

THE BERKELEY GROUP HOLDINGS PLC
(“Berkeley” or the “Company”)

The Company notes that at its Annual General Meeting (“AGM”) held on 6 September 2019, 46.26% of votes were cast against the re-election of Adrian Li, an increase on the previous two years’ votes against. The Company understands that the votes against reflect concerns regarding the number of directorships Adrian Li holds and whether he would have the capacity to deal with an exceptional period of Board activity at Berkeley.

Ahead of its AGMs in 2018 and again in 2019, the Company consulted with a number of shareholders and with the main proxy advisory agents to discuss these concerns. Notwithstanding the consultation, both ISS and Glass Lewis again recommended in 2019 against Adrian’s re-election. The recommendations were based on stated policy positions. The Board remains cognisant of the FRC’s view that investors and their advisors should pay due regard to a company’s individual circumstances and should seek to avoid a purely mechanistic assessment of compliance.

On this issue, the Company remains strongly of the view that Adrian Li continues to be a valuable and effective independent Non-Executive Director on Berkeley’s Board, who consistently demonstrates sustained commitment and availability. Adrian is an active member of the Board who brings an almost unique insight due to his background and experience. He was appointed to the Board in 2013 and has attended all Board meetings since then. Furthermore, Adrian continues to contribute strongly during ad hoc periods of increased activity, as has been notably evident during recent times of unprecedented challenge when he, like other Board members, has made himself available for telephone conferencing as events have developed.

Board diversity is an important element in achieving a balanced board. As a Hong Kong national and resident with global banking experience as well as legal and financial qualifications Adrian brings an important perspective to the Board. Berkeley is itself an international business and in addition to his experience and expertise in the global banking and economic environment, Adrian provides invaluable insight into Far Eastern and emerging markets and supply chains, due to his day to day experience on the ground across the region.

Adrian consistently devotes significant time to Berkeley outside Board meetings, including whenever ad hoc requirements have arisen. Additionally, Adrian makes himself available whenever Berkeley Executives visit the Far East (an important sales region for Berkeley) and, through his extensive experience in the market, provides introductions to relevant local contacts. Adrian additionally makes himself available to the Company when travelling to London on non-Berkeley business.

There has been no dilution to Adrian’s substantial contribution to the Board during his seven years of service, and he has retired from a number of other commitments during this time. Since the 2017 AGM, Adrian has retired from the Board of Sino Hotels (Holdings) Limited with effect from 26 October 2017 and, following its dissolution in 2019, is no longer a Member of the International Advisory Board of Abertis Infraestructuras, SA. Two of Adrian’s remaining directorships are linked under the Sino Group, which is a common corporate structure in East Asia.

The Board recognises investor concerns on the optimal level of director time commitments. However, the Board is entirely satisfied that Adrian fulfils these and makes a valuable contribution to Berkeley, including both in respect of his day to day obligations to the Company and at times of increased demand.

Notwithstanding, the strong and sustained contribution that Adrian Li brings to the Company, the Board, aided by Adrian, has begun the process to identify a replacement, and will seek to match as closely as possible the very special and almost unique skills, attributes and diversity that Adrian brings to Berkeley.

The Company will continue to engage with shareholders and with the main proxy advisory agents on this and other matters as appropriate.

3 April 2020