

Dear Shareholder

I am writing regarding the appointment of Adrian Li as an independent Non-Executive Director. Adrian is a highly valued member of the Board. He has attended ALL board meetings since his appointment in 2013. He makes a substantial contribution outside formal board meetings

The Board recognises investor concerns on the level of director time commitments, but believes that Adrian has fully demonstrated his availability and value to Berkeley. We are therefore proposing his reappointment to the Board at the next AGM on 5 September 2018.

At the 2017 AGM, 33.5% of our shareholders voted against the resolution to re-elect Adrian Li as a director (Resolution 12), following the main proxy advisory agents recommending against his re-election based on their strict overboarding policies.

We have consulted with a number of our shareholders and proxy advisers to discuss the issues raised and, in the spirit of the Stewardship Code, we further seek to discuss with you our thinking in this regard, as well as to note developments since the 2017 AGM.

We strongly believe that Adrian Li is a valuable and effective independent Non-Executive Director on Berkeley's Board.

- Adrian is an active member of our Board. He brings legal and financial professional qualifications as well as a truly global and diverse perspective to Board discussions;
- Adrian provides invaluable insights into Far Eastern and emerging markets and supply chains that would be difficult to replace at a similar cost due to his day to day experience on the ground across the region;
- 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;
- Since last year, Adrian has relinquished one position at Sino Hotels (Holdings) Ltd. Two of his remaining directorships are linked under the Sino Group which is a common corporate structure in South East Asia; and
- Adrian has attended all scheduled Board meetings since his appointment in 2013. He devotes significant time to Berkeley outside Board meetings, as noted above, including whenever an ad hoc issue has arisen. We have no reason to believe that this should change in the future. Accordingly, the Board is satisfied that he has sufficient time to dedicate to Berkeley even in the event of unforeseen circumstances which may demand more of his time.

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We acknowledge the proxy advisers' policies on overboarding, and understand their importance in alerting shareholders to potential concerns over a director's time commitment to their company. While we understand the principle behind this policy, we believe it is appropriate to adopt a "comply or explain" approach when an incumbent member of a board has consistently demonstrated his value and availability to the company, as is the case for Adrian. We believe the proxy advisory agents are right to alert their clients to potential overboarding, but equally believe that shareholders should review the resulting vote recommendation on a case-by-case basis before you make a voting decision ahead of the forthcoming AGM on 5 September.

We do not believe it would be in the best interests of Berkeley or its shareholders if an **independent, fully contributing and invaluable member of the Board who provides a diverse view to Board discussions** is not re-elected due to the rigid application of a policy. We therefore hope that you will consider the above circumstances and **vote FOR** Adrian Li's re-election at the AGM.

We would be happy to discuss this further should you consider this desirable, and will make time available for a call.

Kind regards



Glyn Barker
Deputy Chairman and Senior Independent Director

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