17)
18. To re-appoint KPMG LLP as auditor of the Company. (Resolution 18)
19. To authorise the Audit Committee to determine the auditor's remuneration. (Resolution 19)

### Ordinary Resolution

20. THAT the Directors be generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:
  - (a) up to an aggregate nominal amount of £2,028,267.40; and
  - (b) up to a further aggregate nominal amount of £2,028,267.45 provided that (i) they are equity securities (as defined in Section 560 of the Act); and (ii) they are offered by way of a rights issue in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities), but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in, any territory or by virtue of ordinary shares being represented by depositary receipts or any other matter.

These authorisations are to expire at the conclusion of the next Annual General Meeting of the Company after the date on which this resolution is passed or, if earlier, on 31 October 2022 (save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights to be granted, after such expiry and the Directors may allot shares, or grant rights to subscribe for or to convert any security into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired). (Resolution 20)

**Special Resolution**

21. THAT, subject to Resolution 20 being passed and pursuant to Section 570 and 573 of the Companies Act 2006 (the 'Act'), the Board be authorised to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to:

- (a) the allotment of equity securities or sale of treasury shares in connection with an offer of securities (but in the case of the authority granted under paragraph (b) of Resolution 20 above by way of rights issue only) in favour of the holders of ordinary shares on the register of members at such record date(s) as the Directors may determine 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 by them on any such record date(s), subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical problems which may arise under the laws of, or the requirements of any regulatory body or stock exchange in, any territory or by virtue of ordinary shares being represented by depositary receipts or any other matter; and
- (b) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £304,240.10 (being approximately 5% of the issued share capital of the Company less treasury shares as at 26 July 2021, the latest practicable date prior to publication of this document),

such authority to expire upon the expiry of the general authority conferred by Resolution 20 above, but prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired. (Resolution 21)

**Special Resolution**

22. THAT, subject to Resolution 20 being passed and, pursuant to Section 570 and 573 of the Companies Act 2006 (the 'Act'), the Board be authorised in addition to any authority granted under Resolution 21 to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £304,240.10 (being approximately 5% of the issued share capital of the Company less treasury shares as at 26 July 2021, the latest practicable date prior to publication of this document); and
- (b) used only 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 Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Pre-Emption Principles most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire upon the expiry of the general authority conferred by Resolution 20 above, but prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired. (Resolution 22)

**Special Resolution**

23. THAT the Company is generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of Section 693(4) of the Act) of any of its existing ordinary shares of 5p each in the capital of the Company ('Existing Ordinary Shares') or ordinary shares arising from the Share Consolidation (as defined in Appendix 2 to the Notice of Annual General Meeting dated 2 August 2021 ('New Ordinary Shares')) in each case on such terms and in such manner as the Directors may from time to time determine, provided that:

- (a) the maximum number of Existing Ordinary Shares which may be purchased is 12,169,604 and the maximum number of New Ordinary Shares which may be purchased is 11,238,629 provided that the total nominal value of Existing Ordinary Shares and New Ordinary Shares purchased pursuant to this Resolution 23 shall not exceed £608,480.20 (representing approximately 10% of the Company's issued share capital (excluding treasury shares) at 26 July 2021, the latest practicable date prior to the publication of this document);
- (b) the minimum price that may be paid for each Existing Ordinary Share is 5p and the minimum price that may be paid for each New Ordinary Share is the nominal value of such share which amount, in each case, shall be exclusive of expenses, if any;
- (c) the maximum price (exclusive of expenses) that may be paid for each ordinary share is an amount equal to the higher of: (i) 105% of the average of the middle market quotations for the ordinary shares as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the Company on the trading venues where the market purchase by the Company is carried out;
- (d) unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the date on which this resolution is passed or, if earlier, on 31 October 2022; and
- (e) the Company may, before this authority expires, contract to purchase ordinary shares that would, or might, be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired. (Resolution 23)



### Ordinary Resolution

24. THAT the Company and any company which is a subsidiary of the Company during the period to which this resolution relates be and is hereby generally and unconditionally authorised pursuant to Section 366 and 367 of the Act to:

- (a) make donations to political organisations, other than political parties, not exceeding £50,000 in total; and
- (b) incur political expenditure not exceeding £50,000 in total,

provided that such donations and/or expenditure made by the Company and its subsidiaries pursuant to this resolution do not in aggregate exceed £50,000 during the period to which this resolution relates and for the purposes of this resolution, the authorised sum may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sum, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant expenditure is incurred (or the first business day thereafter). This authority shall expire at the conclusion of the next Annual General Meeting of the Company after the date on which this resolution is passed. For the purposes of this resolution 'donation', 'political organisations' and 'political expenditure' are to be construed in accordance with Sections 363, 364 and 365 of the Act. (Resolution 24)

### Special Resolution

25. THAT general meetings of the Company (other than Annual General Meetings) may be called by notice of not less than 14 clear days. (Resolution 25)

### Special Resolution

26. THAT, conditional upon the New Ordinary Shares (as defined below) being admitted to the premium listing segment of the official list of the Financial Conduct Authority and to trading on the London Stock Exchange PLC's main market for listed securities by 8.00 am on 6 September 2021 (or such later time and/or date as the Directors (as defined in the articles of association of the Company at the relevant time) may in their absolute discretion determine) ('Admission'), the draft articles of association produced to the meeting, marked "A" and signed by the Chairman of the meeting for identification purposes (the 'New Articles'), be and are hereby approved and adopted as the articles of association of the Company with effect from Admission in substitution for, and to the exclusion of, all existing articles of association of the Company. (Resolution 26)

### Ordinary Resolution

27. THAT, subject to the passing of Resolutions 26 and 28, and (in the case of (a)) also conditional upon Admission occurring by 8.00 am on 6 September 2021 (or such later time and/or date as the Directors (as defined in the articles of association of the Company at the relevant time) may in their absolute discretion determine):

- (a) the Directors be and are hereby generally and unconditionally authorised:
  - (i) to capitalise a sum not exceeding £125,000 standing to the credit of the Company's share premium account, and to apply such sum in paying up in full up to the maximum number of non-cumulative irredeemable preference shares of 0.1 pence each in the capital of the Company carrying the rights and restrictions set out in article 3A of the New Articles (the 'B Shares') that may be allotted pursuant to the authority given by sub-paragraph (a)(ii) below; and
  - (ii) pursuant to section 551 of the Companies Act 2006 (the 'Act'), to exercise all powers of the Company to allot and issue credited as fully paid up (provided that the authority hereby confirmed shall expire at the end of the next annual general meeting of the Company) B Shares up to an aggregate nominal amount of £125,000 to the holders of the ordinary shares of 5 pence each in the capital of the Company ('Existing Ordinary Shares') on the basis of one B Share for every Existing Ordinary Share (excluding the Existing Ordinary Shares held by the Company in treasury) held and recorded on the register of members of the Company at 6.00 pm on 3 September 2021 (or such other time and/or date as the Directors may determine) (the 'Record Time'), in accordance with the terms of the circular from the Company to its shareholders dated 2 August 2021 and the Directors' determination as to the number of B Shares to be allotted and issued; and
- (b) each Existing Ordinary Share, as shown in the register of members of the Company at the Record Time, be subdivided into 9,235 undesignated shares in the capital of the Company (each an 'Undesignated Share') and immediately thereafter, every 10,000 Undesignated Shares be consolidated into one new ordinary share of 5.4141 pence each in the capital of the Company (or such other number and nominal value as the Directors may in their absolute discretion determine if the price of an Existing Ordinary Share and the number of Existing Ordinary Shares in issue shortly before the date of the Annual General Meeting mean that this ratio would no longer maintain comparability of the Company's share price before and after the issue of the B Shares) (each a 'New Ordinary Share'), provided that, where such consolidation and subdivision would result in any member being entitled to a fraction of a New Ordinary Share, such fraction shall, so far as possible, be aggregated with the fractions of a New Ordinary Share (if any) to which other members of the Company would be similarly so entitled and the Directors be and are hereby authorised to sell (or appoint any other person to sell) to any person or persons any and all the New Ordinary Shares representing such fractions at the best price reasonably obtainable to any person(s), and to distribute the proceeds of sale (net of expenses) in due proportion among the relevant members who would otherwise be entitled to the fractions so sold, save that (I) any fraction of a penny which would otherwise be payable shall be rounded up or down in accordance with the usual practice of the registrar of the Company, and (II) any due proportion of such proceeds of less than £3.00 (net of expenses) shall be retained by the Directors for the benefit of the Company and the relevant member shall not be entitled thereto (and, for the purposes of implementing the provisions of this paragraph, any Director (or any person appointed by the Directors) shall be and is hereby authorised to execute one or more instrument(s) of transfer in respect of such New Ordinary Shares on behalf of the relevant member(s) and to do all acts and things the Directors consider necessary or desirable to effect the transfer of such New Ordinary Shares to, or in accordance with the directions of, any buyer of such New Ordinary Shares). (Resolution 27)

**Ordinary Resolution**

28. THAT, subject to the passing of resolutions 26 and 27, and also conditional upon Admission occurring by 8.00 am on 6 September 2021 (or such later time and/or date as the Directors (as defined in the articles of association of the Company at the relevant time) may in their absolute discretion determine), the terms of the contract dated 26 July 2021 between UBS Group AG London Branch ('UBS') and the Company (a copy of which is produced to the meeting and initialled for the purposes of certification by the Chairman) under which (i) the Company would be entitled to require UBS to sell to it all the B Shares following their reclassification as deferred shares (the 'Deferred Shares'); and (ii) conditional on a single dividend of 371 pence per B Share (together with an amount equal to the stamp duty or stamp duty reserve tax at the rate prevailing at the relevant time) not having been paid by the Company to UBS by 6.00 pm on the first Business Day (as defined in the Option Agreement) after UBS purchases the B Shares (A) UBS will be entitled to require the Company to purchase the B Shares from UBS, and (B) the Company will be entitled to require UBS to sell the B Shares to the Company (the 'Option Agreement'), be and is hereby approved and authorised for the purposes of section 694 of the Act and otherwise, but so that such approval and authority shall expire at the end of the next annual general meeting of the Company. (Resolution 28)

By Order of the Board

**A M DIBBEN**

COMPANY SECRETARY

2 August 2021

Registered Office:

Berkeley House

19 Portsmouth Road

Cobham, Surrey KT11 1JG

Registered in England and Wales, No. 05172586



## Appendix 1

### BIOGRAPHIES OF DIRECTORS

#### G Barker BSc (Hons) FCA

##### Chairman

**Date of appointment to the Board:** 3 January 2012 and as Deputy Chairman and Senior Independent Director on 18 April 2018 and Group Chairman on 23 July 2020

**Committee memberships:** Chairman of the Nomination Committee and a member of the Remuneration Committee

**Skills, experience and contribution:** G Barker is a Chartered Accountant and brings extensive experience as a business leader and a trusted advisor to FTSE 100 companies. He has a deep understanding of accounting and regulatory issues together with extensive understanding of transactional and financial services.

G Barker was appointed as a Non-Executive Director of Berkeley following a 35 year career with PricewaterhouseCoopers LLP ('PwC'), where he held a number of senior posts including UK Vice Chairman, UK Managing Partner and UK Head of Assurance. He also established and ran PwC's Transaction Services business. He was previously Senior Independent Director of Aviva plc and Deputy Chairman of English National Opera.

##### Other appointments:

Independent Non-Executive Director, Cornerstone FS PLC  
Independent Non-Executive Director, Various Eateries plc  
Independent Non-Executive Director, Transocean Limited  
Chairman, Irwin Mitchell Holdings Ltd  
Chairman, Tappit Technologies (UK) Ltd  
Senior Advisor, Novalpina Capital LLP

#### D Brightmore-Armour FCCA, FCT

##### Senior Independent Director

**Date of appointment to the Board:** 1 May 2014 and as Senior Independent Director on 23 July 2020

**Committee memberships:** Member of the Nomination Committee

**Skills, experience and contribution:** D Brightmore-Armour is a Fellow of the Association of Chartered Certified Accountants and a Fellow of the Association of Corporate Treasurers. In June 2021, she was appointed as CEO of C. Hoare & Co., the UK's oldest privately owned bank. Previously she was the Chief Executive Officer, UK & Europe of The Australia and New Zealand Banking Group Ltd until 31 December 2019, where she was responsible for oversight of the day-to-day activities of the branch, including the local execution of the Group's strategy, promoting a culture of compliance and ensuring appropriate standards of conduct and governance.

D Brightmore-Armour was also CEO, Corporate Banking at Lloyds Banking Group (2004-2012) and spent her early career at The Coca-Cola Company. She has 30 years' international experience in banking, corporate finance, financial management, treasury and audit.

D Brightmore-Armour is a strong supporter of talent development and gender diversity through her involvement with the 30% Club, International Women's Forum, C200 and the City Women's Network.

##### Other appointments:

CEO, C. Hoare & Co.  
Independent Non-Executive Director and Audit Chair of Vocalink, a Mastercard Company  
Independent Non-Executive Director and Audit Chair of Mercer, UK, a Marsh & McLennan Company

#### A Myers BEng (Hons) ACA

##### Independent Non-Executive Director

**Date of appointment to the Board:** 6 December 2013

**Committee memberships:** Chairman of the Audit Committee and a member of the Remuneration Committee

**Skills, experience and contribution:** A Myers qualified as a Chartered Accountant with KPMG in 1990 and brings extensive commercial and recent and relevant financial experience to the Board. He is Chief Financial Officer and a Member of the Management Board at SUSE S.A., the world's largest independent open source software business, listed on the Frankfurt Stock Exchange. Previously he was Chief Financial Officer at SHL Group and prior to that Chief Financial Officer at McLaren Technology Group where he had responsibility for finance, IT and strategic procurement.

A Myers has also held senior finance roles at Rolls-Royce plc and at the BMW/Rover Group. He joined Rolls-Royce plc as Finance Director of the Combustion Business Unit in 2000 and was promoted to CFO of the Energy Sector, based in Washington DC, two years later.

##### Other appointments:

Chief Financial Officer and Member of the Management Board, SUSE S.A.

#### R C Perrins BSc (Hons) FCA

##### Chief Executive

**Date of appointment to the Board:** 1 May 2001

**Committee memberships:** None

**Skills, experience and contribution:** R C Perrins joined Berkeley in 1994. He has been a Main Board member since 2001 and Chief Executive since 2009. Under his management, Berkeley has increasingly focused on transforming large-scale brownfield sites which are beyond the scope of conventional homebuilders.

R C Perrins oversees an industry leading sustainability strategy, including innovative climate action, nature recovery and social value programmes. R C Perrins has prioritised investment in digital skills and technologies and modern methods of construction; including the development of Berkeley Modular's precision manufactured housing solution.

R C Perrins launched the Berkeley Foundation in 2011, an independent charity which works in close partnership with the Berkeley Group to maximise its positive social impacts.

He contributes to the Bank of England's Real Estate Forum and to the public debate around housing delivery, brownfield regeneration, sustainability, placemaking and community wellbeing.

##### Other appointments:

Chair of Trustees, Berkeley Foundation (since 2011)  
Trustee, Crisis (since 2020)  
Council member and Chair of the Finance and Infrastructure Committee, Aston University (since 2015)  
Governor, Marlborough College (since 2021)

**R J Stearn BSc (Hons) FCA****Chief Financial Officer****Date of appointment to the Board:** 13 April 2015**Committee memberships:** None

**Skills, experience and contribution:** R J Stearn re-joined Berkeley on 13 April 2015 as Chief Financial Officer, having previously worked for the Company from 2002 to 2011 as Group Financial Controller. In the intervening period, R J Stearn spent three years at Quintain Estates and Development plc, serving as the company's Finance Director for most of that time.

R J Stearn is responsible for the Group's finance, insurance, treasury, tax and investor relations functions. He also leads on strategic risk management and has oversight of the Group's IT function.

R J Stearn has 17 years of direct experience in the property and development industry. Prior to joining Berkeley, he trained and practised for 12 years as a Chartered Accountant with PricewaterhouseCoopers LLP, auditing and advising a wide range of clients.

**Other appointments:** None

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**S Ellis BSc (Hons)****Executive Director****Date of appointment to the Board:** 9 September 2010**Committee memberships:** None

**Skills, experience and contribution:** S Ellis joined Berkeley in 2004 and was appointed to the Group Main Board on 9 September 2010, as a Divisional Executive Director. S Ellis is Chairman of St James Group, Berkeley Homes (Eastern Counties) and the joint venture with National Grid, St William. As the head of these businesses he has overseen highly acclaimed mixed use developments across London and the South East, including Riverlight, winner of the RIBA National Award 2018.

As Chairman of St William, S Ellis leads the long-term regeneration of a portfolio of 23 former National Grid gas infrastructure sites, which require complex remediation and placemaking strategies. With St James, S Ellis is overseeing the transformation of an 11 acre former warehousing site in the White City Opportunity Area – a long-term regeneration programme which will deliver more than 2,400 homes.

S Ellis is Chairman of the Group's Land and Planning Committee and is a regular contributor to the national planning and housing debate. He began his career at Beazer Homes and prior to joining Berkeley held various senior positions at Laing Homes, where he was appointed Managing Director in 1999.

**Other appointments:** None**K Whiteman BSc (Hons)****Executive Director****Date of appointment to the Board:** 10 September 2009**Committee memberships:** None

**Skills, experience and contribution:** K Whiteman joined Berkeley in 1996 as a Construction Director, before rising to Divisional Managing Director of Berkeley Homes East Thames and Berkeley Modular. He joined the Group Main Board on 10 September 2009 as a Divisional Executive Director.

K Whiteman leads two of the country's most celebrated regeneration projects – Kidbrooke Village and Royal Arsenal Riverside. He is Managing Director of Berkeley Modular where he is leading the development of the Group's precision manufacturing facility in Kent.

K Whiteman oversees the delivery of Our Vision 2030, the Group's business strategy, which is driving performance and innovation across the business. He is also responsible for the Group's approach to sustainability, along with the Group-wide health and safety strategy and is Chairman of the Health and Safety Committee.

**Other appointments:** None

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**J Tibaldi****Executive Director****Date of appointment to the Board:** 8 December 2017**Committee memberships:** None

**Skills, experience and contribution:** J Tibaldi joined Berkeley in 1999 as a senior surveyor and went on to hold board positions within the Group's London divisions, including a spell at Woolwich Arsenal and overseeing the delivery of Tabard Square, SE1. He became Managing Director of Berkeley Homes (Capital) in 2011 and joined the Group Main Board on 8 December 2017, as a Divisional Executive Director.

J Tibaldi is responsible for the Group's Estates Management Committee and shapes Company policy on placekeeping and sustainable resident-led stewardship. He also has oversight of the Group's Commercial Committee.

Having recently completed developments at Goodman's Fields and One Tower Bridge, his current project portfolio includes the long-term regeneration of Hackney's Woodberry Down, one of the country's most successful housing estate redevelopment programmes. He also leads the delivery of South Quay Plaza, one of London's tallest residential buildings, 250 City Road, where over 1,000 homes are being built around a public square and commercial hub, as well as the development at Trent Park, where over 250 homes are being built in the setting of Trent Country Park.

**Other appointments:** None



## P Vallone

### Executive Director

**Date of appointment to the Board:** 8 December 2017

**Committee memberships:** None

**Skills, experience and contribution:** P Vallone joined Berkeley in 1990, with a background in property sales and marketing. He went on to become a Managing Director before joining the Group Main Board on 8 December 2017 as a Divisional Executive Director.

P Vallone is Executive Chairman of the St Edward joint venture with M&G, and is Divisional Managing Director of Berkeley Homes (Central and West London). P Vallone is Chairman of the Group's Sales and Marketing Committee, the Group-wide Digital Steering Group, the Customer Services Committee and Berkeley's international office network.

P Vallone oversees a number of projects in the Group which include Oval Village, built on the site of the historic Oval Gasworks and 9 Millbank, both in London, a combination of newly-built properties and the restoration of a landmark building.

P Vallone is also overseeing St Edward's Hartland Village, one of the Group's most ambitious long-term regeneration programmes outside of London. This will see a long derelict National Gas turbine site transformed into a highly sustainable new village.

**Other appointments:** None

## Sir J Armitt CBE FREng FICE

### Independent Non-Executive Director

**Date of appointment to the Board:** 1 October 2007. Sir J Armitt served as Deputy Chairman and Senior Independent Director from 5 September 2012 to 18 April 2018

**Committee memberships:** Member of the Nomination Committee

**Skills, experience and contribution:** Sir J Armitt is currently Chairman of National Express Group PLC, City & Guilds Group and the National Infrastructure Commission. He is an Independent Non-Executive Director of Expo 2020. Sir J Armitt was President of the Institution of Civil Engineers (2015-2016), Chairman of the Olympic Delivery Authority (2007-2014), Chairman of the Engineering and Physical Science Research Council (2007-2012) and a member of the Transport for London Board (2012-2016). From 2001 to 2007, he was Chief Executive of Network Rail and its predecessor, Railtrack, and prior to that he was Chairman of John Laing plc's international and civil engineering divisions. Sir J Armitt brings a wealth of operational, commercial and technical experience amassed throughout his career.

Sir J Armitt received a knighthood in 2012 for services to engineering and construction and he was awarded a CBE in 1996 for his contribution to the rail industry.

#### Other appointments:

Chairman, National Express Group PLC  
Chairman, City & Guilds Group  
Chairman, National Infrastructure Commission  
Independent Non-Executive Director, Expo 2020

## R Downey ACA

### Independent Non-Executive Director

**Date of appointment to the Board:** 8 December 2017

**Committee memberships:** Member of the Audit Committee

**Skills, experience and contribution:** R Downey brings extensive regeneration expertise to the Board. She is Project Director of Manchester Life, a joint venture between Abu Dhabi United Group and Manchester City Council established in 2014 to make a significant contribution towards achieving Manchester's regeneration and residential growth ambitions.

Prior to that R Downey has managed various projects including the submission to the Government for £113 million to transform the public-housing stock in several neighbourhoods across Manchester and Salford as part of the Housing Market Renewal Pathfinder programme.

R Downey, a Chartered Accountant, is also currently Non-Executive Director of Lancashire County Cricket Club and a Trustee of the We Love Manchester Emergency Fund and was previously a Trustee of the Lord Mayor of Manchester's Charity Appeal Trust (2015-2019).

#### Other appointments:

Project Director, Manchester Life  
Non-Executive Director, Lancashire County Cricket Club  
Trustee of We Love Manchester Emergency Fund

## The Ven. E Adekunle

### Independent Non-Executive Director

**Date of appointment to the Board:** 5 January 2021

**Committee memberships:** None

**Skills, experience and contribution:** The Ven. E Adekunle has been the Archdeacon of Hackney since 2016 and became a Chaplain to Her Majesty the Queen in April 2017. The Ven. E Adekunle was awarded the Freedom of the City of London in April 2019.

The Ven. E Adekunle is a Westminster Abbey Institute Fellow, an Associate at Ridley Hall Theological College and an Honorary Fellow of St Augustine's College of Theology. The Ven. E Adekunle is on the Board of STRIDE, Metropolitan Police Board, a member of the National Police Chief's Council Op. Talla Independent Ethics Committee and a member of the Metropolitan Police Strategic Faith Group.

Until recently, The Ven. E Adekunle was Chair of the Monuments and Plaques Committee at St Paul's Cathedral and has chaired several conversations on contentious and complex issues such as Contested Histories. The Ven. E Adekunle has considerable experience of social, political and ethical matters and brings a valuable perspective on the potential of urban regeneration and good placemaking to improve the lives of those living in the communities within which Berkeley operates.

#### Other appointments:

Archdeacon of Hackney for the Diocese of London  
Chaplain to Her Majesty the Queen  
Board Member, STRIDE, Metropolitan Police Board  
Member, National Police Chief's Council Op. Talla Independent Ethics Committee  
Member, Metropolitan Police Strategic Faith Group

**W Jackson****Independent Non-Executive Director****Date of appointment to the Board:** 5 January 2021**Committee memberships:** Member of the Nomination Committee

**Skills, experience and contribution:** W Jackson is Managing Partner of Bridgepoint, one of Europe's leading private equity groups, which he has led since 2001. W Jackson has served on a wide range of UK and international boards during his career and stood down as Senior Independent Director of British Land plc in 2020 and as a Non-Executive Director in March 2021. W Jackson is President of the Board of Dorna Sports S.L. and Non-Executive Director of the Royal Marsden NHS Foundation Trust. W Jackson brings extensive property, commercial, financial and PLC experience to the Board.

**Other appointments:**

Managing Partner, Bridgepoint Advisers Group Ltd  
President of the Board, Dorna Sports S.L.  
Non-Executive Director, Royal Marsden NHS Foundation Trust  
Chairman of Governors, Wellington College

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**S Sands****Independent Non-Executive Director****Date of appointment to the Board:** 30 April 2021**Committee memberships:** None

**Skills, experience and contribution:** S Sands is a journalist by profession and was Editor of the BBC Radio 4 Today programme from 2017 to 2020. Prior to this, S Sands was Editor of The Evening Standard and The Sunday Telegraph and has held Editor in Chief and Consultant Editor roles at Reader's Digest and the Daily Mail. S Sands is a Board Director of Hawthorn Advisors and is Chair of the Gender Equality Advisory Council for G7 for 2021 and of the political think tank Bright Blue. She is a Board Member of London First and Index on Censorship and is a Patron of the National Citizen Service. S Sands brings to the Board a broad insight on economic, political and social matters and a valuable perspective on issues such as the environment, sustainability, community and inclusivity.

**Other appointments:**

Board Director, Hawthorn Advisors  
Chair, G7 Gender Equality Advisory Council  
Chair, Bright Blue  
Non-Executive Director, London First  
Trustee, Index on Censorship  
Patron, National Citizen Service  
Advisory Board Member, The Queen's Platinum Jubilee Pageant

**A Kemp****Independent Non-Executive Director****Date of appointment to the Board:** 1 July 2021**Committee memberships:** Member of the Audit Committee and the Remuneration Committee

**Skills, experience and contribution:** A Kemp is a Chartered Accountant and was appointed as a Non-Executive Director of Berkeley following his retirement from PricewaterhouseCoopers LLP ('PwC') after a 39 year career with the firm. A Kemp was a senior partner at PwC in London, advising the boards of some of the UK's largest multinational companies and he also chaired PwC's Non-Executive Director Programme which focuses on boardroom topics such as cyber security, climate change and business resilience. Among his management roles, A Kemp was a member of PwC's Assurance executive board and led a large operating unit.

A Kemp brings extensive knowledge of accounting and finance, risk management and corporate governance matters having been an audit partner for 27 years and through his chairmanship of the PwC Non-Executive Director Programme.

**Other appointments:**

Governor and member of the Audit Committee, Birkbeck University of London



## **Appendix 2**

### **RETURN OF CASH TO SHAREHOLDERS**



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

**This Circular does not take into account the investment objectives, financial situation or needs of any particular person. If you are in any doubt as to the action you should take, you are recommended to seek your own financial or tax advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant, tax adviser or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please send this Circular as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected. However, this Circular should not be forwarded to or sent in or into any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction.

The distribution of this Circular and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law. Any person not in the United Kingdom into whose possession this Circular and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.



**The Berkeley Group Holdings plc**

(incorporated and registered in England and Wales under number 05172586)

**Proposed Return of Cash to Shareholders of approximately £451 million by way of a B Share Scheme  
and related Share Consolidation**

**Circular to Shareholders**

This Circular should be read as a whole. Your attention is drawn to the letter from your Chairman which is set out in Part I of this Circular and which contains the unanimous recommendation of the Board that you vote in favour of the applicable Resolutions to be proposed at the Annual General Meeting referred to below. The Resolutions will be voted on by taking a poll.

You should note that the B Share Scheme and Share Consolidation are conditional upon, among other things, the approval by the Shareholders of the applicable Resolutions.

This Circular is appended to the notice of Annual General Meeting of the Company to be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG on Friday 3 September 2021 at 11.00 am.

Application will be made to the FCA and the London Stock Exchange, respectively, for the New Ordinary Shares resulting from the Share Consolidation to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities and for the listing of the Existing Ordinary Shares on the premium listing segment of the Official List and on the London Stock Exchange's main market for listed securities to be cancelled. It is expected that the Existing Ordinary Share register will close and Existing Ordinary Shares will be disabled in CREST at 6.00 pm on Friday 3 September 2021 and the listing of the Existing Ordinary Shares on the premium listing segment of the Official List and on the London Stock Exchange's main market for listed securities will be cancelled before 8.00 am on Monday 6 September 2021. Admission of the New Ordinary Shares is expected to become effective and dealings in them will commence on the London Stock Exchange at 8.00 am on Monday 6 September 2021.

No application will be made to the FCA or to the London Stock Exchange for any of the B Shares to be admitted to the Official List or to trading on the London Stock Exchange's main market for listed securities, nor will the B Shares be listed or admitted to trading on any other recognised investment exchange. The B Shares will not be transferable, save in the very limited circumstances set out in Article 3A.8 of Part III of this Circular.

The B Shares and New Ordinary Shares issued under the B Share Scheme and Share Consolidation, respectively, have not been and will not be registered under the US Securities Act or the state securities laws of the United States and they may not be offered or sold in the United States or to any US persons unless pursuant to a transaction that has been registered under the US Securities Act and the relevant state securities laws or pursuant to a transaction that is exempt from, or not subject to, the registration requirements of the US Securities Act and the state securities laws.





None of the B Shares or New Ordinary Shares to be issued under the B Share Scheme and Share Consolidation, respectively, or this document, have been approved, disapproved or otherwise recommended by any US federal or state securities commission or other regulatory authority or any non-US securities commission or regulatory authority nor have such authorities passed upon or endorsed the merits of this offering or confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

UBS, which is authorised and regulated by the Financial Market Supervisory Authority in Switzerland and authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA in the United Kingdom, is acting exclusively for the Company and for no one else in connection with the matters referred to in this Circular and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this Circular. No member of UBS Group, nor any of their respective officers, employees and agents will regard any other person as its client, nor does it owe or accept any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any other person as its client in connection with this Circular, or any statement or matter contained herein.

This Circular does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security. Neither this Circular, nor any other document issued in connection with the proposed return of cash to Shareholders, may be issued or distributed to any person except under circumstances which do not constitute an offer to the public under applicable securities laws. This document does not constitute a prospectus. The attention of Overseas Shareholders is drawn to paragraph 9 of Part II of this Circular.

No person has been authorised to give any information or make any representations other than those contained in this Circular and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this Circular shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Circular or that the information in it is correct as at any subsequent time to its date.

The contents of this document are not to be construed as legal, business or tax advice. Each Shareholder should consult their own legal adviser, financial adviser or tax adviser for legal, financial or tax advice respectively.

#### **PRESENTATION OF FINANCIAL INFORMATION**

Percentages may have been rounded and accordingly may not add up to 100 per cent. Certain financial data has been rounded and, as a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

#### **DEFINITIONS**

Capitalised terms have the meanings ascribed to them in the "Definitions" section of this Circular.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<b>Annual General Meeting</b>	<b>11.00 am on Friday 3 September 2021</b>
Latest time and date for dealings in Existing Ordinary Shares	4.30 pm on Friday 3 September 2021
<b>Record Time for entitlement to B Shares and Share Consolidation</b>	<b>6.00 pm on Friday 3 September 2021</b>
Existing Ordinary Share register closed and Existing Ordinary Shares disabled in CREST	6.00 pm on Friday 3 September 2021
Cancellation of listing of Existing Ordinary Shares	before 8.00 am on Monday 6 September 2021
<b>Admission Date</b>	<b>8.00 am on Monday 6 September 2021</b>
New Ordinary Shares admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities	8.00 am on Monday 6 September 2021
Issue of B Shares of an amount equal to the number of Existing Ordinary Shares held at the Record Time	8.00 am on Monday 6 September 2021
CREST accounts credited with New Ordinary Shares	8.00 am on Monday 6 September 2021
Dealings commence in the New Ordinary Shares ex entitlement to the B Share Return of Cash	Monday 6 September 2021
UBS makes the B Share Purchase Offer by means of a Regulatory Information Service announcement	8.00 am on Tuesday 7 September 2021
Purchase of B Shares by UBS to be completed and UBS becomes the beneficial owner of B Shares	Tuesday 7 September 2021
B Share Single Dividend paid to UBS and B Shares automatically reclassified as Deferred Shares	Tuesday 7 September 2021
Company repurchases and cancels Deferred Shares	Tuesday 7 September 2021
Despatch of share certificates in respect of New Ordinary Shares	Friday 17 September 2021
Despatch of cheques and bank and CREST accounts credited in respect of proceeds from sale of fractional entitlements arising as a result of the Share Consolidation	Friday 17 September 2021
Despatch of cheques and bank and CREST accounts credited in respect of proceeds from the sale of the B Shares following the B Share Purchase Offer	Friday 17 September 2021

### Notes

- (1) If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.
- (2) References to time in this document are to London time.
- (3) All events in the above timetable following the holding of the Annual General Meeting are conditional on the passing of Resolutions 26, 27 and 28 at such meeting and all events in the above timetable following the Admission Date are conditional upon Admission.

**PART I****Letter from the Chairman****DIRECTORS**

The Venerable Elizabeth Adekunle  
Sir John Armitt, CBE  
Glyn Barker  
Diana Brightmore-Armour  
Rachel Downey  
Sean Ellis  
William Jackson  
Andrew Kemp  
Adrian Li  
Andrew Myers  
Dame Alison Nimmo, DBE  
Robert Perrins  
Sarah Sands  
Richard Stearn  
Justin Tibaldi  
Paul Vallone  
Peter Vernon  
Karl Whiteman

**REGISTERED OFFICE**

Berkeley House  
19 Portsmouth Road  
Cobham  
Surrey  
KT11 1JG

2 August 2021

Dear Shareholder,

**Proposed Return of Cash to Shareholders of approximately £451 million by way of a B Share Scheme, and related Share Consolidation****1. Introduction**

Further to an announcement made on 23 June 2021, the Company is now writing to Shareholders with a formal proposal to return approximately £451 million (£3.71 per share) to Shareholders by 30 September 2021 through a B share scheme, followed by a share consolidation. The £451 million to be returned comprises £228 million of surplus capital and the remaining £223 million of scheduled annual shareholder returns for 2021/22.

These proposals are set out in this Circular, the purpose of which is to provide Shareholders with further information relating to the B Share Scheme and the related Share Consolidation.

**2. Strategy and Shareholder Returns**

The Company's purpose is to build quality homes, strengthen communities and improve people's lives, using its sustained commercial success to make valuable and enduring contributions to society, the economy and natural world. To achieve this, the Company's long term strategy is to invest in opportunities with the right risk-adjusted returns, while ensuring that its financial strength reflects the prevailing macro environment, and to make returns to the shareholders who support the Company to achieve its purpose, through either dividends or share buy-backs.

Large-scale brownfield regeneration takes longer and is more complex and capital intensive than traditional housebuilding sites. It typically involves uncertain timing from any one or combination of planning, remediation, clearing of planning conditions, utilities, compulsory purchase orders, vacant possession and complex infrastructure works. When approached with great care and expertise it returns greater value to stakeholders over the long-term. The Company now has 29 of these long-term regeneration sites in its land holdings.

Over this last 12 months, the Company has added ten new sites to its land holdings, comprising some 6,650 homes, and added a further 1,500 through re-planning existing sites, increasing the estimated future gross profit in the land holdings from £6.4 billion to £6.9 billion. In addition, the Company has either acquired or advanced a number of development opportunities that will come into the land holdings over the business plan period. These represent a further 7,000 homes and will see the Company achieve its long-term target of increasing the estimated future gross profit in its land holdings to £7.5 billion. Within this near-term pipeline is a strategic land site in Milton Keynes, a retail park in Kew and two regeneration sites in St William.

Due to the nature of the new and the pipeline sites, cash spent on land has been only slightly higher than that used in the delivery of new homes in the year. This is due to a number of factors associated with these sites, including timing of land payments, the extent of infrastructure and remediation costs on these sites and the fact that some sit within the St William joint venture.

Immediately prior to the pandemic, the Company had identified £455 million of cash that was surplus to its ongoing business plan requirements and that it planned to return to shareholders through a capital reduction. This surplus cash was generated over the preceding three years as the Company delivered a number of central London developments acquired and designed at the end of the global financial crisis.

With the onset of the pandemic, the Company obtained the support of shareholders to defer this return of surplus capital for up to two years to; firstly safeguard the business in the immediate aftermath of the pandemic and, secondly to ensure it had sufficient capital



should significant incremental opportunities arise to add to its land interests. The surplus capital would therefore be utilised to acquire incremental land or returned to shareholders as previously envisaged.

Following the progress made in the last twelve months, the Company ends the year with significantly enhanced land holdings and a strong cash position. From this point, and given the current buoyancy in the land market, further new sites will be added selectively with the Company's strategic focus on continuing to invest in its joint ventures and unrivalled land holdings.

This provides the Company with the visibility to commit to making the first half of the return of surplus capital through shareholder returns by 30 September 2021, six months ahead of the revised scheduled date.

The Company has already returned to shareholders £59 million through share buy-backs towards the end of last year and now proposes to create a payment to shareholders of approximately £451 million (£3.71 per share), comprising £228 million of surplus capital and £223 million of scheduled annual shareholder returns for 2021/22.

The Company further proposes that this is undertaken via a B Share Scheme, followed by the Share Consolidation, with the appropriate resolutions to be put to shareholders at the Company's Annual General Meeting on 3 September 2021. This would see the Company's share capital reduce by around 7.65% (based on current share price) from 121.6 million to approximately 112.4 million shares.

Following this, the next scheduled shareholder return will therefore be the £141 million in respect of the six months ending 30 September 2022.

Taking account of commitments on its existing sites, including those added in the year, and pipeline sites, Berkeley anticipates a large part of the second half of the surplus capital return will be allocated to land expenditure on these and new sites.

The details and terms of the B Share Scheme and the Share Consolidation are summarised in Part II of this Circular.

### 3. Annual General Meeting and Resolutions

This Circular is appended to the notice of the Annual General Meeting to be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG on Friday 3 September 2021 at 11.00 am. Details on proxy appointments and the action to be taken are set out in that notice.

Resolution 26 will approve the amendment to the Company's Articles of Association to include the rights attached to each of the B Shares and the Deferred Shares. Resolution 27 will authorise the Directors to implement the B Share Scheme and the related Share Consolidation. Resolution 28 will authorise the Company to buy back the B Shares once they have been purchased by UBS and reclassified into Deferred Shares pursuant to the terms of the Option Agreement.

Further details of the Resolutions can be found at Part II, paragraph 12 of this Circular.

### 4. Recommendation

This Circular also explains why the Board considers the Resolutions proposed to be in the best interests of the Company and the Shareholders as a whole. **Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the Annual General Meeting, as each Director intends to do in respect of his or her own beneficial holdings.**

Yours faithfully,

**G BARKER**  
CHAIRMAN



## PART II

### Details of the B Share Scheme and Share Consolidation

#### 1. B Share Scheme

The Company proposes to effect the Return of Cash to Shareholders by way of a B Share Scheme. The B Share Scheme which is due to be implemented in September 2021 will involve the allotment and issue of B Shares to Shareholders and the subsequent purchase of the B Shares by UBS pursuant to the B Share Purchase Offer (described in paragraph 4 of this Part II). This will be accompanied by the Share Consolidation (described in paragraph 6 of this Part II).

The exact aggregate amount to be returned under the B Share Scheme will depend on the number of Existing Ordinary Shares in issue at the Record Time.

However, based on the number of Existing Ordinary Shares in issue as at close of business on the Latest Practicable Date and the proposal to return 371 pence per Existing Ordinary Share, the aggregate amount to be returned under the B Share Scheme is expected to be approximately £451 million.

#### 2. Conditions to the implementation of the B Share Scheme

The B Share Scheme is conditional on among other things:

- (A) approval by Shareholders of Resolutions 26, 27, and 28 to be proposed at the Annual General Meeting;
- (B) none of the Transaction Documents having been terminated prior to the implementation of the B Share Scheme;
- (C) the B Share Single Dividend having been approved by the Directors prior to the implementation of the B Share Scheme; and
- (D) Admission.

If the conditions are not satisfied by 8.00 am on the Admission Date, neither the B Share Scheme nor the Share Consolidation, will take effect.

#### 3. Allotment and issue of B Shares

Each Shareholder will receive one B Share for each Existing Ordinary Share held at the Record Time. The rights and restrictions attached to the B Shares are set out in Part III of this Circular.

It is proposed that the Company will capitalise the necessary amount standing to the credit of the Company's share premium account in order to pay up in full the B Shares at the Admission Date with a nominal value of 0.1 pence each.

The number of B Shares to be issued will be equal to the number of Existing Ordinary Shares in issue at the Record Time (excluding any Ordinary Shares held in treasury by the Company).

As at close of business on the Latest Practicable Date there were 132,236,668 Existing Ordinary Shares in issue, of which 10,540,622 are held in treasury (representing 8.66 per cent. of the total Existing Ordinary Shares in issue (excluding treasury shares)).

No B Shares will be issued in respect of the Company's holding of treasury shares.

The B Shares will not be admitted to the Official List or admitted to trading on the London Stock Exchange's main market for listed securities, nor will they be listed or admitted to trading on any other recognised investment exchange.

The B Shares will not be transferable, save in the limited circumstances set out in Article 3A.8 of Part III of this Circular.

No share certificates will be issued to Shareholders in respect of the B Shares.

#### 4. Terms of the B Share Purchase Offer

On and subject to the terms set out in this Circular and the Transaction Documents, it is expected that following Admission, UBS (acting as principal, and not as agent, nominee or trustee for the Company) will make the B Share Purchase Offer to purchase all of the B Shares for an amount of 371 pence per B Share, free of all expenses and commissions.

Once Shareholders have approved the B Share Scheme as described in this Circular by the passing of Resolutions 26, 27, and 28, then, pursuant to the Company's new articles of association to be adopted with effect from Admission (the "New Articles"), each of the Directors and the Company Secretary will be authorised on behalf of each Shareholder to do all acts and things which they consider necessary or desirable to accept the B Share Purchase Offer once it is made. No individual Shareholder will be able to accept or reject the B Share Purchase Offer with respect to the B Shares that such Shareholder has received pursuant to the B Share Scheme.

##### *Terms of the B Share Purchase Offer*

The following terms will apply to the B Share Purchase Offer:

- (A) no contract between a Shareholder and any member of the UBS Group will arise in relation to the sale and purchase of any B Shares, or under which any member of the UBS Group may (subject to conditions or otherwise) become entitled or obliged to purchase any B Shares under the B Share Purchase Offer, unless and until UBS (acting as principal, and not as agent, nominee or trustee for the Company) makes the B Share Purchase Offer, which is expected to be by way of an announcement through a Regulatory Information Service on 7 September 2021, on which date any Director or the Company Secretary will accept the B Share Purchase Offer on behalf of each of the Shareholders. Under the New Articles, each of the Directors and the Company Secretary is authorised on behalf of each Shareholder to execute all documents and do all acts and things in the name of each holder of B Shares or



otherwise on behalf of each such holder of B Shares which such Director or the Company Secretary shall in their absolute discretion consider necessary or desirable to accept the B Share Purchase Offer. The obligation of UBS to make the B Share Purchase Offer is conditional upon the satisfaction, or waiver by UBS, of a number of conditions which are summarised in paragraph 5 of this Part II. In addition, under the terms of the Purchase Offer Deed, UBS shall only be obliged to make the B Share Purchase Offer if the Company serves written notice on UBS by 8.00 am on 8 September 2021 (or such other time and/or dates as UBS and the Company may agree in writing);

- (B) acceptance of the B Share Purchase Offer by any Director or the Company Secretary on behalf of a Shareholder will irrevocably authorise the Company, or any officer or employee of the Company for the time being, or UBS, or any director of UBS for the time being, on that Shareholder's behalf and in his, her or its name, to exercise all rights, powers and privileges attached to the B Shares or otherwise capable of being exercised by that Shareholder in respect of the B Shares to give effect to the B Share Scheme and to do all acts and things and to execute all such deeds, transfers and other documents as such person shall consider necessary to give effect to the same;
- (C) acceptance of the B Share Purchase Offer by any Director or the Company Secretary on behalf of a Shareholder and all contracts and matters (whether contractual or non-contractual) resulting therefrom will be governed by and construed in accordance with English law. Acceptance of the B Share Purchase Offer by any Director or the Company Secretary on behalf of a Shareholder constitutes that Shareholder's submission, in relation to all matters arising out of or in connection with such acceptance and the exercise of the powers granted pursuant to the authorisation under the New Articles or agent appointed thereunder, to the exclusive jurisdiction of the English courts;
- (D) upon acceptance of the B Share Purchase Offer by any Director or the Company Secretary on behalf of a Shareholder and in accordance with the New Articles, each Shareholder represents, warrants, undertakes and agrees to and with the Company and UBS that such Shareholder has:
  - (i) full power and authority to tender, sell, assign and transfer his, her or its holding of B Shares and that UBS will acquire such B Shares free and clear from all liens, charges, restrictions, claims, equitable interests and encumbrances and together with all rights attaching thereto; and
  - (ii) observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due from such Shareholder in any territory in connection with the acceptance of the B Share Purchase Offer by any Director or the Company Secretary on behalf of that Shareholder (or any transaction resulting therefrom) and such Shareholder has not taken or omitted to take any action which may result in the Company, UBS or any other person acting in breach of the legal or regulatory requirements of any territory in connection with the B Share Scheme or the acceptance of the B Share Purchase Offer by any Director or the Company Secretary on behalf of that Shareholder (or any transaction resulting therefrom).

In addition, by the acceptance of the B Share Purchase Offer by any Director or the Company Secretary on behalf of a Shareholder, the Shareholder: (i) agrees that he, she or it will do all other things and execute any additional documents which may be necessary or, in the opinion of UBS, desirable to effect the purchase of such B Shares by UBS; and (ii) acknowledges that no member of the UBS Group shall have any liability whatsoever to such Shareholder in respect of acts done or omitted to be done by it in connection with the acceptance of the B Share Purchase Offer by any Director or the Company Secretary on behalf of that Shareholder;

- (E) no authority conferred or agreed to by the acceptance of the B Share Purchase Offer by any Director or the Company Secretary on behalf of a Shareholder shall be affected by, and all such authority shall survive, the death or incapacity of that Shareholder. All obligations of such Shareholder shall be binding upon the heirs, personal representatives, successors and assigns of such Shareholder;
- (F) by the acceptance of the B Share Purchase Offer by any Director or the Company Secretary on behalf of a Shareholder, the Shareholder agrees and undertakes to the Company and UBS that any transfer, sale, assignment or other disposal of any B Share subject to the B Share Purchase Offer by or on behalf of such Shareholder shall be: (a) effected in accordance with the New Articles; and (b) on terms that each such B Share is transferred, sold, assigned or otherwise disposed of on and subject to the terms of the B Share Purchase Offer (including, for the avoidance of doubt, such Shareholder's authorisation granted on the terms set out in paragraph (B) above); and
- (G) UBS may assign to any member of the UBS Group or to the Company any covenants, representations and warranties in respect of the B Shares purchased or agreed to be purchased by it.

#### *B Share Single Dividend*

If the B Share Purchase Offer is made and the B Shares are acquired by UBS, the B Share Single Dividend is expected to be paid to UBS on 7 September 2021 in an amount equal to the aggregate amount of 371 pence per B Share paid by UBS pursuant to the B Share Purchase Offer plus the amount of stamp duty or SDRT arising on such purchase. Each B Share purchased by UBS (acting as principal and not as agent, nominee or trustee for the Company) under the B Share Purchase Offer will, once the B Share Single Dividend has been paid on it, automatically be reclassified as a Deferred Share. It is intended that the Deferred Shares held by UBS following the B Share Purchase Offer will be acquired by the Company from UBS for an aggregate consideration of one penny and immediately cancelled.

In the unlikely event that the B Share Single Dividend is not paid by the Company to UBS by 6.00 pm on the first Business Day after B Share Purchase Completion, under the Option Agreement, (i) the Company has granted to UBS a put option which, on exercise, would oblige the Company to purchase from UBS all the B Shares purchased by UBS pursuant to the B Share Purchase Offer and (ii) UBS has granted the Company a call option which, on exercise, would oblige UBS to sell to the Company all the B Shares purchased by UBS pursuant to the B Share Purchase Offer. The price payable on exercise of either option would be an amount equivalent to that which would have been payable under the B Share Single Dividend.



### *B Share Default Dividend*

The B Share Purchase Offer is subject to certain conditions and, although it is expected that UBS will purchase the B Shares under the B Share Purchase Offer, there can be no guarantee that it will do so. In the unlikely event that the B Shares are not purchased by UBS by 8.00 am on 8 September 2021, it is expected that the B Share Default Dividend will be paid on each such B Share. For the avoidance of doubt, each Shareholder will have no right to choose to decline the B Share Purchase Offer, and to receive the B Share Default Dividend or the B Share Single Dividend, instead of the purchase price due to them under the B Share Purchase Offer.

Once the B Share Default Dividend is paid on the Default Payment Date, the B Shares will be automatically reclassified as Deferred Shares. The Deferred Shares will carry extremely limited rights as more fully described in Part IV of this Circular. It is expected that the B Share Default Dividend will be taxed, in the hands of United Kingdom tax resident Shareholders, in the same way as any other dividend income from the Company, rather than providing capital treatment.

The Company may purchase all Deferred Shares held by Shareholders following the payment of the B Share Default Dividend at any time for an aggregate consideration of one penny. To achieve this, it is currently expected that the Company, on behalf of all Shareholders who hold Deferred Shares at the relevant time, would execute a transfer of all such Deferred Shares to UBS for an aggregate consideration of one penny and such Deferred Shares would be acquired by the Company from UBS under the Option Agreement for an aggregate consideration of one penny. The Deferred Shares would then be cancelled. In view of the negligible amount of the aggregate consideration, no stamp duty or SDRT will be chargeable on the transfer of these Deferred Shares either from Shareholders to UBS or from UBS to the Company, and Shareholders will not be entitled to have any part of this consideration paid to them.

### **5. Agreements in relation to the B Share Purchase Offer**

The following agreements have been entered into in relation to the B Share Purchase Offer:

#### *Purchase Offer Deed*

On 26 July 2021, the Company entered into the Purchase Offer Deed with UBS. Under the Purchase Offer Deed, UBS has agreed that subject to the satisfaction (or waiver by UBS) of various conditions and upon the service of a notice by the Company requiring it to make the B Share Purchase Offer, it will, as principal (and not as agent, nominee or trustee for the Company), make an off-market offer to purchase all of the B Shares in issue from Shareholders. Amongst other things, the Company agrees that it shall pay the B Share Single Dividend as soon as practicable after B Share Purchase Completion, when beneficial ownership of the B Shares has transferred to UBS.

The B Share Purchase Offer will be made in the manner and on the terms set out in this Circular and the Purchase Offer Deed. The obligation of UBS to make the B Share Purchase Offer is conditional upon the satisfaction, or waiver by UBS, of a number of conditions, including: (i) the passing of Resolutions 26, 27 and 28 without material amendment other than as agreed between UBS and the Company and such approvals continuing in force; (ii) the Board (or an authorised committee thereof) having resolved to pay the B Share Single Dividend subject only to the acceptance of the B Share Purchase Offer by a Director or the Company Secretary on behalf of all Shareholders; (iii) the Option Agreement and the Escrow Agreement having been duly executed by the Company and the Escrow Agent (as applicable) and delivered to UBS; (iv) the Company having sufficient funds, which would otherwise be available for dividend or distribution, lawfully to: (a) pay the B Share Single Dividend, or (b) purchase the B Shares, in accordance with the terms of the Option Agreement, or having paid such funds into escrow pursuant to the terms of the Escrow Agreement, and there being nothing that would make such purchase or payment unlawful; (v) there being no other facts or circumstances which prevent: (a) the Company from complying in all respects with and lawfully performing its obligations under the Purchase Offer Deed and the Option Agreement; and (b) the Company and the Escrow Agent from complying in all respects with and lawfully performing their obligations under the Escrow Agreement; (vi) the agreement of the Registrars (in their role as receiving bank) as set out in its engagement agreement with the Company to pay, upon receipt of funds from UBS or the Escrow Agent, to the relevant Shareholders the B Share Purchase Price in accordance with the terms of the B Share Purchase Offer; (vii) the compliance to UBS's reasonable satisfaction by the Company and the Escrow Agent with their respective obligations under the Escrow Agreement, including the Escrow Agent having provided UBS with an escrow notice pursuant to the terms of the Escrow Agreement; and (viii) the allotment and issue of the B Shares in accordance with this Circular in relation to the B Share Purchase Offer.

UBS has termination rights in respect of the Purchase Offer Deed which may be exercised during the period before B Share Purchase Completion. UBS's rights to terminate may be exercised in specified circumstances including: (i) if any statement in a document issued by the Company in respect of the Return of Cash (including the Circular and the B Purchase Offer announcement) is untrue, incorrect or misleading in any respect or in the event of a material breach by the Company of the representations, warranties and/or undertakings given to UBS under the Purchase Offer Deed; (ii) breach by the Company of its obligations under the Purchase Offer Deed, the Option Agreement, the Escrow Agreement or this Circular, or breach by the Escrow Agent of its obligations under the Escrow Agreement; (iii) breach by a Shareholder of its obligations or the warranties deemed given by it under Part II of the Circular; (iv) termination of the Option Agreement or Escrow Agreement; (v) material adverse change in the Company's condition, solvency, liquidity, earnings, business affairs or prospects; (vi) material disruption in financial markets, any outbreak of hostilities or other calamity or crises, or the imposition of exchange controls by certain jurisdictions (including the UK); (vii) material disruption in commercial banking or securities settlement services in the UK or suspension of trading in any securities of the Company by an investment exchange (including the London Stock Exchange); and (viii) a change in UK tax practice affecting the B Share Purchase Offer, or B Shares.

#### *Option Agreement*

On 26 July 2021, the Company entered into the Option Agreement with UBS. Under the Option Agreement the parties grant each other reciprocal put and call options in respect of the B Shares.

Under the Option Agreement, if the B Share Single Dividend has not been paid by the Company to UBS by 6.00 pm on the first Business Day after B Share Purchase Completion (and the B Shares have not therefore been automatically reclassified as Deferred Shares), and conditional on B Share Purchase Completion having occurred and the passing of Resolution 28 (together the "**Put Conditions**"), the Company has granted a put option to UBS (the "**Put Option**") which, on exercise, would oblige the Company to purchase from UBS the B Shares purchased by UBS pursuant to the B Share Purchase Offer, at an aggregate price of: (i) 371 pence per B Share multiplied by the





number of B Shares purchased plus (ii) an amount equal to any stamp duty or SDRT payable by UBS as a result of its purchase of the B Shares pursuant to the B Share Purchase Offer (the “**Option Price**”).

Also under the Option Agreement, UBS has granted the Company a call option which, on exercise, would oblige UBS to sell to the Company the B Shares purchased by UBS pursuant to the B Share Purchase Offer at the Option Price (the “**Call Option**”). The Call Option is conditional on satisfaction of the Put Conditions and also on UBS not having exercised the Put Option by 6.00 pm on the second Business Day after B Share Purchase Completion.

It is expected that neither the Put Option nor the Call Option will be exercised and that instead the B Share Single Dividend will be paid to UBS (in an amount equal to the Option Price), following which each B Share purchased by UBS under the B Share Purchase Offer will be automatically reclassified as a Deferred Share and then be purchased by the Company from UBS for aggregate consideration of one penny and cancelled.

In the event that the Company pays the B Share Default Dividend to Shareholders of the B Shares, UBS undertakes in the Option Agreement to offer to purchase for an aggregate consideration of one penny, all the Deferred Shares into which the B Shares have been automatically reclassified as a result of the B Share Default Dividend being paid to Shareholders. UBS has also undertaken to promptly offer to sell any Deferred Shares which it holds (whether as a result of the B Share Purchase Offer followed by payment of the B Share Single Dividend or as a result of payment by the Company of the B Share Default Dividend to Shareholders followed by the sale of the resulting Deferred Shares to UBS) to the Company for an aggregate consideration of one penny.

The Option Agreement terminates automatically: (i) if the B Share Purchase Offer is not made by 8.00 am on 8 September 2021; or (ii) if the Purchase Offer Deed is terminated by UBS.

#### *Escrow Agreement*

On 26 July 2021, the Company entered into the Escrow Agreement with UBS and the Escrow Agent relating to the transfer into escrow of the amounts payable by the Company to UBS in respect of the B Share Single Dividend or the Option Price, as applicable.

### **6. Share Consolidation**

It is expected that, as a result of the decrease in the value of the Company's net assets due to the Return of Cash, there would, without a consolidation of the Company's ordinary share capital, be a corresponding decrease in the market price of the Ordinary Shares. Accordingly, to maintain comparability, so far as possible, between the market price per Ordinary Share before and after each element of the Return of Cash, it is proposed that the Company effects a consolidation of the Company's ordinary share capital in connection with the B Share Scheme. This will allow comparability of share prices and per share financial metrics (including dividends, net assets and earnings) with prior financial periods.

The Share Consolidation involves a reduction of the total number of Ordinary Shares in issue by the consolidation of the Existing Ordinary Shares (which have a nominal value of 5 pence each) into a smaller number of New Ordinary Shares, each at a nominal value of 5.4141 pence per New Ordinary Share.

As a result of the Share Consolidation, each Shareholder will receive a number of New Ordinary Shares at an expected ratio of 92.35 New Ordinary Shares for every 100 Existing Ordinary Shares held at the Record Time.

The Return of Cash in connection with the B Share Scheme of approximately £451 million represents approximately 7.65 per cent. of the Company's market capitalisation (based on the closing market price of £48.52 per Existing Ordinary Share as at close of business on the Latest Practicable Date) and the Share Consolidation will reduce the number of Ordinary Shares in issue by a similar percentage.

Following the Share Consolidation, it is expected that the Company's total issued share capital will comprise 122,120,562 New Ordinary Shares of 5.4141 pence each. The New Ordinary Shares will be equivalent in all material respects to the Existing Ordinary Shares (including as to dividend, voting and other rights), with the exception of the difference in nominal value. The Company will hold 9,734,264 New Ordinary Shares in treasury (representing 8.66 per cent. of the total New Ordinary Shares to be issued (excluding treasury shares)) and will not be permitted to exercise voting rights in respect of those shares. Therefore the total voting rights in the Company will be 112,386,298.

Although the number of Ordinary Shares in issue will decrease following the Share Consolidation, each Shareholder will still own the same proportion of the issued share capital of the Company as immediately before the Share Consolidation, subject to fractional entitlements. The value of a Shareholder's holding in the Company immediately following the Share Consolidation, when added to the cash payment received as a result of the associated element of Return of Cash, will be the same as the value of its holding in the Company immediately before the Share Consolidation (subject to any fluctuations in the market price of the Ordinary Shares).

Application will be made for the New Ordinary Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. Admission of the New Ordinary Shares is expected to take place and dealings expected to commence at 8.00 am on the Admission Date. The Company will apply for the New Ordinary Shares under the ISIN GB00BLJNXL82 to be admitted to CREST with effect from the Admission Date so that general market transactions in the New Ordinary Shares may be settled within the CREST system.

### **7. Fractional entitlements to New Ordinary Shares**

Unless a holding of the Existing Ordinary Shares is exactly divisible by the relevant denominator, a Shareholder will have a fractional entitlement to a New Ordinary Share following the Share Consolidation. These fractional entitlements will all be aggregated into the New Ordinary Shares and sold in the market on behalf of the relevant Shareholders. Subject to the below, the net proceeds of sale (after deduction of all expenses and commissions incurred) will be distributed pro rata to relevant Shareholders.

Should the cash consideration for any Shareholder's fractional entitlement be less than £3.00 (net of expenses), that Shareholder will have no entitlement or right to the proceeds of sale and so will not receive a cheque or have its CREST account or bank account



credited in respect of that entitlement due to the administrative costs incurred in doing so, and the net proceeds will be retained by the Company.

Cheques for the B Share Scheme in respect of the net proceeds of sale are expected to be despatched to relevant Shareholders or CREST accounts or bank accounts credited with the net proceeds, as appropriate by 17 September 2021.

## 8. Effect of B Share Scheme and Share Consolidation

For illustrative purposes, examples of how the B Share Scheme and Share Consolidation would affect Shareholders are set out below (based on the closing market price of £48.52 per Existing Ordinary Share as at close of business on the Latest Practicable Date).

A Number of Existing Ordinary Shares held at the Record Time	B Number of New Ordinary Shares held after Share Consolidation	C Proceeds under B Share Scheme	D Value of fractional entitlement at the closing market price
1	0	£3.71	£44.81
20	18	£74.20	£22.80
50	46	£185.50	£8.49
100	92	£371.00	£16.98
1,000	923	£3,710.00	£24.26

Although the number of Ordinary Shares held by each Shareholder will be reduced following the Share Consolidation, each Shareholder will continue to own the same proportion of the issued share capital of the Company as immediately before the Share Consolidation, subject to fractional entitlements.

As stated in Paragraph 7 above, the fractional entitlements will be aggregated and sold, following the share consolidation, at the share price prevailing at that time. Cheques for any fractional entitlements are expected to be despatched to relevant Shareholders or CREST accounts or bank accounts credited with any fractional entitlements, as appropriate, by 17 September 2021, unless the net amount is less than £3.00.

## 9. Overseas Shareholders

Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of other countries should consult their professional advisers to ascertain whether the issue, holding or disposal of the B Shares will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or any body or authority located in, the jurisdiction in which they are resident or to which they are subject. In particular, it is the responsibility of any Overseas Shareholder to satisfy itself as to full observance of the laws of each relevant jurisdiction in connection with the B Share Scheme, including the obtaining of any government, exchange control or other consents which may be required, or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties in such jurisdiction.

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Neither this document nor any other document issued or to be issued by or on behalf of the Company in connection with the B Share Scheme constitutes an invitation, offer or other action on the part of the Company in any jurisdiction in which such invitation, offer or other action is unlawful.

The B Shares and New Ordinary Shares issued under the B Share Scheme and Share Consolidation, respectively, have not been and will not be registered under the US Securities Act or the state securities laws of the United States and they may not be offered or sold in the United States or to any US persons unless pursuant to a transaction that has been registered under the US Securities Act and the relevant state securities laws or pursuant to a transaction that is exempt from, or not subject to, the registration requirements of the US Securities Act and the state securities laws.

None of the B Shares or the New Ordinary Shares issued under the B Share Scheme and Share Consolidation, respectively, or this document, have been approved, disapproved or otherwise recommended by any US federal or state securities commission or other regulatory authority or any non-US securities commission or regulatory authority nor have such authorities passed upon or endorsed the merits of this offering or confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

## 10. 2011 LTIP and remuneration arrangements

Under the 2011 LTIP, the Company has granted options over Ordinary Shares at varying exercise prices and with varying vesting dates. Participants under the 2011 LTIP are not the beneficial owners of Ordinary Shares under the scheme (save where options are exercised before the Record Time) and so will not participate in the B Share Scheme or Share Consolidation, other than in their separate capacity as Shareholders (if applicable). Where a participant under the 2011 LTIP has exercised an option or award before the Record Time, the participant will receive the B Shares and their Ordinary Shares will be subject to the Share Consolidation in the same way as other Shareholders.

It is intended that the Share Consolidation will ensure that the Return of Cash has a largely neutral outcome for participants under the 2011 LTIP, as options over Ordinary Shares will take effect as options over the same number of New Ordinary Shares, which are expected to have approximately the same market value following the Share Consolidation as in relation to the Existing Ordinary Shares, subject to market fluctuations. On this basis, it is anticipated that no adjustment will be made to the number of Ordinary Shares over which participants have options.

As at close of business on the Latest Practicable Date, the total number of unvested options under the 2011 LTIP was 5,620,694. In aggregate, these outstanding options represent approximately 4.62 per cent. of the issued Existing Ordinary Shares (excluding treasury shares). Following the implementation of the Return of Cash, and assuming no further shares or options are issued between

close of business on the Latest Practicable Date and the Share Consolidation becoming effective, the outstanding options will represent approximately 5.00 per cent. of the issued New Ordinary Shares (excluding treasury shares). This represents the maximum number of unvested options; however, it is the Company's expectation that the number of unvested options which actually vest will be materially less due to the operation of the Total Remuneration Caps for participants which restricts the value and therefore number of options that will vest in relation to those participants. Further, the Company's practice is to issue to participants a number of Ordinary Shares which is calculated by netting off the exercise price of the options and any tax payable upon exercise, instead of issuing participants with the full number of shares subject to the options exercised, which further reduces the number of Shares actually issued pursuant to the unvested options.

#### *Shares held by the Employee Share Trust*

The Company has established an Employee Share Trust for the purpose of satisfying share options under the 2011 LTIP. The Employee Share Trust holds Ordinary Shares. Ordinary Shares held by the Employee Share Trust will have the same rights under the B Share Scheme and Share Consolidation as Ordinary Shares held by other Shareholders. It is intended that the proceeds of the B Share Purchase Offer will be retained by the Employee Share Trust and not passed on to participants under the 2011 LTIP.

### **11. Dealings and despatch of documents**

The B Share Scheme will be carried out by reference to holdings of Existing Ordinary Shares on the Company's register of members as at the Record Time.

It is expected that dealings and settlement within the CREST system of the Existing Ordinary Shares under ISIN GB00B02L3W35 will continue until 6.00 pm on 3 September 2021 when, in the case of Existing Ordinary Shares held in certificated form, the register of members will be closed for transfers and no further transfers of Existing Ordinary Shares will be able to be made. The registration of uncertificated holdings in respect of Existing Ordinary Shares will be disabled in CREST at the Record Time.

Shareholders who hold their Existing Ordinary Shares in CREST will have their CREST accounts credited with the New Ordinary Shares under ISIN GB00BLJNXL82 as soon as practicable after 8.00 am on the Admission Date. Shareholders holding New Ordinary Shares through the CREST system will not receive any share certificates.

With effect from Admission, share certificates in respect of Existing Ordinary Shares will cease to be valid. Share certificates in respect of New Ordinary Shares will only be issued following Admission. It is therefore important that Shareholders holding certificate(s) in respect of Existing Ordinary Shares retain them until the New Ordinary Share certificates are despatched, which is expected to be on 17 September 2021. On receipt of share certificates in respect of New Ordinary Shares, certificates in respect of Existing Ordinary Shares should be destroyed.

No share certificates will be issued to Shareholders by the Company in respect of B Shares or Deferred Shares.

All share certificates and cheques will be sent by post, at the risk of the Shareholder(s) entitled thereto, to the registered address of the relevant Shareholder (or, in the case of joint Shareholders, to the address of the joint Shareholder whose name stands first in the register of members in respect of such joint shareholding).

### **12. Summary of the resolutions to be proposed at the Annual General Meeting relating to the Return of Cash**

Three resolutions relating to the Return of Cash will be proposed at the Annual General Meeting. Resolution 26 will be proposed as a special resolution, the passing of which requires at least 75 per cent. of the votes cast (whether in person or by proxy) to be in favour. Resolutions 27 and 28 will be passed as ordinary resolutions, the passing of which requires a simple majority of votes cast to be in favour.

A summary of the resolutions is set out below:

#### *Resolution 26: To adopt the New Articles ("**Resolution 26**")*

This Resolution is conditional on Admission occurring by 8.00 am on the Admission Date (or such later time and/or date as the Directors may in their absolute discretion determine). The Resolution proposes the adoption of the New Articles in order to implement the B Share Scheme. The New Articles will include the insertion into the Articles of Association of the rights and restrictions attaching to the B Shares and the Deferred Shares, as set out in Parts III and IV of this Circular and the amendment of the Articles of Association so Ordinary Shares held by the Company in treasury will not entitle the holder to receive B Shares.

#### *Resolution 27: Issue of B Shares and Share Consolidation ("**Resolution 27**")*

This Resolution is conditional on the passing of Resolutions 26 and 28 and (in the case of (A)) also conditional upon on Admission occurring by 8.00 am on the Admission Date (or such later time and/or date as the Directors may in their absolute discretion determine). A summary of the paragraphs comprising the Resolution follows below.

(A) This paragraph proposes to authorise the Directors to:

- (i) capitalise a sum not exceeding £125,000, standing to the credit of the Company's share premium account, to pay up in full the B Shares; and
- (ii) allot and issue B Shares up to an aggregate nominal amount of £125,000, on the basis of one B Share for every one Existing Ordinary Share (excluding any Existing Ordinary Shares held by the Company in treasury) at the Record Time. This authority granted to the Directors will expire at the end of the next annual general meeting of the Company.

(B) This paragraph proposes to authorise the subdivision of the Existing Ordinary Shares into Undesignated Shares, which will then be consolidated into New Ordinary Shares. All fractional entitlements which arise will be aggregated and sold with the net proceeds of the sale (after deduction of all expenses and commissions incurred), where equal to or in excess of £3.00, paid in due proportion to the relevant Shareholders. The net proceeds of sale from fractional entitlements of less than £3.00 will be retained by the Company for the benefit of all Shareholders.



*Resolution 28: Approval of the terms of the Option Agreement (“**Resolution 28**”)*

This Resolution is conditional upon the passing of Resolutions 26 and 27 and on Admission occurring by 8.00 am on the Admission Date (or such later time and/or date as the Directors may in their absolute discretion determine).

The Resolution proposes to approve the terms of the Option Agreement dated 26 July 2021 between UBS and the Company in accordance with section 694(1) of the Companies Act 2006 under which (i) the Company would be entitled to require UBS to sell to it all the B Shares following their reclassification as Deferred Shares (howsoever arising); and (ii) conditional on the B Share Single Dividend not having been paid by the Company to UBS by 6.00 pm on the first Business Day after B Share Purchase Completion (and the B Shares not therefore having been automatically reclassified as Deferred Shares), UBS would be entitled to require the Company to purchase from UBS, and the Company would be entitled to require UBS to sell to the Company, those B Shares purchased by UBS (acting as principal and not as agent, nominee or trustee for the Company) from Shareholders under the B Share Purchase Offer at the Option Price. Such authority will expire at the conclusion of the next annual general meeting of the Company.



## PART III

### Rights and Restrictions attached to the B Shares

*The following sets out the rights of the B Shares and the restrictions to which they are subject. These are included in the New Articles proposed to be adopted at the Annual General Meeting.*

*The following paragraphs will be inserted as a new Article 3A in the New Articles.*

*Please note that the defined terms in this Part III have been aligned with those in the Articles of Association and therefore defined terms used elsewhere in this Circular do not apply to this Part III.*

### 3A Rights and Restrictions Attached to B Shares

#### 3A.1 General

Notwithstanding the remainder of this Article 3, the non-cumulative irredeemable preference shares of 0.1 pence each in the capital of the Company (the “**B Shares**”) shall have the rights, and be subject to the restrictions, attaching to shares set out in these Articles save that in the event of a conflict between any provision in this Article 3A and any other provision in these Articles, the provisions in this Article 3A shall prevail.

#### 3A.2 B Share Purchase Offer

On and subject to the terms set out in the circular sent by the Company to its shareholders on 2 August 2021, it is expected that UBS Group AG London Branch (or a subsidiary thereof) (“**UBS**”) shall make an offer to purchase the B Shares acting as principal (and not as agent, nominee or trustee for the Company) (the “**B Share Purchase Offer**”). Each of the Directors and the Secretary is hereby authorised on behalf of each holder of those shares to execute all documents and do all acts and things in the name of each holder of B Shares or otherwise on behalf of each such holder’s behalf which such Director or Secretary shall in their absolute discretion consider necessary or desirable in order to accept the B Share Purchase Offer. No individual shareholder will be able to accept or reject the B Share Purchase Offer with respect to the B Shares that such shareholder has received. Upon the acceptance of the B Share Purchase Offer, each shareholder shall represent, warrant, undertake and agree with the Company and UBS on the terms set out in paragraphs 4(B), (C), (D), (E) and (F) of Part II of the circular despatched to shareholders on 2 August 2021, as it may be supplemented from time to time.

#### 3A.3 Income

- (a) Subject to the provisions of the Companies Acts and these Articles, out of the profits of the Company available for distribution, the Directors may resolve to pay a single dividend equal to the aggregate amount of 371 pence per B Share paid by UBS pursuant to the B Share Purchase Offer plus the amount of stamp duty or stamp duty reserve tax arising on such purchases (the “**B Share Single Dividend**”) notwithstanding any provision to the contrary in these Articles (including Articles 127 and 128) to holders of B Shares at such time as the Directors may in their absolute discretion determine (the “**B Share Dividend Time**”) who are registered on the Company’s relevant register as holding such B Shares at the B Share Dividend Time. Notwithstanding Article 133, if at the time the B Share Purchase Offer becomes unconditional and the beneficial ownership of the B Shares is vested in UBS but UBS is not the registered holder of the B Shares, the B Share Single Dividend may be paid directly to UBS.
- (b) The Company’s liability to pay the B Share Single Dividend to such holder of B Shares shall be discharged by the Company by a payment to such holder, or at such holder’s direction, within one business day of the B Share Dividend Time of an amount equal to the B Share Single Dividend.
- (c) Each B Share in respect of which the B Share Single Dividend is paid shall immediately thereupon (but without prejudice to the accrued right to receive such dividend) be reclassified as a deferred share of 0.1 pence in the capital of the Company having the rights and being subject to the restrictions described in Article 3B (a “**Deferred Share**”).
- (d) In the absence of fraud or wilful default, neither the Company nor any of the Directors, its officers or employees shall have any liability to any person for any loss or damage arising as a result of the determination of the B Share Dividend Time in accordance with Article 3A.3(a) above or the timing of the B Share Purchase Offer.
- (e) Subject to the provisions of the Companies Acts and these Articles, out of the profits of the Company available for distribution, the Directors may resolve to pay a single dividend of 371 pence per B Share (the “**B Share Default Dividend**”) notwithstanding any provision to the contrary in these Articles (including Articles 127 and 128) in place of the B Share Single Dividend, at such time and date as the Directors may in their absolute discretion determine (the “**B Share Default Dividend Time**”) to holders of any B Shares:
  - (i) where the B Share Purchase Offer has not been completed by 6.00 pm on the date immediately prior to the B Share Default Dividend Time; and
  - (ii) who are registered on the Company’s relevant register as holding such B Shares at the B Share Default Dividend Time.
- (f) The Company’s liability to pay the B Share Default Dividend to such holder of B Shares shall be discharged by the Company by a payment to such holder on the date of the B Share Default Dividend Time of an amount equal to the B Share Default Dividend.
- (g) Each B Share in respect of which the B Share Default Dividend is paid shall immediately thereupon (but without prejudice to the accrued right to receive such dividend) be reclassified as a Deferred Share.
- (h) For the avoidance of doubt, the provisions of Article 135 (Forfeiture of dividends) shall apply in respect of any and all B Share Default Dividends payable on or in respect of any B Shares which remain unclaimed.
- (i) In the absence of fraud or wilful default, neither the Company nor any of the Directors, its officers or employees shall have any liability to any person for any loss or damage arising as a result of the choice of the B Share Default Dividend Time in connection with Article 3A.3(e) above.

**3A.4 Capital**

- (a) Except as provided in Article 3A.6 below, on a return of capital on winding-up (excluding any intra-group reorganisation on a solvent basis), the holders of each B Share shall be entitled, in priority to any payment to the holders of every other class of share in the capital of the Company (except the B Shares) but *pari passu* with any payment to the holders of B Shares, to the aggregate of the amount of the nominal capital paid up or credited as paid up on such B Share and an amount of 370.9 pence per B Share held by them.
- (b) On a winding-up, the holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in Article 3A.4(a) above. In the event that there is a winding-up to which Article 3A.4(a) applies and the amounts available for payment are insufficient to pay the amounts due on all the B Shares in full, the holders of the B Shares shall be entitled to their *pro rata* proportion of the amounts to which they would otherwise be entitled.
- (c) The aggregate entitlement of each holder of B Shares on a winding-up in respect of all the B Shares held by him, her or it shall be rounded up to the nearest whole penny.
- (d) The holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in their capacity as holders of B Shares.

**3A.5 Attendance and voting at general meetings**

- (a) The holders of the B Shares shall not be entitled, in their capacity as holders of such B Shares, to receive notice of any General Meeting nor to attend, speak or vote at any such General Meeting unless the business of the meeting includes the consideration of a resolution for the winding-up of the Company (excluding any intra-group reorganisation on a solvent basis), in which case the holders of the B Shares shall have the right to attend such meeting and shall be entitled to speak and vote only on any such resolution.
- (b) If the holders of the B Shares are entitled to vote at a General Meeting of the Company in their capacity as holders of such B Shares, then, subject to any other provisions of these Articles, each holder thereof shall be entitled to vote at such meeting whether on a show of hands or on a poll as provided in the Companies Acts. For this purpose, where a proxy is given discretion as to how to vote on a show of hands, this shall be treated as an instruction by the relevant holder of B Shares to vote in the way in which the proxy elects to exercise that discretion.

**3A.6 Class rights**

- (a) The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority or subsequent to the B Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.
- (b) A reduction by the Company of the capital paid up or credited as paid up on the B Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.

**3A.7 Form**

The B Shares shall not be listed or traded on any stock exchange nor shall any share certificates be issued in respect of such shares. The B Shares shall not be transferable except in accordance with Article 3A.8 below.

**3A.8 Transfer**

No B Share may be transferred, except to UBS (which transfer may be made directly to UBS or via any receiving agent appointed by the Company) in accordance with the terms of the B Share Purchase Offer or to the Company.

**3A.9 Transmission of B Shares**

Articles 45 to 48 shall not apply to the B Shares.

**3A.10 Deletion of Article 3A when no B Shares in existence**

Article 3A shall remain in force until there are no longer any B Shares in existence (including as a result of all B Shares having been automatically reclassified as Deferred Shares in accordance with this Article 3A), notwithstanding any provision in these Articles to the contrary. Thereafter Article 3A shall be, and shall be deemed to be, of no effect (save to the extent that the provisions of Article 3A are referred to in other Articles) and shall be deleted and replaced with the wording "Article 3A has been deleted", and the separate register for the holders of B Shares shall no longer be required to be maintained by the Company; but the validity of anything done under Article 3A before that date, and accrued rights in respect of the payment of dividends arising before that date, shall not otherwise be affected and any actions taken under Article 3A before that date shall be conclusive and not be open to challenge on any grounds whatsoever.



## PART IV

### Rights and Restrictions attached to the Deferred Shares

*The following sets out the rights of the Deferred Shares and the restrictions to which they are subject. These are included in the New Articles proposed to be adopted at the Annual General Meeting.*

*The following paragraphs will be inserted as a new Article 3B in the New Articles.*

*Please note that the defined terms in this Part IV have been aligned with those in the Articles of Association and therefore defined terms used elsewhere in this Circular do not apply to this Part IV.*

### 3B Rights and Restrictions Attached to Deferred Shares

#### 3B.1 General

Notwithstanding the remaining provisions of this Article 3, the Deferred Shares (as defined in Article 3A.3) shall have the rights, and be subject to the restrictions, attaching to shares set out in these Articles save that in the event of a conflict between any provision in this Article 3B and any other provision in these Articles, the provisions in this Article 3B shall prevail.

#### 3B.2 Income

The Deferred Shares shall confer no right to participate in the profits of the Company.

#### 3B.3 Capital

(a) On a return of capital on a winding-up (excluding any intra-group reorganisation on a solvent basis), there shall be paid to the holders of the Deferred Shares the nominal capital paid up, or credited as paid up, on such Deferred Shares after:

- (i) firstly, paying to the holders of the B Shares the amounts they are entitled to receive on a winding-up in accordance with their terms; and
- (ii) secondly, paying to the holders of the ordinary shares the nominal capital paid up or credited as paid up on the ordinary shares held by them respectively, together with the sum of £100,000,000 on each ordinary share.

(b) The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.

#### 3B.4 Attendance and voting at general meetings

The holders of the Deferred Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting or to attend, speak or vote at any such meeting.

#### 3B.5 Class rights

- (a) The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the Deferred Shares, and on such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares.
- (b) The reduction by the Company of the capital paid up on the Deferred Shares shall be in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce its capital (in accordance with the Companies Acts) without obtaining the consent of the holders of the Deferred Shares.

#### 3B.6 Form

The Deferred Shares shall not be listed or traded on any stock exchange nor shall any share certificates be issued in respect of such shares. The Deferred Shares shall not be transferable except in accordance with Article 3B.8 below or with the written consent of the Directors.

#### 3B.7 Transfer

- (a) No Deferred Share may be transferred, except to UBS (which transfer may be made via any receiving agent appointed by the Company) or to the Company.
- (b) The Company may at any time (and from time to time) (subject to the provisions of the Companies Acts) without obtaining the sanction of the holder or holders of the Deferred Shares:
  - (i) execute on behalf of any holder of Deferred Shares a transfer of all of the Deferred Shares or any part thereof (and/or an agreement to transfer the same) to the Company or any person nominated by the Company, in any case for not more than the aggregate amount of one penny for all the Deferred Shares then being transferred, or appoint any person to do the same (subject as agreed between such person and the Company or Company nominee in writing); and
  - (ii) cancel all or any of the Deferred Shares purchased or acquired by the Company in accordance with the Companies Acts.

#### 3B.8 Transmission of Deferred Shares

Articles 45 to 48 shall not apply to the Deferred Shares.

**3B.9 Deletion of Article 3B when no Deferred Shares in existence**

Article 3B shall remain in force until there are no longer any Deferred Shares in existence, notwithstanding any provision in these Articles to the contrary but for the avoidance of doubt shall apply during the period until there are Deferred Shares in existence. Thereafter Article 3B shall be, and shall be deemed to be, of no effect (save to the extent that the provisions of Article 3B are referred to in other Articles) and shall be deleted and replaced with the wording “Article 3B has been deleted”, and the separate register for the holders of Deferred Shares shall no longer be required to be maintained by the Company; but the validity of anything done under Article 3B before that date shall not otherwise be affected and any actions taken under Article 3B before that date shall be conclusive and not be open to challenge on any grounds whatsoever.





## PART V

### United Kingdom Taxation

*The following comments are intended only as a guide to United Kingdom tax law and HM Revenue & Customs published practice current as at the date of this Circular, both of which are subject to change at any time (potentially with retrospective effect). They do not constitute, and should not be taken as, tax advice. They are not exhaustive and relate only to certain limited aspects of the United Kingdom tax treatment of the B Share Scheme and Share Consolidation. Other than paragraph 6 of this Part V, they are intended to apply only to Shareholders who: (i) are resident and, in the case of individuals, also domiciled in (and only in) the United Kingdom for United Kingdom tax purposes and to whom split-year treatment does not apply; and (ii) are or will be the direct absolute beneficial owners of their Existing Ordinary Shares, B Shares, New Ordinary Shares and Deferred Shares (and any dividends paid on them) and who hold, or will hold, them as investments other than under an individual savings account or pension arrangement (and not as securities to be realised in the course of a trade or which constitute carried interest).*

*The comments may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from tax and Shareholders who have (or are deemed to have) acquired, or will (or are deemed to) acquire, their Existing Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules.*

*The position may be different for future transactions and may alter between the date of this Circular and the implementation of the B Share Scheme.*

**Shareholders should always seek their own advice from an appropriate independent and authorised professional if they are in any doubt as to their tax position or are subject to tax in a jurisdiction other than the United Kingdom.**

#### 1. Issue of B Shares and related Share Consolidation

The following comments apply for the purposes of CGT.

The issue of the B Shares and of the New Ordinary Shares as a result of the Share Consolidation should constitute a tax-free reorganisation of the share capital of the Company. Accordingly:

- (A) Shareholders receiving B Shares and New Ordinary Shares should not be treated as having made a disposal of all or any part of their holding of Existing Ordinary Shares; and
- (B) a Shareholder's holding of B Shares and New Ordinary Shares should together be treated as the same asset as that Shareholder's holding of Existing Ordinary Shares, and as having been acquired at the same time, and for the same consideration, as the holding of Existing Ordinary Shares.

To calculate the tax due on a subsequent disposal of all or part of a Shareholder's B Shares or New Ordinary Shares, that Shareholder's CGT base cost in their holding of Existing Ordinary Shares will need to be apportioned between the B Shares and the New Ordinary Shares by reference to their respective values on the first day on which the New Ordinary Shares are listed.

The sale on behalf of relevant Shareholders of fractional entitlements to New Ordinary Shares resulting from the Share Consolidation should not generally be treated as a part disposal for CGT purposes. Instead, provided that it does not exceed the relevant Shareholder's existing base cost, an amount equal to any payment received by that Shareholder from such sale should in practice be deducted from the base cost of the New Ordinary Shares received.

The issue of the B Shares and the Share Consolidation should not give rise to a liability to United Kingdom income tax (or corporation tax on income) in a Shareholder's hands.

#### 2. B Share Purchase Offer

The sale of the B Shares by Shareholders to UBS pursuant to the B Share Purchase Offer should be treated as a disposal for the purposes of CGT. This may, subject to the relevant Shareholder's individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of CGT.

Any such gain or loss should be calculated by reference to the difference between (i) the sale proceeds received by the Shareholder and (ii) the part of the Shareholder's original base cost in their Existing Ordinary Shares that is apportioned to the B Shares in the manner described under paragraph 1 above.

The amount of CGT, if any, payable by an individual Shareholder as a consequence of the sale of the B Shares will depend on their own personal tax position. No tax will be payable on any gain realised on the sale of the B Shares if the amount of the net chargeable gains realised by the Shareholder, when aggregated with other gains realised by that Shareholder in the year of assessment (and after taking account of allowable losses), does not exceed the annual exempt amount (£12,300 for 2021/22). Broadly, any gains in excess of this amount will be taxed at a rate of 10 per cent., or 20 per cent. for higher rate and additional rate taxpayers. Where the gains of a basic rate taxpayer subject to CGT exceed the unused part of their basic rate band, that excess is subject to tax at the 20 per cent. rate.

A corporate Shareholder is normally subject to corporation tax on all of its chargeable gains, subject to any available reliefs and exemptions. Corporate Shareholders should be entitled to indexation allowance in respect of changes in the retail price indices up to December 2017. Legislation introduced by the Finance Act 2018 broadly froze indexation allowance for corporation tax purposes as at 31 December 2017, so that changes in the retail price indices in January 2018 and subsequent months do not qualify for the allowance.

The Finance Act 2015 enacted legislation which, broadly, treats amounts paid on the acquisition of shares as income in the hands of an individual shareholder, rather than a capital gain, where a company gives the shareholder a choice of whether to receive either a distribution or an "alternative receipt" of broadly the same value but which, absent this legislation, would not be charged to income tax. The Company has been advised and is of the view that this legislation should not apply in relation to the acquisition of B Shares pursuant



to the B Share Purchase Offer on the basis that this route does not provide Shareholders with a choice as to the form of any amounts they are entitled to receive in respect of the B Shares.

### 3. B Share Default Dividend

In the unlikely event that the B Shares are not purchased by UBS pursuant to the B Share Purchase Offer, and as a result the B Share Default Dividend becomes payable, the B Share Default Dividend will be taxed as dividend income, in the same way as any other dividend paid by the Company and as outlined in paragraph 4 of this Part V.

For the avoidance of doubt, each Shareholder will have no right to choose to decline the B Share Purchase Offer, and to receive the B Share Default Dividend or the B Share Single Dividend, instead of the purchase price due to them under the B Share Purchase Offer.

### 4. Dividends payable on the New Ordinary Shares

Dividends payable on the New Ordinary Shares should be subject to income tax or corporation tax on income under the normal rules applicable to dividends, in the same way as for dividends on the Existing Ordinary Shares.

There is no withholding tax on dividends paid by the Company.

#### *Individual Shareholders resident in the United Kingdom*

The general tax treatment of dividends paid by the Company to a Shareholder who is an individual resident in the United Kingdom for United Kingdom tax purposes is as follows:

- (A) All dividends received by an individual Shareholder from the Company (or from other sources) will, except to the extent that they are earned through an individual savings account, self-invested pension plan or other regime which exempts the dividends from tax, form part of the Shareholder's total income for income tax purposes and will represent the highest part of that income;
- (B) A nil rate of income tax applies to the first £2,000 of taxable dividend income received by an individual Shareholder in a tax year (the "**Nil Rate Amount**"), regardless of what tax rate would otherwise apply to that dividend income; and
- (C) Any taxable dividend income received by an individual Shareholder in a tax year in excess of the Nil Rate Amount is taxed at a special rate, as set out below.

Where an individual Shareholder's taxable dividend income for a tax year (taking into account the income tax personal allowance to the extent available) exceeds the Nil Rate Amount, the excess amount (the "**Relevant Dividend Income**") will be subject to income tax:

- (A) at the rate of 7.5 per cent., to the extent that the Relevant Dividend Income falls below the threshold for the higher rate of UK income tax;
- (B) at the rate of 32.5 per cent., to the extent that the Relevant Dividend Income falls above the threshold for the higher rate of UK income tax but below the threshold for the additional rate of UK income tax; and
- (C) at the rate of 38.1 per cent., to the extent that the Relevant Dividend Income falls above the threshold for the additional rate of UK income tax.

In determining whether and, if so, to what extent the Relevant Dividend Income falls above or below the threshold for the higher rate of UK income tax or, as the case may be, the additional rate of UK income tax, the Shareholder's total taxable dividend income for the tax year in question (including the part within the Nil Rate Amount) will, as noted above, be treated as the highest part of the Shareholder's total income for UK income tax purposes.

#### *Corporate Shareholders within the charge to United Kingdom corporation tax*

Shareholders within the charge to United Kingdom corporation tax which are "small companies" (for the purposes of United Kingdom taxation of dividends) should not generally expect to be subject to tax on dividends from the Company.

Other Shareholders within the charge to United Kingdom corporation tax will not be subject to tax on dividends from the Company so long as the dividends fall within an exempt class and certain conditions are met. In general, a dividend paid to a United Kingdom corporate Shareholder which holds less than 10 per cent. of the issued share capital of the payer (or any class of that share capital in respect of which the dividend is paid) and is entitled to less than 10 per cent. of the profits and assets of the Company available for distribution to shareholders (or satisfies these tests in relation to any class of that share capital in respect of which the dividend is paid) is an example of a dividend that falls within an exempt class, subject to certain anti-avoidance rules. Corporate Shareholders will need to ensure that they satisfy the requirements of any exempt class before treating any dividend as exempt and should seek appropriate professional advice where necessary.

### 5. Transactions in securities

Under the provisions of Part 15 of the Corporation Tax Act 2010 (for companies subject to corporation tax) and Chapter 1 of Part 13 of the Income Tax Act 2007 (for individuals and others subject to income tax), HM Revenue & Customs can in certain circumstances counteract tax advantages arising in relation to a transaction or transactions in securities. If these provisions were to be applied by HM Revenue & Customs to the proposed Return of Cash, in broad terms, Shareholders might be liable to tax as if they had received an income rather than a capital amount.

Having consulted its professional advisers, the Company does not expect the above provisions to be applied to individual or corporate Shareholders but no application for clearance has been made to HM Revenue & Customs in this regard. Any individual or corporate Shareholder which is in any doubt as to their tax position in the light of its own particular circumstances should take appropriate professional advice.



## 6. Stamp duty and SDRT

*The following statements are intended as a general guide to the current stamp duty and SDRT position and apply regardless of whether or not a Shareholder is resident for tax purposes in the United Kingdom. It should be noted that certain categories of person, including market makers, brokers, dealers and other specified intermediaries, are entitled to exemption from stamp duty and SDRT in respect of certain securities in specified circumstances. The following statements do not apply in relation to the issue or transfer of B Shares, New Ordinary Shares or Deferred Shares to an operator of a clearance service or depositary receipt system (or to their nominees); such issues or transfers may be subject to special rules.*

No stamp duty or SDRT will be payable on the issue of the B Shares or the New Ordinary Shares.

No stamp duty or SDRT will be payable by Shareholders on the Share Consolidation.

No stamp duty or SDRT will be payable by Shareholders on, or as a result of, any reclassification of the B Shares into Deferred Shares.

Subject to an exemption for certain low-value transfers, a purchaser of B Shares, New Ordinary Shares or Deferred Shares held in certificated form will generally be liable to pay stamp duty on the transfer of such B Shares, New Ordinary Shares or Deferred Shares at the rate of 0.5 per cent. of the amount or value of the consideration given (such duty to be rounded up to the nearest £5).

An agreement to transfer B Shares, New Ordinary Shares or Deferred Shares will generally give rise to a liability on the purchaser to SDRT when the agreement becomes unconditional, at the rate of 0.5 per cent. of the amount or value of the consideration given, but will be cancelled (and any SDRT already paid will be refunded) if the agreement is completed by a duly stamped or exempt instrument of transfer within six years of the date of the agreement to transfer (or the date on which such agreement became unconditional).

A purchaser of B Shares, New Ordinary Shares or Deferred Shares held within CREST will generally be liable to pay SDRT on the agreement to transfer such B Shares, New Ordinary Shares or Deferred Shares at the rate of 0.5 per cent. of the amount or value of the consideration paid for such transfer. The SDRT should be collected through CREST and accounted to HM Revenue & Customs in accordance with the CREST rules.

From 29 October 2018 transfers of listed securities to connected companies are subject to stamp duty or SDRT on no less than the market value of such securities.

As the B Shares will not be listed, liability for stamp duty or SDRT is expected to arise on the purchase by UBS of the B Shares pursuant to the B Share Purchase Offer.

For the avoidance of doubt, neither a sale of B Shares under the B Share Purchase Offer nor any acquisition of Deferred Shares by the Company will give rise to any liability to stamp duty or SDRT for the selling Shareholder. Any such liability will fall on UBS or the Company, not the selling Shareholder.



## **PART VI**

### **Additional Information**

#### **1. Summary of the rights and restrictions attaching to the New Ordinary Shares**

The rights and restrictions attaching to each of the New Ordinary Shares will be the same as the rights and restrictions set out in the Articles of Association in respect of the Existing Ordinary Shares.

#### **2. Form**

The New Ordinary Shares, B Shares and Deferred Shares are not renounceable. The New Ordinary Shares will each be transferable by an instrument of transfer in usual or common form. The B Shares and Deferred Shares will only be transferable to UBS or the Company. The New Ordinary Shares, B Shares and Deferred Shares will be in registered form. The Company will apply for the New Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the New Ordinary Shares may take place within the CREST system in respect of general market transactions.

#### **3. CREST**

Shareholders who hold their Existing Ordinary Shares in CREST will, following the relevant Share Consolidation, have their CREST accounts credited with New Ordinary Shares. The New Ordinary Shares will be credited under ISIN GB00BLJNXL82 on the Admission Date.

#### **4. Consent**

UBS has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and references to it in the form and context in which they appear.

#### **5. Documents available for inspection**

Copies of the following documents may be inspected at the registered office of the Company, Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG and/or at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London, EC2A 2EG, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), up to and including the date of the Annual General Meeting and will also be available for inspection at the Annual General Meeting for at least 15 minutes before the Annual General Meeting and until the Annual General Meeting ends:

- (A) the Articles of Association of the Company in their current form;
- (B) the New Articles proposed to be adopted at the Annual General Meeting, showing the amendments proposed to the Company's current Articles of Association;
- (C) the written consent referred to in paragraph 4 of this Part VI;
- (D) the Option Agreement; and
- (E) a copy of this Circular.

A copy of this Circular will be made available on the Company's website at <http://www.berkeleygroup.co.uk/investor-information/corporate-governance> from the date of this document. For the avoidance of doubt, the contents of the Company's website are not incorporated into and do not form part of this Circular.



## Definitions

The following definitions apply throughout this Circular, unless the context requires otherwise and excluding Part III and Part IV.

<b>2011 LTIP</b>	means The Berkeley Group Holdings plc 2011 Long Term Incentive Plan;
<b>Act</b>	means the Companies Act 2006;
<b>Admission</b>	means admission of the New Ordinary Shares to (i) the premium listing segment of the Official List and (ii) trading on the London Stock Exchange's main market for listed securities;
<b>Admission Date</b>	means 6 September 2021 or such later date as the Directors may in their absolute discretion determine;
<b>Annual General Meeting</b>	means the annual general meeting of the Company to be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG on Friday 3 September 2021;
<b>Articles of Association</b>	means the articles of association of the Company in their current form as of the date of this Circular;
<b>B Share Default Dividend</b>	means the single dividend of 371 pence per B Share to be declared on the Default Dividend Date and paid to holders of the B Shares on the Default Payment Date, in the circumstances described in paragraph 4 of Part II of this Circular;
<b>B Share Purchase Completion</b>	means acceptance of the B Share Purchase Offer in accordance with its terms and the rights and restrictions attaching to the B Shares;
<b>B Share Purchase Offer</b>	means the off-market offer expected to be made by UBS, acting as principal (and not as agent, trustee or nominee for the Company), to purchase the B Shares from Shareholders, the terms of which are set out in paragraph 4 of Part II of this Circular and which, under the New Articles, each of the Directors and the Company Secretary will be irrevocably authorised (on behalf of each Shareholder) to accept, such that no Shareholder will separately be able to accept or reject the B Share Purchase Offer in respect of the B Shares that it receives;
<b>B Share Scheme</b>	means the return of cash by way of payment of 371 pence per Existing Ordinary Share to be effected by the B Share Purchase Offer;
<b>B Share Single Dividend</b>	means the dividend which may be declared and paid to UBS in respect of the B Shares, reflecting the price of 371 pence per B Share to be paid by UBS to Shareholders, together with an amount equal to the stamp duty or SDRT at the rate prevailing at the time of completion of the B Share Purchase Offer, on such purchase per B Share;
<b>B Shares</b>	means the shares issued to Shareholders to effect the B Share Scheme having the rights set out in the New Articles;
<b>Board</b>	means the board of Directors of the Company;
<b>Business Day</b>	means a day other than a Saturday or Sunday or public holiday in England and Wales on which banks are open in London for general commercial business;
<b>CGT</b>	means the United Kingdom taxation of capital gains and corporation tax on chargeable gains;
<b>Circular</b>	means this document;
<b>Company</b>	means The Berkeley Group Holdings plc, of Berkeley House, 19 Portsmouth Road, Cobham, Surrey KT11 1JG, a company incorporated in England and Wales with registered number 05172586;
<b>Company Secretary</b>	means the secretary of the Company;
<b>CREST</b>	means the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations);
<b>CREST Regulations</b>	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
<b>Default Dividend Date</b>	means such date as the Directors may in their absolute discretion determine, being the date on which the Directors would declare the B Share Default Dividend;
<b>Default Payment Date</b>	means such date as the Directors may in their absolute discretion determine being, in any event, a date within one Business Day of the Default Dividend Date;
<b>Deferred Shares</b>	means the deferred shares of 0.1 pence each in the capital of the Company carrying the rights and restrictions summarised in Part IV of this Circular;
<b>Directors</b>	means the directors of the Company or any duly authorised committee thereof;
<b>Employee Share Trust</b>	means the Berkeley Group Employee Benefit Trust;
<b>Escrow Agent</b>	means Herbert Smith Freehills LLP in its capacity as escrow agent under the Escrow Agreement;
<b>Escrow Agreement</b>	means an agreement dated 26 July 2021 between UBS, the Company and the Escrow Agent relating to the operation of certain escrow accounts;



<b>Existing Ordinary Shares</b>	means ordinary shares of 5 pence each in the capital of the Company, prior to the Share Consolidation;
<b>FCA</b>	means the Financial Conduct Authority of the United Kingdom;
<b>Group</b>	means the Company and its subsidiaries (as defined in the Act);
<b>ISIN</b>	means International Securities Identification Number;
<b>Latest Practicable Date</b>	means 26 July 2021, being the latest practicable date prior to the publication of this Circular;
<b>Link Group</b>	Link Market Services Limited, with registered office address at Central Square, 10th Floor, 29 Wellington Street, Leeds, England, LS1 4DL;
<b>Listing Rules</b>	means the listing rules of the FCA;
<b>London Stock Exchange</b>	means London Stock Exchange PLC;
<b>New Articles</b>	means the new articles of association in respect of the rights attached to the B Shares of the Company to be proposed at the Annual General Meeting and adopted with effect from Admission;
<b>New Ordinary Shares</b>	means ordinary shares of 5.4141 pence each (or such other nominal value as may be proposed in accordance with the terms of Resolution 27(b)) in the capital of the Company, following the Share Consolidation;
<b>Official List</b>	means the official list maintained by the FCA;
<b>Option Agreement</b>	means the agreement dated 26 July 2021 between the Company and UBS, details of which are set out in paragraph 5 of Part II of this Circular;
<b>Option Exercise Notice</b>	means a written notice validly served under the Option Agreement in respect of the exercise of a put option or call option under the Option Agreement;
<b>Option Price</b>	has the meaning given in paragraph 5 of Part II of this Circular;
<b>Ordinary Shares</b>	means, as the context permits, Existing Ordinary Shares or New Ordinary Shares;
<b>Overseas Shareholders</b>	means Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of a country other than the United Kingdom or who have a registered address which is not in the United Kingdom. For the avoidance of doubt, Shareholders who are not resident in the United Kingdom include Shareholders who are resident in the Channel Islands or the Isle of Man;
<b>PRA</b>	means the Prudential Regulation Authority of the United Kingdom;
<b>Purchase Offer Deed</b>	means the agreement dated 26 July 2021 between the Company and UBS, details of which are set out in paragraph 5 of Part II of this Circular;
<b>Record Time</b>	means 6.00 pm on 3 September 2021 (or such other time and date as the Directors may determine);
<b>Regulatory Information Service</b>	means any service included in the definition of “regulatory information service” contained in Appendix 1 to the Listing Rules;
<b>Resolutions</b>	means the resolutions to be proposed at the Annual General Meeting relating to the Return of Cash being resolutions 26, 27 and 28 to be proposed at the Annual General Meeting;
<b>Return of Cash</b>	means the transactions comprising the B Share Scheme which are proposed to return cash to Shareholders;
<b>SDRT</b>	means stamp duty reserve tax;
<b>Share Consolidation</b>	means the proposed subdivision and consolidation of the Company’s share capital in connection with the B Share Scheme, as described in paragraph 6 of Part II of this Circular;
<b>Shareholders</b>	means holders of Ordinary Shares and, where the context so requires, holders of B Shares and/or Deferred Shares;
<b>Transaction Documents</b>	means the Purchase Offer Agreement, the Escrow Agreement and the Option Agreement;
<b>UBS</b>	means UBS AG, London Branch of 5 Broadgate, London EC2M 2QS;
<b>UBS Group</b>	means UBS Group AG and its subsidiaries, branches and affiliates;
<b>UK</b>	means the United Kingdom;
<b>Undesignated Shares</b>	means the subdivided Existing Ordinary Shares; and
<b>US Securities Act</b>	means the US Securities Act of 1933, as amended.



(Registered in England and Wales, No. 05172586)  
Berkeley House, 19 Portsmouth Road,  
Cobham, Surrey KT11 1JG



## NOTES

### 1. Voting record date

Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 and Section 311(3) of the Companies Act 2006 (the 'Act'), the Company specifies that in order to have the right to vote at the Annual General Meeting (and also for the purpose of determining how many votes a person entitled to vote may cast), including the right to appoint a proxy to exercise such rights, a person must be entered on the register of members of the Company at 6.30 pm on 1 September 2021, or, in the event of any adjournment, at 6.30 pm on the date which is two business days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to vote (and the number of votes they may cast), including the rights to appoint a proxy to exercise such rights, at the meeting or the adjourned meeting.

### 2. Proxies

A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, speak and to vote at the Annual General Meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company, but must attend the Annual General Meeting to represent the member. The proxy must vote as the member instructs and must attend the meeting for the member's vote to be counted.

In June 2019, shareholders were notified that the Company would no longer be sending hard copy Forms of Proxy in respect of Annual General Meetings. To submit your voting instructions electronically via our registrar's website please go to [www.signalshares.com](http://www.signalshares.com) and enter 'The Berkeley Group Holdings plc'. If you have not already registered for Signal Shares you will need your Investor Code which can be found on your share certificate. Once registered you will be able to vote immediately by selecting 'Proxy Voting' from the menu. In order to be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received no later than 11.00 am on 1 September 2021. The proxy appointment will not be accepted if found to contain a computer virus.

In the event that you do require a hard copy Form of Proxy, or you do not know your investor code, you will be able to request this from our registrar, Link Group, by calling them on 0371 664 0300, or, if calling from overseas, on +44 (0) 371 664 0300. Calls will be charged at the standard geographic rate; calls from outside the United Kingdom will be charged at the applicable international rate. Link Group are open between 09.00 am and 5.30 pm (London time), Monday to Friday excluding public holidays in England and Wales.

Registration of your proxy vote, completion of a hard copy Form of Proxy, or other instrument appointing a proxy or any proxy instruction via CREST, will not preclude you from attending and voting in person at the meeting if you wish to do so.

If more than one valid proxy appointment is submitted, the appointment received last before the latest time for the receipt of proxies will take precedence.

If you appoint a proxy or proxies and then decide to attend the Annual General Meeting in person and vote in the poll then the vote(s) in person will override the proxy votes(s). If the vote in person is in respect of your entire holding then all proxy votes will be disregarded. If, however, you vote at the Annual General Meeting in respect of less than your entire holding, and you indicate on your polling card that all proxies are to be disregarded, that shall be the case; but if you do not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding your entire holding.

The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

### 3. Nominated Persons

A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Act (a 'Nominated Person'). The rights to appoint a proxy cannot be exercised by a Nominated Person; they can only be exercised by the member. However, a Nominated Person may have a right under an

agreement between him and the member by whom he was nominated to be appointed as a proxy for the meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

### 4. CREST

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual on the Euroclear website ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting 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.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it constitutes the appointment of a proxy or 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 number - RA10) by 11.00 am on 1 September 2021. 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 Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. 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(s), 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommend that shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.

### 5. Corporate Representatives

A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the Meeting. In accordance with the provisions of the Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.

### 6. Joint Holders

In the case of joint holders where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. For this purpose, seniority will be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.

### 7. Questions

Any member attending the Annual General 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.



## 8. Voting at the Meeting

Voting on Resolutions 1 to 28 will be conducted by way of a poll. This is a more transparent method of voting as member votes are to be counted according to the number of shares held. Members and proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the meeting. As soon as practicable following the Annual General Meeting, the results of the voting at the Annual General Meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the Resolutions will be announced via a Regulatory Information Service and also placed on the Company's website: [www.berkeleygroup.co.uk](http://www.berkeleygroup.co.uk).

## 9. Total Voting Rights

As at 26 July 2021 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 132,236,668 ordinary shares of 5p each. The Company holds 10,540,622 ordinary shares in treasury and is not permitted to exercise voting rights in respect of those shares. Therefore the total voting rights in the Company are 121,696,046.

The information required to be published in accordance with section 311A of the Act is available on the Company's website: [www.berkeleygroup.co.uk](http://www.berkeleygroup.co.uk).

## 10. Audit

Under Section 527 of the Act, members 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 Annual General Meeting; 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 Act, (in each case) that the members propose to raise at the Annual General Meeting. The Company may not require the members requesting any such website publication to pay its expenses in complying with Section 527 or 528 of the Act.

Where the Company is required to place a statement on a website under Section 527 of the Act, 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 meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

## 11. Directors' Interests

Since 23 June 2021 (the date of the Annual Report and Accounts), there have been changes to the Directors' interests in the Company's shares. Detailed below are the Directors' interests as at 26 July 2021:

Director	Beneficially owned shares <sup>(i)</sup>
G Barker	11,811
D Brightmore-Armour	1,000
A Myers	3,000
Dame A Nimmo, DBE	2,000
A Li	20,000
P Vernon	2,000
R C Perrins	1,087,024
R J Stearn	188,129
S Ellis	286,160
K Whiteman	317,809
J Tibaldi	69,866
P Vallone	74,088
Sir J Armit	6,891
R Downey	1,290
The Ven. E Adekunle	-
W Jackson	15,000
S Sands	-
A Kemp	-

(i) Beneficial interests include shares held directly or indirectly by connected persons.

## 12. Substantial Shareholders

Since 23 June 2021 and up to 26 July 2021 the Company received a notification from JPMorgan Chase & Co. that it no longer holds a disclosable interest in the Company, in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules. The Company has not received any other notifications since 23 June 2021 and up to close of business on 26 July 2021 of disclosable interest(s) in the Company, in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules.

## 13. This Notice

A copy of this notice, and other information required by Section 311A of the Act, can be found at: [www.berkeleygroup.co.uk/aboutus/investor-information/corporate-governance](http://www.berkeleygroup.co.uk/aboutus/investor-information/corporate-governance).

## 14. Documents on Display

Copies of Executive Directors' service agreements and copies of the terms and conditions of appointment of Non-Executive Directors are available for inspection at the Company's registered office during normal business hours from the date of this notice until the close of the Annual General Meeting (Saturdays, Sundays and public holidays excepted). Please contact [agm@berkeleygroup.co.uk](mailto:agm@berkeleygroup.co.uk) to request to inspect copies of Executive Directors' service agreements and copies of the terms and conditions of appointment of Non-Executive Directors.

## 15. Electronic Address

You may not use any electronic address (within the meaning of Section 333(4) of the Act) provided in this Notice of Meeting (or in any related documents including the Chairman's letter) to communicate with the Company for any purposes other than those expressly stated.







(Registered in England and Wales, No. 05172586)  
Berkeley House, 19 Portsmouth Road,  
Cobham, Surrey KT11 1JG