

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action to take, we recommend that you immediately consult your stockbroker, bank manager, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom, or, if you reside elsewhere, another appropriately authorised financial adviser.

If you have sold or transferred all of your ordinary shares in Capital & Regional plc, please forward this document together with the accompanying proxy form to the purchaser or transferee, or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

CAPITAL & REGIONAL PLC

Notice of Annual General Meeting 2020

24 April 2020

Dear Shareholder,

1. INTRODUCTION

I am writing to you with details of the 2020 Annual General Meeting of Capital & Regional plc (the “**Company**”), which we are holding at 10:00 am on Wednesday 20 May 2020 at the offices of the Company at 22 Chapter Street, London, SW1P 4NP (the “**AGM**”). The formal notice of the AGM (the “**Notice**”) is set out on pages 21 to 24 of this document.

The board of directors (the “**Board**”) is continuously monitoring the ongoing situation with regard to the COVID-19 pandemic and taking action in line with the latest Government public health instructions. Whilst the AGM is an important event for the Company, the health of our shareholders, workforce and officers is paramount. On the basis that the current compulsory social distancing measures put in place by the UK Government which, amongst other things, prohibit public gatherings of more than two people and non-essential travel (the “**Government Measures**”) will remain in place at the time of the AGM, shareholders will not be permitted to attend the AGM in person. A shareholder who attempts to physically attend the AGM in person will be refused entry. It is expected that the Company’s attendance at the AGM in person will be limited to satisfy the legal requirements for a quorum whilst observing the Government Measures behind closed doors. Accordingly, we strongly encourage shareholders to return the enclosed proxy form by the time stipulated below. The Company will continue to update shareholders on arrangements for the AGM through a Regulatory Information Service and the Company’s website at www.capreg.com particularly as regards any relaxation of the Government Measures. Shareholders are advised to check the Company’s website for updates.

The Board would normally welcome the AGM as an opportunity to listen to and respond to your questions in person. However due to the situation in place as a result of the Government Measures, Shareholders may instead submit questions to the Board prior to the AGM by emailing the Company Secretary at capinfo@capreg.com with the subject line “2020 AGM”. Subject to the volume of questions received from shareholders, all questions will be answered on the Company’s website shortly after the AGM.

As it will not be possible for shareholders to cast their vote at the AGM, we strongly encourage all shareholders to complete the proxy form enclosed with this document and return it to the Company’s Registrars, Equiniti (for shareholders on the UK Register) and Link Market Services (for shareholders on the South African Register) as soon as possible and, in any event, by no later than 10:00 am on Monday 18 May 2020. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual and in accordance with the instructions set out in the notes to this Notice. For more information on appointing a proxy, please refer to the notes on the proxy form.

The Board has also decided that, as has been the case at previous AGMs, voting on all resolutions at the AGM will be on a poll as this will ensure that all votes of shareholders will be counted, whether or not shareholders attend the AGM. On a poll, each shareholder has one vote for every ordinary share held. The results of the poll will be announced shortly after the AGM through a Regulatory Information Service and published on the Company’s website at www.capreg.com.

2. BUSINESS TO BE TRANSACTED AT THE AGM

Details of the resolutions to be proposed at the AGM are set out below. Resolutions 1 to 16 are proposed as ordinary resolutions. This means that for each of these resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 17 to 20 are proposed as special resolutions. This means that for each of these resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1 – Reports and Accounts

The directors of the Company are required to present to the meeting the Company’s audited annual accounts and the directors’ reports and auditors’ report for the financial year ended 30 December 2019 (the “**Annual Report**”).

Resolution 2 – Final Dividend

This resolution seeks shareholder approval for the declaration of a final dividend for the financial year ended 30 December 2019. The directors of the Company are recommending a final dividend of 11 pence per ordinary share. An interim dividend of 10 pence per ordinary share (adjusted to reflect the 10 for 1 share consolidation) was paid on 27 December 2019, making a total dividend for the year of 21 pence per ordinary share. If approved, the final dividend will be paid on 24 June 2020 to those shareholders whose names appear on the register of members at close of business on 5 June 2020.

Resolution 3 – 2019 Directors’ Remuneration Report

The Company’s shareholders will be asked to approve the annual report on Directors’ remuneration, which is set out on pages 63 to 71 of the Annual Report. The vote on the 2019 annual report on Directors’ remuneration is advisory in nature and the Company can still act according to it as proposed if the resolution is not approved.

Resolutions 4 and 5 – Appointment and remuneration of Auditors

The Company must appoint auditors at each general meeting at which accounts are presented to shareholders to hold office until the conclusion of the next such meeting. Resolution 4 seeks shareholder approval to re-appoint Deloitte LLP as the Company’s auditor. In accordance with normal practice, Resolution 5 seeks shareholder authority for the Company’s directors to determine their remuneration.

Resolutions 6 to 14 – Election and Re-election of Directors

Each of George Muchanya, Norbert Sasse and David Hunter have joined the Board since the last annual general meeting of the Company and are accordingly seeking election by shareholders at the AGM. The articles of association (the “**Articles**”) provide that any new director appointed by the Board since the previous annual general meeting may only hold office until the next annual general meeting when that director shall retire but shall be eligible for reappointment by shareholders.

In accordance with the requirements of the UK Corporate Governance Code, all of the other directors of the Company will retire and offer themselves for re-election by shareholders at the AGM, other than myself. As set out in the Company’s RNS released on 26 February 2020, I will not be seeking re-election as non-executive chairman at this AGM and, subject to shareholders approving his election as a Director, David Hunter will take on the role as non-executive chairman from the close of the meeting.

Under the Listing Rules, a dual voting structure applies to the election or re-election by shareholders of any independent non-executive director of a company where the company has a controlling shareholder. The Company is required to comply with these provisions as a result of its shareholder, Growthpoint Properties Limited (“**Growthpoint**”), controlling more than 30% of the voting right of the Company. As a result, the election or re-election of Laura Whyte, Tony Hales, David Hunter and Ian Krieger as Independent Non-Executive Directors by shareholders must be approved by a majority vote of both: (i) the shareholders of the Company and (ii) the independent shareholders of the Company (that is, shareholders of the Company entitled to vote on the election of directors who are not controlling shareholders of the Company). Therefore, Resolutions 6, 9, 10 and 13 will be proposed as ordinary resolutions which all shareholders may vote on, but in addition the Company will separately count the number of votes cast by independent shareholders in favour of each of these resolutions (as a proportion of the total votes of the independent shareholders cast on the resolution) to determine whether the second threshold referred to in (ii) above has been met. The Company will announce the results of these resolutions on this basis as well as announcing the results of the ordinary resolutions of all shareholders.

Under the Listing Rules, if a resolution to elect or re-elect an Independent Non-Executive Director is not approved by a majority vote of both the shareholders as a whole and the independent shareholders of the Company at the AGM, a further resolution may be put forward to be approved by the shareholders as a whole at a meeting which must be held more than 90 days after the date of the first vote but within 120 days of the first vote. Accordingly, if any of the Resolutions 6, 9, 10 and 13 are not approved by a majority vote of the Company’s independent shareholders at the AGM, the relevant director(s) will be treated as having been elected or re-elected only for the period from the date of the AGM until the earlier of: (i) the close of any general meeting of the Company, convened for a date more than 90 days after the AGM but within 120 days of the AGM, to propose a further resolution to elect or re-elect the director(s); (ii) the date which is 120 days after the AGM; and (iii) the date of any announcement by the Board that it does not intend to hold such a second vote. In the event that the director(s) election or re-election is approved by a majority vote of all shareholders at a second meeting, the director(s) will then be elected or re-elected until the annual general meeting to be held in 2021.

The Company is also required to provide details of: (i) any existing or previous relationship, transaction or arrangement between an Independent Non-Executive Director and the Company, its directors, any controlling shareholder or any associate of a controlling shareholder; (ii) why the Company considers the proposed Independent Non-Executive Director will be an effective director; (iii) how the Company has determined that the proposed director is an Independent Non-Executive Director and (iv) the process followed by the Company for the selection of each Independent Non-Executive Director. This is set out below:

Existing/Previous Relationships: The Company has received confirmation from each of the Independent Non-Executive Directors that there is no existing or previous relationship, transaction or arrangement between the Independent Non-Executive Director and the Company, its directors, any controlling shareholder or any associate of a controlling shareholder.

Effectiveness: The directors’ biographies can be found on pages 42 to 43 of the Annual Report and on the Company’s website www.capreg.com. The biographical details also set out each Independent Non-Executive Director’s experience. The Board is satisfied that each of the directors standing for election or re-election continues to perform effectively and demonstrate commitment to his or her role.

Independence: The Board has considered whether each of the Independent Non-Executive Directors is free from any relationship that could materially interfere with the exercise of his or her independent judgement and has determined that each Independent Non-Executive Director possesses the requisite skills and experience, and each continues to be considered to be independent.

Selection: For each current Independent Non-Executive Director’s selection, the Nominations Committee was responsible in each case for identifying and nominating, for the approval of the Board, suitable candidates to fill Board vacancies.

George Muchanya and Norbert Sasse are representatives of Growthpoint, a significant shareholder of the Company. Louis Norval is a representative of the Homestead Group of companies, which is another significant shareholder of the Company.

As announced by the Company on 26 February 2020, David Hunter was appointed to the Board as a Non-Executive Director from 9 March 2020 and his appointment as Non-Executive Chairman is proposed to take effect at the conclusion of the AGM. David Hunter is the Chairman of Custodian REIT plc, a non-executive director of GCP Student Living plc and a director of Yatra Capital Limited (in liquidation). In the last five years David has also served as Chairman of South African Property Opportunities Limited, and NR Nordic and Russia Properties. There are no further matters to be disclosed pursuant to Listing Rule 9.6.13.

Resolution 15 – Scrip Dividend Scheme

The Company is now seeking approval to re-introduce a Scrip Dividend Scheme, (the previous authorisation having expired following the annual general meeting in 2019). The Scrip Dividend Scheme will be available to eligible holders of ordinary shares in the capital of the Company from time to time. The Board believes that, for those shareholders who would like to choose to take their dividend in shares rather than cash, the Scrip Dividend Scheme is an attractive alternative. The Scrip Dividend Scheme also gives the Company greater flexibility in managing its capital resources by retaining cash within the business. If approved by shareholder resolution, the Scrip Dividend Scheme will allow participants to receive new ordinary shares in the capital of the Company (credited as fully paid) for every cash dividend entitlement where the Scrip Dividend Alternative (as defined in Appendix 1) is offered, unless and until a participant notifies the Company otherwise. The directors will retain the discretion to decide whether to offer a Scrip Dividend Alternative in respect of each future dividend. UK shareholders who elect to take new ordinary shares in the Company under the Scrip Dividend Scheme will increase their holdings without incurring stamp duty. Details of how the Scrip Dividend Scheme operates are explained in the terms and conditions which are set out in Appendix 1 of this Notice. If approved, the 2020 Scrip Dividend Scheme will be available on the Company's website: www.capreg.com following shareholder approval of the resolution at the AGM.

In line with relevant UK investor protection guidelines, the authority contained in this resolution is sought for a period of three years and shall therefore expire at the conclusion of the annual general meeting to be held in 2023. Unless there is a change in circumstances, the Company expects to seek an extension of this authority prior to its expiry.

Subject to shareholder approval, it is the directors' intention to offer the Scrip Dividend Alternative to commence with the proposed final dividend for the financial year ended 30 December 2019 to be paid in June 2020. Shareholders therefore have a choice of receiving the proposed final dividend in cash in the normal way or, alternatively, you may choose to receive it as a scrip dividend in the form of New Ordinary Shares (as defined in Appendix 1).

The number of New Ordinary Shares that shareholders will be entitled to receive under the Scrip Dividend Scheme will be calculated by reference to the amount of the cash dividend, the number of shares held and the Scrip Calculation Price (as defined in Appendix 1). The Scrip Calculation Price will be the average of the middle market quotations of a share derived from the Daily Official List of the London Stock Exchange for the last five consecutive dealing days ending on the trading day before the Scrip Calculation Price is announced less the gross value of the relevant dividend. For South African Shareholders, the Scrip Calculation Price will be converted into Rand. The Scrip Calculation Price and exchange rate for conversion into Rand will be announced on 21 May 2020 and will be available on the Company's website.

The formula that will be used to calculate your entitlement to New Ordinary Shares is set out in Appendix 1. An illustrative example of how a shareholder's entitlement will be calculated is also included. No fraction of a New Ordinary Share will be issued. A shareholder's entitlement will therefore be rounded down to the nearest whole number of New Ordinary Shares.

A statement of the total number of New Ordinary Shares that would be issued if all eligible shareholders were to elect to take up their full entitlement to New Ordinary Shares in respect of this final dividend and the percentage which that number would represent of the Company's issued share capital, together with a statement of the total cash dividend payable on the basis that no elections for the Scrip Dividend Alternative are received, will be announced by the Company at the time the Scrip Calculation Price is announced. For illustrative purposes only, if the Scrip Calculation Price were calculated as 81.11p, being the average of the middle market quotations for the five consecutive business days ending on 9 April 2020 (the last practicable date before the publication of this document), less the amount of the Relevant Dividend per Ordinary Share, and if all eligible shareholders were to elect to take up their full entitlement to New Ordinary Shares in respect of this final dividend, assuming 20% Withholding Tax applies in all cases, approximately 11,271,137 New Ordinary Shares would be issued. This would represent approximately 11 per cent. of the Company's issued share capital as at 15 April 2020. The total cash cost of this final dividend if no shareholders elect to take up their entitlement and therefore no New Ordinary Shares were to be issued would be approximately £11.4 million.

TIMETABLE OF EVENTS

The expected timetable of events in respect of the Scrip Dividend Alternative for the final dividend for the financial year ended 30 December 2019 is as follows:

	2020
Annual General Meeting	Wednesday, 20 May
Announcement of Scrip Calculation Price, confirmation of ZAR equivalent dividend and PID percentage	Thursday, 21 May
Last day to trade (SA Shareholders)	Tuesday, 2 June
Shares trade ex-dividend on the JSE	Wednesday, 3 June
Shares trade ex-dividend on the LSE	Thursday, 4 June
Record Date on the LSE and the JSE	Friday, 5 June
Closing date to elect to receive the Scrip Dividend Alternative	4.30 p.m. (UK time) on 5 June 2020 (for UK Shareholders) or 12.00pm (SA time) on 5 June 2020 (for SA Shareholders)
Announcement of the total amount of New Ordinary Shares to be issued (on or about)	Wednesday, 17 June
Dispatch of share certificates, payment of cash dividend and cash entitlement, CSDP/broker accounts credited	Thursday, 24 June

ACTION TO BE TAKEN

If you wish to receive the final dividend for the year ended 30 December 2019 in cash, you do not need to take any action.

If you wish to participate in the Scrip Dividend Alternative in respect of the final dividend and receive New Ordinary Shares instead of your cash dividend, you should complete a mandate form as follows:

- Shareholders on the UK Register who hold their shares in certificated form will need to complete the enclosed Mandate Form (as defined in Appendix 1) in accordance with the terms and conditions contained in it and return it to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than 4.30pm (London time) on Friday 5 June, 2020. The Mandate Form will remain in force for any future dividends in respect of which a Scrip Dividend Alternative is offered until such time as those instructions are cancelled.
- Shareholders who hold their shares in CREST can only participate in the Scrip Dividend Scheme by use of the CREST Dividend Election Input Message (as defined in Appendix 1). Separate elections will need to be made for any future dividends in respect of which a Scrip Dividend Alternative is offered.
- Shareholders who hold their shares in dematerialised form on the SA Register and who wish to participate in the Scrip Dividend Scheme will need to contact their CSDP, broker or custodian to register their application.

If you have any questions regarding how the Scrip Dividend Scheme operates please contact Equiniti if you are on the UK register or Link Market Services if you are on the South African register, in accordance with the details set out in paragraph 21 of the Appendix to this document.

Resolution 16 – Authority to Allot

Resolution 16 would give the directors the authority to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £3,462,801. This represents approximately one-third of the whole of the issued ordinary share capital of the Company, exclusive of any treasury shares, as at the close of business on 15 April 2020 (being the latest practicable date prior to the publication of this document). In accordance with institutional investor guidelines, Resolution 16 will also give the directors authority to allot further shares in the Company, in connection with a pre-emptive offer by way of a rights issue, up to an aggregate nominal amount of £3,462,801, representing a further one-third of the whole of the issued ordinary share capital of the Company, exclusive of any treasury shares, as at the close of business on 15 April 2020 (being the latest practicable date prior to the publication of this document). The directors' authority will expire on the conclusion of the Company's next annual general meeting or 15 months from the passing of this Resolution 16, whichever is the earlier.

The directors have no present intention of exercising the authority sought pursuant to this Resolution 16 but consider it desirable to allow the Company to retain flexibility.

No shares are held in treasury as at the date of this document.

Resolution 17 – Statutory Pre-emption Rights

Pursuant to the authority granted under Resolution 16, Resolution 17 will give the directors authority to allot shares in the capital of the Company for cash in certain circumstances without complying with the pre-emption rights provisions in the Companies Act 2006. It is usual practice for the Company to seek a renewal of this authority to disapply pre-emption rights on an annual basis and, as the authorities granted at the annual general meeting in 2019 are due to expire at the AGM, Resolution 17 is being proposed as a special resolution to grant authority to permit the disapplication of pre-emption rights in certain circumstances.

The authority conferred by Resolution 17 will permit the directors to allot:

- (i) shares in respect of a rights issue, open offer or other offer that generally provides existing shareholders with the opportunity to subscribe for new shares pro rata to their existing holdings; and
- (ii) shares up to a maximum nominal value of £2,077,680 representing approximately 20% of the issued ordinary share capital of the Company as at 15 April 2020 (being the latest practicable date prior to the publication of this document) otherwise than in connection with a pre-emptive offer to existing shareholders, the proceeds of which issuance of equity securities may be used for any purpose the directors consider is in the best interests of the Company and its shareholders.

The directors believe that it is appropriate to seek the 20% pre-emption disapplication authority in Resolution 17 to give the Company the flexibility that this resolution affords, as further described below. The Board confirms that: (i) it intends to use the authority given in Resolution 17 for any purpose that it considers is in the best interests of the Company and shareholders but it will not use such authority without prior consultation with significant shareholders; (ii) to the extent practicable and where circumstances permit, the Company will undertake any issue of shares on a soft preemptive basis, that is the Company will, with its brokers, seek to allocate shares on a pro rata basis to certain existing shareholders who wish to subscribe for shares, although the Company will only be able to contact shareholders with a material shareholding; and (iii) Company management will be involved in the allocation process. As noted in relation to Resolution 16 above, the directors have no present intention of exercising this authority. The authority contained in Resolution 17 will expire at the same time as the expiry of the authority to allot shares conferred in Resolution 16 (that is at the conclusion of the Company's next annual general meeting or 15 months from the passing of this resolution, whichever is the earlier).

The directors are aware that the authority to dis-apply pre-emption rights in respect of up to 20% of the Company's issued Ordinary Share capital sought under Resolution 17 is higher than the usual 5% for general corporate purposes with an additional 5% for specified acquisitions or investments, considered to be best practice in accordance with the Investment Association Guidelines and the Pre-emption Group's Statement of Principles on Disapplying Pre-emption Rights published in March 2015. However, the directors are also acutely aware of the impact that COVID-19 is having on economic activity and the restrictive public health measures implemented by the UK Government at the current time to try to suppress the spread of the pandemic. It is unknown if such Government Measures will go further or when economic activity will revert to normal levels. The directors wish to seek the higher authority of up to 20% to retain flexibility to enable the Board to react quickly to market conditions and a rapidly changing and complex environment. Whilst the directors acknowledge the dilutive effect this will have on shareholders, they consider that the flexibility this provides outweighs those concerns. The directors intend to use this authority only when they consider it to be in the best interests of the Company and shareholders. The directors also note that the Pre-emption Group has recently published a statement in which investors are recommended to consider supporting non pre-emptive issuances by companies of up to 20% of their issued share capital on a temporary basis, during the COVID-19 pandemic. The directors note the recommendations in that guidance, particularly regarding its temporary nature (that is the guidance applies until 30 September 2020). Having considered the guidance the directors have nonetheless concluded that a disapplication authority that expires at the next annual general meeting (or 15 months from its passing, whichever is earlier) is appropriate for the Company for the reasons given above.

Resolution 18 – Authority for Market purchases of own Shares

Resolution 18 renews the Company's current authority to make limited market purchases of the Company's ordinary shares. The authority is limited to a maximum aggregate number of 10,388,402 ordinary shares, representing 10% of the issued ordinary share capital of the Company as at 15 April 2020 (being the latest practicable date prior to publication of this document) and sets out the minimum and maximum prices that can be paid, exclusive of expenses. The authority conferred by this resolution will expire at the conclusion of the Company's next annual general meeting or 15 months from the passing of this resolution, whichever is the earlier. Any purchases of ordinary shares would be made by means of market purchases through the London Stock Exchange.

The Company may retain any ordinary shares it purchases as treasury shares with a view to possible reissue at a future date or may cancel the ordinary shares. If the Company were to purchase any of its own ordinary shares it would consider cancelling them pursuant to the authority conferred by this Resolution 18. The Company has options and awards outstanding over 849,065 ordinary shares representing 0.8 per cent. of the Company's ordinary issued share capital (excluding treasury shares) as 15 April 2020 (being the latest practicable date prior to publication of this document). If the full authority being sought to buy back shares was utilised and the repurchased shares were cancelled, outstanding options and awards would represent approximately 0.9 per cent. of the Company's issued ordinary share capital (excluding treasury shares).

If passed, the directors have no present intention of exercising the authority to purchase the Company's ordinary shares. The directors would only exercise such authority to purchase ordinary shares in the market if, in their opinion, the expected effect would be to result in an increase in earnings per ordinary share or net asset value and would benefit shareholders as a whole. The directors will also give careful consideration to gearing levels of the Company and its general financial position.

Resolution 19 – Notice period of General Meetings

Under the provisions of the Companies Act 2006, the notice period required for all general meetings of listed companies is at least 21 clear days unless shareholders approve a shorter notice period for the holding of general meetings on not less than 14 clear days for general meetings, other than annual general meetings. Resolution 19 seeks to obtain shareholder approval to allow the Company to call general meetings (other than annual general meetings) on not less than 14 clear days' notice. If granted, the authority will be valid until the conclusion of the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. All annual general meetings will continue to be held on at least 21 clear days' notice.

The Company will give as much notice as practicable when convening a general meeting. The shorter notice period will not be used as a matter of routine for such meetings and will only be used where the Company considers the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole.

Resolution 20 – Amendments to the Articles of Association

The Board is proposing that the Company amend its Articles to allow for general meetings to be held electronically as well as physically in accordance with the Companies (Shareholders' Rights) Regulations 2009 and the Companies Act 2006.

The amendments will provide the directors with the power (but not an obligation) to convene a general meeting which is a hybrid meeting. This would allow for physical meetings to be held and conducted in such a way that persons who are not present together at the same physical place may attend, speak and vote at the meeting as well by electronic means. Nothing in the amended articles of association will prevent the Company from holding physical general meetings. It is not the current intention of the Board to adopt hybrid meetings but the Board believes that it is appropriate to have the flexibility to allow shareholders to participate by electronic means in future meetings.

3. DOCUMENTS FOR INSPECTION

In line with the Government Measures, the registered office of the Company is currently closed and all Company staff are working remotely. Therefore, at this time it is not possible to make documentation available for inspection by shareholders at the registered office of the Company or at the venue of the AGM. However, the following documentation is available for inspection on the Company's website at www.capreg.com:

- (i) this Notice and the Annual Report;
- (ii) the Scrip Dividend Scheme;
- (iii) the Mandate Form;
- (iv) the Company's Articles; and
- (v) the Company's proposed new articles of association.

If, prior to the AGM, the Government Measures are lifted, the following additional documentation, which is usually available for inspection during business hours at the registered office of the Company on any weekday (public holidays excluded) from the date of this Notice until the close of the meeting, will be available for inspection at the place of the AGM from 9.30 am on the day of the AGM until the conclusion of the AGM:

- (i) copies of the service contracts of the executive directors of the Company; and
- (ii) copies of the letters of appointment of the non-executive directors of the Company.

4. ACTION TO BE TAKEN

You will find enclosed with this document a proxy form for use in connection with the AGM. You are strongly encouraged to complete and return it to the Company's Registrars, Equiniti (for shareholders on the UK Register) and Link Market Services (for shareholders on the South African Register) as soon as possible and, in any event, by no later than 10:00am on Monday 18 May 2020. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual and in accordance with the instructions set out in the notes to this Notice.

The completion and return of a proxy form would ordinarily not prevent you from attending the AGM and voting in person should you wish to do so. However, in view of the Government Measures currently in place, shareholders will be refused entry into the AGM and are therefore strongly encouraged to return their proxy form. If, prior to the AGM, Government Measures are lifted and attendance at the AGM would not be contrary to Government Measures then we will notify shareholders regarding arrangements for the AGM through a Regulatory Information Service and the Company's website at www.capreg.com. Shareholders are advised to check the Company's website for updates.

If you wish to receive the final dividend for the financial year ended 30 December 2019 in New Ordinary Shares in lieu of cash, please complete the Mandate Form enclosed with this Notice and return it as soon as possible and in any event so as to be received by Equiniti not later than 4:30pm (UK time) on Friday 5 June 2020 for UK Shareholders. Shareholders who hold their shares in dematerialised form on the South African register and who wish to participate in the Scrip Dividend Scheme will need to contact their CSDP, broker or custodian to register your application. CREST holders will need to make an election to join through CREST. If you wish to receive the final dividend for the financial year ended 30 December 2019 in cash, you need take no action in relation to the Mandate Form.

5. RECOMMENDATION

The directors consider that all of the resolutions in this Notice to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, the directors unanimously recommend that shareholders vote in favour of all of the resolutions, as, where relevant, the directors intend to do in respect of their own beneficial holdings.

By order of the Board

Yours faithfully

Hugh Scott-Barrett
Chairman

Appendix 1

Scrip Dividend Scheme

DESCRIPTION OF THE SCRIP DIVIDEND SCHEME

1. What is the Scrip Dividend Scheme?

The Scrip Dividend Scheme enables eligible Shareholders to elect to receive, if they wish, New Ordinary Shares in the Company instead of a cash dividend in respect of future dividends proposed by the Company for which a Scrip Dividend Alternative is offered.

The Scrip Dividend Scheme enables Shareholders to increase their shareholding in the Company in a simple manner without paying any dealing costs or stamp duty. The payment of some dividends in New Ordinary Shares under the Scrip Dividend Scheme, rather than in cash, will also assist the Company in its cash flow planning and could potentially reduce short-term funding costs, to the general benefit of the Company and its Shareholders.

However, you should bear in mind that the price of the New Ordinary Shares can go down as well as up, and whether you elect to participate in the Scrip Dividend Scheme is your own decision depending on your individual circumstances. If you are in any doubt as to the action you should take, you are advised to consult your stockbroker, custodian, bank manager, legal adviser, accountant or other independent professional adviser.

The operation of the Scrip Dividend Scheme is subject always to the Directors' decision to make the Scrip Dividend Alternative available in respect of any particular dividend or in respect of all or any dividends payable within a specified period. Should the Directors decide not to offer the Scrip Dividend Alternative in respect of any particular dividend, cash will automatically be paid.

The Company is a UK REIT (more information on REITs is available at <http://capreg.com/investor-info/reit-status/>). The Directors may set different proportions of a dividend payable as a PID or non-PID depending on whether the dividend is received as cash or shares. Please refer to Taxation Guidelines on pages 13 to 17 for comment on the tax treatment of PIDs and non-PIDs.

Shareholders (other than UK Certificated Shareholders) should note that any election made to participate in the Scrip Dividend Scheme will apply only to the next Relevant Dividend, and not to any subsequent Relevant Dividends. Such Shareholders will need to make a separate election in respect of each Relevant Dividend where they wish to receive New Ordinary Shares instead of a cash dividend.

UK Certificated Shareholders can join the Scrip Dividend Scheme by completing and returning a Mandate Form. This will be on an "evergreen" basis such that it will result in them receiving New Ordinary Shares instead of cash dividends as a matter of routine in respect of all future Relevant Dividends, unless such mandate is subsequently cancelled.

Details of the procedures for making and cancelling an election to participate in the Scrip Dividend Scheme are set out in paragraphs 3 to 7 below.

2. Who can participate in the Scrip Dividend Scheme?

All Shareholders are entitled to participate in the Scrip Dividend Scheme. Shareholders resident in South Africa and who hold shares on the SA Register are, however, subject to the requirements of local exchange control. Please see the section titled "Exchange Control" on pages 17 to 18 of this document for details of the exchange control implications of participation in the Scrip Dividend Scheme. The right to elect to join the Scrip Dividend Scheme is not transferable.

If you are a Shareholder who is resident outside the UK or South Africa, you may treat this as an invitation to elect to join the Scrip Dividend Scheme unless you could not lawfully participate without any further obligation on the part of Capital & Regional or your participation would not be in compliance with any registration or other legal requirements. Any person resident outside the UK or South Africa wishing to receive New Ordinary Shares is responsible for ensuring that their election can, without any further obligation on Capital & Regional, be validly made and for observing all formalities and any resale restrictions that may apply to the New Ordinary Shares. If you are not satisfied that this is the case, you may not participate in the Scrip Dividend Scheme or make an election under the Scrip Dividend Scheme.

3. What is the deadline for joining the Scrip Dividend Scheme for a particular dividend?

To be eligible to receive New Ordinary Shares in respect of the final dividend for the year ended 30 December 2019 please follow the instructions set out in paragraphs 5 and 6 below.

To be eligible to receive New Ordinary Shares for a Relevant Dividend and in order for your instructions to apply to a Relevant Dividend:

- a) elections by SA Shareholders must be received by the SA Transfer Secretaries no later than 12.00pm (SA time) on the Record Date for each Relevant Dividend; and
- b) elections by UK Shareholders must be received by the UK Registrar no later than close of business on the date specified in the timetable for each Relevant Dividend, which generally is expected to be the fifth business day after the Record Date for each Relevant Dividend.

No acknowledgment of receipt of the elections will be made.

For shares held in CREST or via a CSDP or broker, please contact your CREST provider, CSDP or broker, as earlier lodgement dates may apply in order to permit them to advise the relevant Registrar by the dates specified above.

Elections received or input after the lodgement dates above will be rejected in relation to the Relevant Dividend and will also not apply to any subsequent Relevant Dividend, except in relation to those UK Certificated Shareholders who have made an "evergreen" election by completing the Mandate Form, where such election will apply to future Relevant Dividends only.

The Ex-dividend Date, Scrip Calculation Price, applicable Exchange Rate, Election Date and all further information in respect of each Relevant Dividend will be announced and made available on the Capital & Regional website at www.capreg.com and in such other manner as may be required by the LSE and the JSE.

4. What does it mean to make an election to participate in the Scrip Dividend Scheme?

Upon making an election to participate in the Scrip Dividend Scheme, each Shareholder will be deemed (whether the election is made by them or on their behalf) to have:

- a) agreed to participate in the Scrip Dividend Scheme pursuant to the terms and conditions set out in this document, such that the participating Shareholder receives New Ordinary Shares in lieu of a cash dividend; and
- b) authorised the Company or its agent: (i) in the case of holdings in Certificated Form, to send to the Shareholder at the Shareholder's registered address any definitive share certificate in respect of New Ordinary Shares allotted; (ii) in the case of holdings in Uncertificated Form, to credit the New Ordinary Shares to the Shareholders CREST account on the relevant settlement date for the Relevant Dividend and (iii) in the case of holdings in Dematerialised Form, to credit the New Ordinary Shares allotted to the Shareholder's CSDP account on the relevant settlement date for the Relevant Dividend.

As explained in paragraph 1 above, Shareholders (other than UK Certificated Shareholders) will have to make separate elections in relation to each Relevant Dividend where such Shareholder wishes to receive New Ordinary Shares pursuant to the Scrip Dividend Scheme, instead of a cash dividend. However, mandates to participate in the Scrip Dividend Scheme by UK Certificated Shareholders will be applied for all future Relevant Dividends unless and until such mandate is cancelled by such Shareholder or until the Scrip Dividend Scheme itself is cancelled by the Company.

The way in which Shareholders can elect to participate in the Scrip Dividend Scheme will depend on how they hold their Ordinary Shares.

5. How do I join (or leave) the Scrip Dividend Scheme if I hold Ordinary Shares in Certificated Form (not through CREST or via a CSDP or broker)?

How do I elect to join the Scrip Dividend Scheme?

Shareholders who hold Ordinary Shares in certificated form and who wish to join the Scrip Dividend Scheme in order to be eligible to receive New Ordinary Shares instead of cash in respect of the final dividend for the financial year ended 30 December 2019 should complete the enclosed Mandate Form in accordance with its instructions and return it to Equiniti by no later than 4.30 p.m. (UK time) on 5 June 2020 (for UK Shareholders).

If you are a UK Certificated Shareholder, you may join the Scrip Dividend Scheme by either: (i) completing the Mandate Form provided to you or obtainable on request from the UK Registrar and return it to the UK Registrar; or (ii) through www.shareview.com (for evergreen elections only).

If you are a SA Certificated Shareholder, you may join the Scrip Dividend Scheme by completing the Mandate Form provided to you or obtainable on request from the SA Transfer Secretaries, and return it to the SA Transfer Secretaries.

Mandate Forms will also be made available for download from the Company's website at www.capreg.com, for completion and return to the UK Registrar or the SA Transfer Secretaries (as applicable).

How can I amend or cancel my election?

UK Certificated Shareholders may amend or cancel their election to participate in the Scrip Dividend Scheme for the next Relevant Dividend at any time up until the Election Date for that Relevant Dividend by a notice in writing to the UK Registrar. Cancellation instructions received after that date will be rejected, as all elections will lapse after the Relevant Dividend for which that election has been made, unless the Shareholder in question has made an "evergreen" election, in which case it will apply to subsequent Relevant Dividends only.

Shareholders on the SA Register should note that any election by them to participate in the Scrip Dividend Scheme in respect of a Relevant Dividend is irrevocable. Notwithstanding previous participation in the Scrip Dividend Scheme, an election is required to be made as set out above in respect of each Relevant Dividend, failing which Shareholders will receive the cash dividend.

6. How do I join (or leave) the Scrip Dividend Scheme if I hold Ordinary Shares in Uncertificated Form on the UK Register?

How do I elect to join the Scrip Dividend Scheme?

Elections via the CREST System must be received by no later than 4.30 p.m. (UK time) on 5 June 2020 in order for the instructing Shareholder to be eligible to receive New Ordinary Shares instead of cash in respect of final dividend for the financial year ended 30 December 2019.

Shareholders who hold their Ordinary Shares in CREST can elect to receive dividends in the form of New Ordinary Shares through the CREST Dividend Election Input Message no later than the Election Date to be eligible for the next Relevant Dividend. By doing so Shareholders confirm their election to participate in the Scrip Dividend Scheme and their acceptance of the full terms and conditions of the Scrip Dividend Scheme, which is found at www.capreg.com, as may be amended from time to time. Other forms of election, including paper forms of election, will not be accepted.

The CREST Dividend Election Input Message must contain the number of New Ordinary Shares in respect of which the election is made. If the number of New Ordinary Shares elected is zero or left blank, the election will be rejected. If the number is greater than the Ordinary Shares held by the relevant Shareholder at the relevant Record Date, the election will be scaled back to the holding at the Record Date.

Once an election is made using the CREST Dividend Election Input Message system it cannot be amended. Therefore, if a Shareholder wishes to change its election, such Shareholder would need to cancel their previous election and submit a new election.

Will I have to make separate elections to receive scrip shares for each dividend?

Yes. If you wish to receive New Ordinary Shares instead of cash in respect of a future Relevant Dividend, you must complete a CREST Dividend Election Input Message, otherwise you will receive your dividend in cash, by cheque or warrant, by any direct debit, bank or by other transfer system previously elected for the receipt of dividends.

How can I cancel my election?

CREST Shareholders can only cancel their election through the CREST system. CREST Dividend Election Input Messages should not be used to change an election in respect of the Scrip Dividend Scheme that was not made through CREST. A CREST notice of cancellation will take effect on its receipt and will be processed by the UK Registrar in respect of the next Relevant Dividend payable after the date of receipt of such notice. A notice of cancellation must be received by the Election Date for the Relevant Dividend, which will normally be five business days after the Record Date for that Relevant Dividend, for it to be effective. Notice must be received before close of business on that Election Date. For shares held in CREST via a broker or nominee, please contact the nominee or broker as earlier lodgement dates will apply to permit them to advise the UK Registrar by the required date.

All elections will lapse automatically after the Relevant Dividend for which the election has been made.

7. What if I hold my Ordinary Shares in Dematerialised Form on the SA Register?

How do I elect to participate in the Scrip Dividend Scheme?

Shareholders who hold their shares in dematerialised form on the South African register and who wish to participate in the Scrip Dividend Scheme will need to contact their CSDP, broker or custodian to register their application in order to be eligible to receive New Ordinary Shares instead of cash in respect of final dividend for the financial year ended 30 December 2019.

SA Shareholders who hold their Ordinary Shares in Dematerialised Form and who wish to participate in the Scrip Dividend Scheme in respect of any Relevant Dividend should notify their CSDP, broker or custodian as such in the manner and the time stipulated in the agreement governing the relationship between such Shareholder and their CSDP, broker or custodian, failing which they will receive the cash dividend.

Any paper elections relating to dematerialised holdings are submitted wholly at the risk of the submitting party and the SA Transfer Secretaries reserve the right to reject any paper elections received relating to these holdings.

How can I cancel my election?

Any election to participate in the Scrip Dividend Scheme in respect of a Relevant Dividend is irrevocable. Notwithstanding previous participation in the Scrip Dividend Scheme, an election is required to be notified as set out above in respect each Relevant Dividend, failing which Shareholders will receive the cash dividend.

8. Can I participate in the Scrip Dividend Scheme in respect of part of my holding?

The Directors may, at their discretion, allow Shareholders to elect in respect of part of their shareholding where they are acting on behalf of more than one beneficial holder:

- For nominee shareholdings held in CREST, the CREST Dividend Election Input Message must contain the number of Ordinary Shares for which the election is being made. Such election must be received for each Relevant Dividend.
- For nominee shareholdings on the SA Register held via a CSDP or broker, the Dividend Election instruction to the SA Transfer Secretaries must contain the number of Ordinary Shares for which the election is being made. Such election must be received for each Relevant Dividend.
- A cash dividend will be paid on any remaining Ordinary Shares not included in the Dividend Election Input Notice or other form of instruction.

9. What about Ordinary Shares held in joint names?

Ordinary Shares held in joint names are eligible to participate in the Scrip Dividend Scheme, but all joint Shareholders must sign the Mandate Form or notify their election via CREST or their CSDP or broker, as applicable.

10. What happens if I have more than one holding?

If a Shareholder's Ordinary Shares are registered in more than one holding and they want to receive New Ordinary Shares instead of cash dividends in respect of each holding, they must complete a separate Mandate Form or notify their election via CREST or their CSDP or broker, as applicable, for each holding.

Shareholders who hold some of their Ordinary Shares in Certificated Form and some in Uncertificated Form or Dematerialised Form will be required to elect to participate in the Scrip Dividend Scheme for each of their certificated, uncertificated or dematerialised holdings separately.

11. How many New Ordinary Shares will I receive?

In accordance with the Company's Articles of Association, the basis of allotment of New Ordinary Shares to a Shareholder who elects to participate in the Scrip Dividend Scheme shall be decided by the board so that, as nearly as possible, the value of the New Ordinary Shares (including any fractional entitlement) is equal to the amount of the cash dividend which would otherwise have been paid (disregarding any associated tax credit). To achieve this, in a case where no UK withholding tax has to be accounted for, a Shareholder's entitlement to New Ordinary Shares for the Relevant Dividend will be calculated by taking the amount of the cash dividend to which they are entitled (i.e. the number of Ordinary Shares held by that Shareholder at the Record Date for the Relevant Dividend multiplied by the gross value of the dividend per Ordinary Share) and dividing it by the Scrip Calculation Price. When UK withholding tax has to be accounted for (e.g. when the dividend is paid wholly or partly as a PID except when exemptions apply), the calculation will be by reference to the gross amount of the dividend less the applicable withholding tax (e.g. at the current rate of 20 per cent (i.e. 80 per cent of the cash amount)).

To calculate the cash value SA Shareholders would otherwise receive per New Ordinary Share, the applicable Exchange Rate for the Rand equivalent of the Relevant Dividend in South Africa will be determined by the Company on the Currency Conversion Date.

The Scrip Calculation Price will be the average of the middle market quotations of an Ordinary Share derived from the Daily Official List of the LSE for the last five consecutive dealing days ending on the day before the Currency Conversion Date (adjusted for any discount in the event that one is applied), less the gross value of the Relevant Dividend per Ordinary Share. For Shareholders whose Ordinary Shares are traded on the JSE, this price will be converted into Rand at the Exchange Rate to be announced on the Currency Conversion Date. The results of these calculations will be announced by the Company on the Currency Conversion Date for each Relevant Dividend and will be available on the Company's website.

In a case where UK withholding tax has to be allowed for, the formula to determine the number of New Ordinary Shares that a Shareholder would receive pursuant to the Scrip Dividend Scheme is set out below:

$$\frac{\text{Number of Ordinary Shares held at the Record Date for the Relevant Dividend} \times \text{Net value (i.e. after deduction of the 20 per cent withholding tax) of the Relevant Dividend per Ordinary Share}}{\text{Scrip Calculation Price}}$$

When UK withholding tax does not need to be taken into account in respect of a particular Shareholder or Relevant Dividend, the formula is modified so that the calculation is by reference to the gross value of the Relevant Dividend per Ordinary Share. When UK withholding tax only applies to part of a dividend, the calculation will be by reference to the actual value receivable.

In calculating the entitlement of Shareholders to New Ordinary Shares, the likely result will not be an exact number of New Ordinary Shares. No fractions of a New Ordinary Share will be issued and accordingly the entitlement to New Ordinary Shares will be rounded down to the nearest whole New Ordinary Share. Any residual Cash Balances due to a UK Shareholder will be carried forward (without interest) and included in the Scrip calculation for the next Relevant Dividend. Where the Cash Balances due to a UK Shareholder is less than a minimum figure that may be determined by the Directors from time to time, that cash amount may, at the Directors' discretion, be retained by the Company and used for general corporate purposes or distributed to a charity organisation.

Any residual Cash Balances due to a SA Shareholder will be paid to such Shareholder in cash in the same way (i.e. as a PID or non-PID) as the Relevant Dividend would have been paid had those Shareholders not elected to receive New Ordinary Shares under the Scrip Dividend Scheme.

Worked example of the Scrip Dividend Alternative

Assuming the following:

- a PID Scrip Dividend Alternative with a gross value of 11p per Ordinary Share;
- an automatic 20 per cent UK withholding tax being applied, resulting in SA Shareholders and UK Shareholders who have not submitted a Tax Exemption Declaration Form receiving a cash value of 8.8p per ordinary share;
- a holding of 1,000 Ordinary Shares; and
- a Scrip Calculation Price of 81.11p

The Shareholder would be entitled to a total amount of cash dividend of £88.00 (i.e. 1,000 Ordinary Shares multiplied by the 8.8p post-tax cash value of the Relevant Dividend). The number of New Ordinary Shares that the Shareholder would receive pursuant to the Scrip Dividend Scheme would be calculated as follows:

$$\frac{1,000 \times 8.8p}{81.11p} = 108.50$$

The Shareholder would be entitled to 108 New Ordinary Shares with a cash value of £87.60. For UK Shareholders, the residual Cash Balance of 40p will be carried forward (without interest) and included in the Scrip calculation for the next Relevant Dividend. For SA Shareholders, the residual Cash Balance of 40p will be paid in cash at the applicable Exchange Rate for the Rand equivalent which will be determined by the Company on the Currency Conversion Date.

Certain UK Shareholders may be eligible for an exemption from the automatic 20 per cent tax withholding. For these Shareholders, the worked example above would be altered, with an 11p cash value and an entitlement to 135.62 shares, rounded down to 135 shares and a residual Cash Balance of 50p. For further details, see the section titled "Taxation Guidelines" on pages 13 to 17 of this document.

12. How will I know how many New Ordinary Shares I have received?

Once the New Ordinary Shares have been issued, a Scrip Statement will be sent to Shareholders along with new share certificates (where relevant), showing the number of New Ordinary Shares issued, the Scrip Calculation Price, the Cash Balance brought forward from any previous Relevant Dividend payment, the Cash Balance carried forward to the next Relevant Dividend payment and the total cash equivalent of the New Ordinary Shares for tax purposes. If your cash dividend entitlement is insufficient to acquire at least one New Ordinary Share, the Scrip Statement will explain that no New Ordinary Shares have been issued and will show the total amount of cash to be paid out to relevant Shareholders in cash.

13. Are the New Ordinary Shares included in the next scrip dividend?

Yes. All New Ordinary Shares issued as scrip dividends will automatically increase a Shareholder's shareholding on which the next entitlement to a scrip dividend will be calculated.

14. Will the New Ordinary Shares have the same rights?

Yes, the New Ordinary Shares will carry the same voting rights as existing Ordinary Shares, will rank equally in all respects with the existing Ordinary Shares and will qualify for all future dividends.

15. When will I receive my New Ordinary Shares?

Subject to the New Ordinary Shares being admitted to the official list of the UK Listing Authority and to trading on the London Stock Exchange and the JSE, definitive share certificates (in the case of Shareholders holding their Ordinary Shares in Certificated Form only) and/or Scrip Statements will be sent by post at the risk of the relevant Shareholder on or about the same day as the Relevant Dividend Payment Date.

CREST members who have elected to receive the Scrip Dividend Alternative will have their CREST accounts credited directly with the relevant New Ordinary Shares and will be notified via the Euroclear Service on the same day as the Relevant Dividend Payment Date. If the Company is unable to do this under the provisions of the Uncertificated Securities Regulations 2001 or the facilities and requirements of the Euroclear Service, the relevant New Ordinary Shares will be issued as certificated shares and definitive share certificates will be posted to the relevant Shareholder at that Shareholder's risk, immediately before or as soon as reasonably practicable after the Relevant Dividend Payment Date.

SA Shareholders who hold their Ordinary Shares in Dematerialised Form on the SA Register and who have made a valid election to receive the Scrip Dividend Alternative in respect of a Relevant Dividend will have their CSDP accounts credited directly with the relevant New Ordinary Shares on the Relevant Dividend Payment Date and will be notified by their CSDP, broker or custodian in accordance with the relevant custody or other agreement.

Applications will be made: (i) to each of the UK Listing Authority and the LSE for any New Ordinary Shares issued under the Scrip Dividend Scheme to be admitted to the UK Listing Authority's premium listing segment of the Official List and to the LSE's main market for listed securities respectively; and (ii) to the main board of the JSE for the listing of any New Ordinary Shares issued under the Scrip Dividend Scheme. In the unlikely event that the New Ordinary Shares are not admitted to listing, a listing does not become effective or the New Ordinary Shares are not admitted to trading in a jurisdiction, then those Shareholders in that jurisdiction who have chosen to receive New Ordinary Shares under the Scrip Dividend Scheme will be paid in cash in the usual way on or as soon as reasonably practicable after the Relevant Dividend Payment Date.

16. What happens if I buy more shares?

If a Shareholder buys Ordinary Shares prior to the Ex-dividend Date for any Relevant Dividend, that Shareholder may be entitled to the dividend on those purchased shares (in addition to any existing Ordinary Shares held by such Shareholder) and they are advised to contact their stockbroker or other agent through whom the purchase was made without delay so as to ensure that the purchased shares are registered promptly in their name before the Record Date for the Relevant Dividend.

For Shareholders who hold their Ordinary Shares in Certificated Form, any additional Ordinary Shares which the Shareholder buys, and which are registered in their name prior to the Record Date for the Relevant Dividend for any dividend they are entitled to, will be covered by the election they have made and such Shareholder will receive New Ordinary Shares instead of a cash dividend for their entire shareholding. For Shareholders who hold their Ordinary Shares through CREST or via a CSDP or broker, such Shareholders should contact the appropriate party as any newly acquired Ordinary Shares may not be covered by the election instruction given to the relevant Registrar by the CREST provider, CSDP or broker.

If a Shareholder buys Ordinary Shares on or after the Ex-dividend Date for any Relevant Dividend, that Shareholder will not be entitled to receive that dividend whether as New Ordinary Shares or as cash, and will accordingly not be entitled to participate in the Scrip Dividend Scheme, in respect of those Ordinary Shares.

17. What happens if I sell part of my holdings?

If a Shareholder sells any of their Ordinary Shares prior to the Ex-dividend Date for any Relevant Dividend, they may not be entitled to the dividend on those Ordinary Shares and they are advised to contact their stockbroker or other agent through whom the sale was effected without delay as there may be a claim for the cash amount of the dividend by the purchaser.

If a Shareholder who holds their Ordinary Shares in Certificated Form sells part of their shareholding prior to the Record Date for the Relevant Dividend for any dividend and such sale is registered in the Company's register of members prior to the Record Date for the Relevant Dividend, the Scrip Dividend Scheme will only apply to their remaining Ordinary Shares. Where Ordinary Shares are held in CREST or via a CSDP or broker, Shareholders should contact the appropriate party to ensure that any recently sold Ordinary Shares are not included in the election instruction given to the relevant Registrar by the CREST provider, CSDP or broker.

18. When will my election to participate in the Scrip Dividend Scheme be cancelled?

Elections will be regarded as cancelled in respect of any Ordinary Shares which a Shareholder sells or otherwise transfers to another person and regarded as fully cancelled on the sale or transfer of the whole of a Shareholder's shareholding. This will take effect from registration of the relevant share transfer.

Elections will be regarded as cancelled immediately on notice being given to the relevant Company Registrar of the death, bankruptcy, liquidation or mental incapacity of a Shareholder, unless the Shareholder was a joint Shareholder, in which case participation of the other joint Shareholder(s) will continue.

All elections will be cancelled on the third annual general meeting following the date of the annual general meeting at which it is first approved, unless the authority to offer the Scrip Dividend Scheme is renewed at that meeting, in which case Shareholders will be able to continue to elect to participate in the Scrip Dividend Scheme for future Relevant Dividends. "Evergreen" elections made by UK Certificated Shareholders will automatically remain valid for the period of the renewed authority.

As explained above, elections by Shareholders (other than those UK Certificated Shareholders who have made an "evergreen" election) will apply to one Relevant Dividend only, and will automatically lapse thereafter.

Elections may also be cancelled voluntarily by a UK Shareholder. Elections made by SA Shareholders are irrevocable. Please see paragraphs 5 to 7 above for further details.

19. Can the company cancel or amend the scrip dividend scheme?

Yes, the operation of the Scrip Dividend Scheme is always subject to the Directors' decision to offer the Scrip Dividend Alternative in respect of any particular dividend. The Directors may also, after such an offer is made, revoke the offer generally at any time prior to the issue of New Ordinary Shares under the Scrip Dividend Scheme. The Scrip Dividend Scheme may be modified, suspended or terminated (either generally or in relation to a specific dividend) at any time at the discretion of the Directors without notice to Shareholders individually.

In the case of any such modification by the Directors, existing Scrip Dividend Scheme elections (unless otherwise specified by the Directors) will be deemed to remain valid under the modified arrangements unless and until:

- for UK Shareholders, the UK Registrar receive a cancellation from non-CREST participants in writing or via Equiniti's website, www.shareview.com or CREST participants input their instructions to cancel; and
- for SA Shareholders, the SA Transfer Secretaries receive a cancellation notification, which must be received by no later than 12.00pm (UK time) on the Record Date for the Relevant Dividend. SA Shareholders who hold their Ordinary Shares in Dematerialised Form should notify their CSDP, broker or custodian of their cancellation in the manner and the time stipulated in the agreement governing the relationship between such Shareholder and their CSDP, broker or custodian, in order to ensure that the cancellation notification is received by no later than the specified deadline.

In the case of termination of the Scrip Dividend Scheme (either generally or in relation to a specific dividend), existing elections will be deemed to have been cancelled as at the date of such termination. If the Directors revoke an offer (or otherwise suspend or terminate the Scrip Dividend Scheme, either generally or in relation to a specific dividend), Shareholders will receive their dividends in cash on or as soon as possible after the Relevant Dividend Payment Date.

Any announcement of any cancellation or modification of the terms of the Scrip Dividend Scheme (either generally or in relation to a specific dividend) will be announced and made available on the Company's website at www.capreg.com and via a Regulatory Information Service provider.

The Scrip Dividend Scheme will remain in place until the third annual general meeting following the date of the annual general meeting at which it is first approved. Authority for the renewal of the Scrip Dividend Scheme may be sought at such meeting.

20. What are the tax effects of a scrip dividend election?

The tax consequences for a Shareholder electing to receive New Ordinary Shares instead of a cash dividend pursuant to the Scrip Dividend Scheme will depend on the applicable tax rules in each relevant jurisdiction as well as the personal circumstances of that Shareholder. If Shareholders are in any doubt as to their own taxation position, they should consult their professional advisers before taking any action.

A summary of certain UK and South African tax consequences of the Scrip Dividend Scheme is set out in the section titled "Taxation Guidelines" on pages 13 to 17 of this document, but this summary is for information purposes only and does not constitute advice.

Shareholders who are individuals or certain kinds of trustees resident for tax purposes in the UK and who receive New Ordinary Shares instead of a cash dividend (whether or not the cash dividend would have been payable as a PID) from the Company should note that they will be subject to tax by reference to the "cash equivalent" of the New Ordinary Shares (as defined in paragraph 1 of the UK Taxation section of the Taxation Guidelines on pages 13 to 17 of this document).

As the "cash equivalent" is not determined by reference to the market value of the New Ordinary Shares received except in certain circumstances (as described further in the Taxation Guidelines below), fluctuations in the market value of the New Ordinary Shares could mean that Shareholders may be taxed by reference to a cash equivalent that is greater than the market value of the New Ordinary Shares received. When the cash dividend would have been payable as a PID then the UK tax position of all other categories of Shareholder will also generally be determined by reference to this "cash equivalent".

21. What should I do if I have any questions?

If you have any queries, please contact the applicable party using the contact details set out below:

United Kingdom

Address	Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
Telephone (UK only)	0371 384 2438 Lines open 09:00 - 17:00 (UK time), Monday to Friday, excluding bank holidays.
Telephone (outside the UK)	+44 (0)121 415 7047
Textel UK	0371 384 2255
Website	www.shareview.co.uk

South Africa

Address	Link Market Services South Africa Proprietary Limited, PO Box 4844 Johannesburg, 2000 South Africa
Telephone (SA only)	011 713 0800
Telephone (outside SA)	+27 11 713 0800
Email	info@linkmarketservices.co.za

GOVERNING LAW

The Company's Scrip Dividend Scheme (including the Mandate Form and any related documents) is subject to the Company's articles of association and these terms and conditions, as amended from time to time, and is governed by, and these terms and conditions are to be construed in accordance with, English law. By electing to receive New Ordinary Shares under the Scrip Dividend Scheme, you agree that any proceedings between you and the Company in relation to the Scrip Dividend Scheme will be subject to the jurisdiction of the courts of England and Wales.

TAXATION GUIDELINES

The following summaries are included only as a general guide to taxation for Shareholders resident in the UK and South Africa. They are based on Capital & Regional's understanding of the law and practice as at 15 April 2020. The taxation summaries have been prepared from the perspective of Shareholders who are the beneficial owners of shares and hold such shares for investment purposes and not from the perspective of dealers in securities. The taxation summaries are based on current enacted legislation however we would highlight that this could be subject to change and it is the responsibility of Shareholders to seek tax advice based on their own tax position. In particular Shareholders who are not resident in the UK or South Africa or any Shareholders who are in any doubt as to their tax position should seek independent professional advice.

Introduction

The Company may distribute dividends to Shareholders either in the form of a property income distribution ("PID") or as an ordinary dividend ("non-PID"). One of the requirements of the REIT regime is that the principal company of a group REIT (being here the Company) must, in respect of each accounting period, distribute to Shareholders at least 90 per cent of the UK profits (as defined in Section 530(2) of the Corporation Tax Act 2010) from the Group's property rental business in the form of PIDs.

New Ordinary Shares received in lieu of a cash dividend under the Scrip Dividend Scheme may be paid as a PID, a non-PID or a mixture of the two. Where a dividend is to be paid under the Scrip Dividend Scheme as a PID, it will be paid net of withholding tax unless one of the exceptions set out in section 2(vi) below applies. The Company will indicate whether the Scrip Dividend Alternative in respect of any Relevant Dividend will be paid as a PID, non-PID or mixture of the two when the offer of a Scrip Dividend Alternative is announced.

UK TAXATION

1. Overview

The following statements are intended to apply only as a general guide to current UK tax law and to the current practice of HMRC, both of which are subject to change at any time, possibly with retroactive effect. They are not advice. Except insofar as express reference is made to the treatment of non-UK residents, the following statements are intended to apply only to Shareholders who are resident (or, in the case of an individual, domiciled and resident or ordinarily resident) in the UK for UK tax purposes, who hold their Ordinary Shares as investments and who are the absolute beneficial owners of such Ordinary Shares. The statements do not apply to certain classes of Shareholders, such as dealers in securities or distributions, broker-dealers, insurance companies, collective investment schemes, persons who hold their shares by virtue of an interest in any partnership and persons who have acquired (or are deemed for tax purposes to have acquired) their shares by reason of office or employment.

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders as profits from a UK property rental business, whereas a non-PID will be treated as dividend income. Shareholders who receive New Ordinary Shares under the Scrip Dividend Scheme may be regarded as having received a payment equal to the "cash equivalent" of the New Ordinary Shares and will be taxed on that payment as described below. In respect of that part of any Scrip Dividend Alternative payable as a PID these rules will apply to all categories of Shareholders. In respect of that part of any Scrip Dividend Alternative payable as a non-PID, these "cash equivalent" rules only apply to individuals and certain categories of trustee. The "cash equivalent" of the New Ordinary Shares will be the amount of the cash dividend the Shareholder would have received in respect of that part of a dividend paid by the Company in the form of New Ordinary Shares (the value of such New Ordinary Shares being grossed up for any withholding tax deducted) had they not elected to receive New Ordinary Shares instead, unless the market value of the New Ordinary Shares on the first day of dealings on the London Stock Exchange (the "Opening Value") (in accordance with Section 412 of the Income Tax (Trading and Other Income) Act 2005) differs by 15 per cent or more of that market value from the Scrip Calculation Price, in which case the Opening Value will be used to determine the cash equivalent of the New Ordinary Shares for taxation purposes (the "Market Value Rule"). Cash Balances representing fractional entitlements to New Ordinary Shares will be carried forward (without interest) and included in the Scrip calculation for the next Relevant Dividend.

2. UK taxation of PIDs

The statements made in this Section 2 relate only to certain limited aspects of the UK taxation treatments of PIDs paid by the Company in the form of New Ordinary Shares or, in the case of Cash Balances (to the extent that the Relevant Dividend is a PID) paid to Shareholders in accordance with paragraph 11 of the section titled "Description of the Scrip Dividend Scheme" above, in cash pursuant to the Scrip Dividend Scheme. In circumstances where a Cash Balance is paid in respect of a Relevant Dividend (or any part thereof) which is payable as a non-PID, see Section 3 below.

(i) Amount received

Shareholders who receive New Ordinary Shares in PID form pursuant to a Scrip Dividend Alternative election will be regarded as having received a PID equal to the cash equivalent of the New Ordinary Shares (as defined in Section 1 above). Where withholding tax applies to a particular Shareholder, a reduced number of New Ordinary Shares will be issued to reflect this withholding tax and the cash equivalent will fall to be determined by grossing up the value of that reduced number of New Ordinary Shares at the Scrip Calculation Price or the Opening Value (where the Market Value Rule applies) by reference to the withholding tax rate, currently 20 per cent. This equates to multiplying the value of the New Ordinary Shares which are issued by 1.25.

When references are made below to a PID, the amount of that PID is (i) in the case of a PID in the form of New Ordinary Shares, the cash equivalent (as determined above) of the New Ordinary Shares and (ii) in the case of a Cash Balance paid to a Shareholder in cash to the extent that the Relevant Dividend is a PID, the amount of that Cash Balance (grossed up to reflect any applicable withholding tax i.e. where withholding tax applies, a £1.00 Cash Balance as calculated under paragraph 11 above would be paid as a cash dividend, which results in a gross PID of £1.25, withholding tax of £0.25, and a net receipt of £1.00).

(ii) Individuals

(a) Income Tax

Subject to certain exceptions, a PID (whether in the form of New Ordinary Shares or, in the case of a Cash Balance to the extent that the Relevant Dividend is a PID, cash) will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in Section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any PID from any other REIT, treated as a separate UK property rental business from any other UK property business (a "different UK property business") carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's different UK property business cannot be offset against a PID as part of a single calculation of the profits of the Shareholder's UK property business.

No tax credit will be available in respect of PIDs, however, individual Shareholders who are liable to income tax at the basic rate will have no further income tax to pay if withholding is applied to the PID as the tax withheld will fully discharge their liability to income tax.

Individuals who are subject to higher or additional rates of income tax will be liable to pay further tax on the gross income they are treated as receiving; the rate of income tax applying to the PID is 40 per cent on taxable income up to £150,000 and 45 per cent thereafter with credit for the 20 per cent tax withheld at source.

Where tax has been withheld at source, individual Shareholders who are not liable to tax, including those who hold their Ordinary Shares in an Individual Savings Account (ISA) but who have not submitted a valid declaration form to receive PIDs gross, may be entitled to claim repayment of some or all of the tax withheld on their PID.

(b) Capital gains tax

A Shareholder who is an individual resident (for tax purposes) in the UK and who receives New Ordinary Shares in PID form pursuant to a Scrip Dividend Alternative election will be treated as having acquired those New Ordinary Shares for an amount equal to the cash equivalent (as defined in Section 1 above).

(iii) Corporate Shareholders (other than pension funds and charities)

Subject to certain exceptions, a PID (whether in the form of New Ordinary Shares or, in the case of a Cash Balance to the extent that the Relevant Dividend is a PID, cash) will generally be treated in the hands of Shareholders who are within the charge to corporation tax as profit of a UK property business (as defined in Part 4 of the Corporation Tax Act 2009). A PID is, together with any PIDs from any other REIT, treated as a separate UK property business from any other UK property business (a "different UK property business") carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's different UK property business cannot be off-set against a PID as part of a single calculation of the Shareholder's UK property business profits. For gains purposes the cost of the New Ordinary Shares acquired should be an amount equal to the cash equivalent (as defined in Section 1).

(iv) Registered pension schemes and charities

A registered pension scheme, or charity, resident (for tax purposes) in the UK should generally have no liability to UK tax in respect of a PID (whether in the form of New Ordinary Shares or, in the case of a Cash Balance to the extent that the Relevant Dividend is a PID, cash).

(v) Withholding tax on PIDs

Subject to certain exemptions summarised below, the Company will generally be required to withhold tax at source at the basic rate (currently 20 per cent) from its PIDs. This is the case whether PIDs are paid in cash or in the form of New Ordinary Shares pursuant to the Scrip Dividend Scheme.

For Shareholders who are not tax resident in the UK, it is not possible for such a Shareholder to make a claim under a double taxation treaty for a PID to be paid by the Company gross or at a withholding tax rate lower than the basic rate of UK income tax (currently 20 per cent). The right of a Shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of any double taxation treaty between the UK and the country in which the Shareholder is resident. The relevant article of the double taxation treaty will generally be that dealing with company dividends, and specifically the provision relating to income from immovable property within the dividend article of the relevant double tax treaty, notwithstanding the way in which the UK treats PIDs for UK tax purposes.

(vi) Exceptions to requirement to withhold tax on PIDs

Shareholders should note that in certain circumstances the Company must not withhold tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for corporation tax purposes in the UK or a charity. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, the sub-scheme administrator of certain pension sub-schemes or the account manager of an Individual Savings Account (ISA), in each case, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant fund, scheme or account. In order to pay a PID without withholding tax, the Company will need to be satisfied, in its sole and absolute discretion, that the Shareholder concerned is entitled to that treatment. For that purpose, the Company will require such Shareholder to submit a valid declaration form to the Company's UK Registrar. Most shareholders, including all individuals and all non-UK residents, would not qualify for gross payment of PIDs and should not complete a declaration to the Company's UK Registrar. Shareholders should note that the Company may seek recovery from Shareholders if the statements made in their declaration form are incorrect and the Company suffers tax as a result. The Company will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been mistaken.

3. UK taxation of non-PIDs

The statements made in this Section 3 relate only to certain limited aspects of the UK taxation treatments of non-PIDs paid by the Company in the form of New Ordinary Shares or, in the case of Cash Balances (to the extent that the Relevant Dividend is a non-PID) paid to Shareholders in accordance with paragraph 11 of the section titled "Description of the Scrip Dividend Scheme" above, in cash pursuant to the Scrip Dividend Scheme. In circumstances where a Cash Balance is paid in respect of a Relevant Dividend (or any part thereof) which is payable as a PID, see Section 2 above.

(i) Individuals

(a) Income tax

A Shareholder who is an individual resident (for tax purposes) in the UK and who receives New Ordinary Shares in non-PID form pursuant to a Scrip Dividend Alternative election will be subject to tax on the amount which is equal to the cash equivalent (as defined in Section 1 above) of those New Ordinary Shares or, in the case of a Cash Balance paid in cash to the extent that the Relevant Dividend is a non-PID, is the actual cash non-PID paid by the Company to the Shareholder. In accordance with rules on the taxation of dividends, individuals will have a tax-free £2,000 allowance in respect of dividend income. Dividend income in excess of this tax-free allowance will be taxed at a rate of 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers.

(b) Capital gains tax

A Shareholder who is an individual resident (for tax purposes) in the UK and who receives New Ordinary Shares in non-PID form pursuant to a Scrip Dividend Alternative election will be treated as having acquired those New Ordinary Shares for an amount equal to the cash equivalent (as defined in Section 1 above).

(ii) Corporate Shareholders (other than pension funds and charities)

To the extent that a company which is resident (for tax purposes) in the UK receives New Ordinary Shares in non-PID form pursuant to a Scrip Dividend Alternative election, the issue of the New Ordinary Shares should be treated as a bonus issue for which there is no acquisition cost. Consequently, the calculation of any chargeable gain or allowable loss on a future disposal of, or of part of, that company's enlarged holding should fall to be made by reference to the base cost of the original holding only. Corporate Shareholders should therefore note that there will be no addition to the base cost of the increased shareholding and, in particular, no addition to the base cost representing the cash equivalent.

Subject to special rules for small companies, UK resident Shareholders within the charge to UK corporation tax will be subject to UK corporation tax on the amount of any Cash Balance to the extent that the Relevant Dividend is a non-PID paid by the Company, unless such non-PID falls within an exempt class and certain conditions are met. It is expected that the cash non-PIDs paid by the Company would generally be exempt from UK corporation tax. Shareholders within the charge to UK corporation tax are nevertheless advised to consult their independent professional tax advisers in relation to the implications of the legislation.

(iii) Registered pension schemes and charities

Generally, a registered pension scheme, or charity, resident (for tax purposes) in the UK which receives a non-PID (whether in the form of New Ordinary Shares or, in the case of a Cash Balance, to the extent that the Relevant Dividend is a non-PID, cash) will not be subject to tax on receipt of the non-PID nor will it be entitled to a tax credit in respect of such New Ordinary Shares or Cash Balance. Accordingly, no payment in respect of such a tax credit can be claimed from HMRC.

Registered pension schemes, or charities, resident (for tax purposes) in the UK should not generally be subject to UK taxation on any chargeable gain arising on a subsequent disposal of their New Ordinary Shares.

(iv) Withholding tax on non-PID

Under current UK tax law, the Company will not be required to withhold tax at source from non-PIDs. This is the case whether the non-PID is paid in the form of New Ordinary Shares or, in the case of Cash Balances to the extent that the Relevant Dividend is a non-PID, cash.

4. Stamp duty and stamp duty reserve tax

No stamp duty or stamp duty reserve tax will generally be payable on the issue of New Ordinary Shares pursuant to the Scrip Dividend Scheme.

SOUTH AFRICAN TAXATION

1. Overview

The following statements are intended to apply only as a general guide to current South African tax law and practice, which are subject to change at any time. They apply only to Shareholders who are resident in South Africa for South African tax purposes, who hold their Ordinary Shares as investments, who hold their shares through the JSE and who are the absolute beneficial owners of such Ordinary Shares. The statements do not apply to certain classes of Shareholders, such as share-dealers, collective investment schemes and persons who have acquired their Ordinary Shares by virtue of office or employment. The statements are not intended to be and do not constitute advice to any Shareholder.

The analysis set out below has been drafted as a general guide to Shareholders and should not be relied upon without seeking further independent professional tax advice.

It is envisaged that fractional entitlements to shares under the Scrip Dividend Scheme will be paid out to SA Shareholders in cash. As a result of this, SA Shareholders who elect to receive New Ordinary Shares under the Scrip Dividend Scheme may receive an element of the dividend in cash. Any residual Cash Balance due to SA Shareholders will be paid to such Shareholders in cash in the same way (i.e. as a PID or non-PID) as the Relevant Dividend would have been paid had those Shareholders not elected to receive New Ordinary Shares under the Scrip Dividend Scheme.

2. Taxation of cash PIDs

The statements made in this section relate only to certain limited aspects of the South African taxation treatments of cash PIDs paid by the Company.

A 20 per cent UK withholding tax will be deducted from cash PIDs. On application by the SA Shareholder, in terms of the agreement for the avoidance of double taxation ("DTA") between South Africa and the UK, a 5 per cent rebate is claimable from HMRC, resulting in an effective UK withholding tax rate of 15 per cent.

As the Company is a foreign company for South African tax purposes, the tax treatment of cash PIDs is dependent on whether the payment is a foreign dividend for South African tax purposes. A foreign dividend for South African purposes is broadly any amount payable by a foreign company where such amount is treated as a dividend or similar payment by the company under the income tax laws of the country where the company has its place of effective management, but excluding, amongst others, an amount that constitutes a share in that foreign company. The payment of cash PIDs is treated for UK tax purposes as the payment of dividends by the Company, and so cash PIDs should be regarded as foreign dividends for South African tax purposes.

South African dividends tax

The South African dividends tax applies to dividends paid by South African resident companies and certain foreign dividends. The application to foreign dividends is limited to foreign dividends in respect of shares listed on the JSE to the extent that the foreign dividend does not consist of a distribution of an asset in specie.

South African dividends tax, at the rate of 20%, will therefore apply to cash PIDs payable by the Company unless the beneficial owner of the dividend is exempt from dividends tax (e.g. if it is a South African resident company).

However, section 64N of the SA Income Tax Act provides for a rebate to be deducted from any South African dividends tax. The rebate is equal to the amount of any tax paid to any sphere of government of any country other than South Africa without any right of recovery by any person. In the present case, the UK withholding tax in respect of which there is no right of recovery constitutes 15% of the cash PID. Accordingly, in determining the South African dividends tax, such 15% UK withholding tax may be deducted, resulting in a South African dividends tax of 5% which will be withheld in respect of the cash PID unless the beneficial owner of the dividend is exempt from dividends tax (e.g. if the beneficial owner is a South African company).

The relevant Regulated Intermediary will therefore be required to deduct 5% on all cash PID's paid to persons who are not exempt from dividends tax in South Africa, and pay this to SARS on the beneficial owner's behalf.

Beneficial owners who are individuals do not qualify for any exemption in relation to the dividends tax. Similarly, beneficial owners who are trusts do not qualify for any exemption in the rate of the dividends tax, however, regard should be had to the identity of the beneficial owners of the dividends in the context of vested trusts. Certain shareholders (such as South African tax resident companies, exempt shareholders and non-resident shareholders) are exempt from this dividends tax in terms of section 64F(1) of the SA Income Tax Act.

It is however the responsibility of each beneficial owner to advise the relevant Regulated Intermediary of an exemption that applies to it by the date determined by the Regulated Intermediary.

Income tax

Cash PIDs will be treated in the hands of SA Shareholders (including individuals, corporate shareholders and trusts) as exempt from income tax under section 10B(2)(d) of the Act as such cash PIDs will constitute a foreign dividend from a share listed on the JSE and do not consist of a distribution of an asset *in specie*.

Capital gains tax

There are no capital gains tax consequences for SA Shareholders (including individuals, corporate shareholders, trusts and exempt shareholders) resulting from receiving cash PIDs which constitute foreign dividends.

3. Taxation of cash non-PIDs

The statements made in this section relate only to certain limited aspects of the South African taxation of cash non-PIDs paid by the Company.

South African dividends tax

The payment of cash non-PIDs are treated for UK tax purposes as the payment of dividends by the Company, and so cash non-PIDs will be regarded as foreign dividends for South African tax purposes.

Accordingly, South African dividends tax at the rate of 20 per cent will therefore apply to cash non-PIDs paid by the Company, unless the beneficial owner of the dividend is exempt from dividends tax (e.g. if the beneficial owner is a South African company). Since no withholding tax is suffered in the UK on cash non-PIDs, no rebate can be claimed in terms of section 64N of the SA Income Tax Act.

The relevant Regulated Intermediary will therefore be required to deduct 20 per cent tax on all cash non-PID's paid to persons who are not exempt from dividends tax in South Africa, and pay this to SARS on the beneficial owner's behalf.

Beneficial owners who are individuals do not qualify for any exemption in relation to the dividends tax. Similarly, beneficial owners who are trusts do not qualify for any exemption in relation to the dividends tax, however, regard should be had to the identity of the beneficial owners of the dividends in the context of vested trusts. Certain shareholders (such as South African tax resident companies, exempt shareholders and non-resident shareholders) are exempt from this dividends tax in terms of section 64F(1) of the Act.

It is however the responsibility of each beneficial owner to advise the relevant Regulated Intermediary of an exemption that applies to it by the date determined by the Regulated Intermediary.

Income tax

Cash non-PIDs will be treated as exempt from income tax in the hands of SA Shareholders (including individuals, corporate shareholders and trusts) under Section 10B(2)(d) of the SA Income Tax Act as such cash non-PIDs constitute a foreign dividend from a share listed on the JSE and do not consist of a distribution of an asset *in specie*.

Capital gains tax

There are no capital gains tax consequences for SA Shareholders (including individuals, corporate shareholders, trusts and exempt shareholders) resulting from receiving cash non-PIDs which constitute foreign dividends.

4. Taxation of New Ordinary Shares in respect of PIDs

The statements made in this section relate only to certain limited aspects of the South African tax treatment of the receipt of New Ordinary Shares issued by the Company in respect of PIDs payable on or after 1 April 2016.

As stated above, a 20 per cent UK withholding tax will have been deducted in calculating the number of New Ordinary Shares issued in respect of PIDs. On application by the Shareholder in terms of the DTA, a 5 per cent cash rebate is claimable from HMRC, resulting in an effective UK withholding tax rate of 15 per cent.

The definition of foreign dividend in section 1 of the Act (which also applies for the purposes of dividends tax) specifically excludes any amount that constitutes shares in the company. Accordingly, the New Ordinary Shares should not constitute foreign dividends.

Dividends tax

As the New Ordinary Shares should not constitute dividends or foreign dividends, dividends tax does not apply to that part of any dividend comprising of the issue of New Ordinary Shares.

Income tax

New Ordinary Shares issued in respect of PIDs should not be treated as foreign dividends and should therefore generally be exempt from income tax and not be included in the gross income of SA Shareholders (note that this summary only deals with SA Shareholders holding shares as investments and not as trading stock).

Capital gains tax

The New Ordinary Shares received by a South African tax resident Shareholder will have no base cost for capital gains tax purposes, meaning that the value of the shares received may be subject to capital gains tax on their eventual sale. Any fractional entitlements will be settled in cash. More particularly, the Company will issue the requisite number of shares to the relevant Regulated Intermediary that will sell sufficient shares, representing the aggregate fractional entitlements, to settle the fractional entitlements in cash. The sale of the shares by the relevant Regulated Intermediary will constitute a sale on behalf of the various shareholders to which the fractional entitlements relate. As such, for tax purposes, the fractional entitlements settled in cash will constitute a capital gains tax event. As the shares have no base cost (being shares issued as part of a scrip dividend), the full amount of the fractional entitlement paid in cash to a shareholder should be accounted for as a capital gain by the relevant shareholder, in accordance with their applicable tax profile.

5. Taxation of New Ordinary Shares in respect on non-PIDs

The statements made in section 4 (Taxation of New Ordinary shares in respect of PIDs) in respect of the South African tax consequences apply equally to the taxation of New Ordinary Shares in respect of non-PIDs. As set out above, non-PIDs will, however, not attract any UK dividend withholding taxes.

6. Securities transfer tax

No securities transfer tax will be payable in respect of the issue of New Ordinary Shares to SA Shareholders.

EXCHANGE CONTROL

The following is a general summary of the current exchange control regulations in South Africa and is intended as a guide only and is therefore not comprehensive. Persons who are in any doubt as to the position in any particular case should consult their independent professional advisers. Please note that Capital & Regional is not responsible for obtaining any exchange control consents that any investor may need to obtain.

The South African exchange control regulations are used principally to control capital movements by South African residents to countries outside the CMA and are enforced by EXCON. In broad terms, all foreign currency transactions of South African residents are subject to South African exchange control regulations.

(i) Share registers

Non-South African resident Shareholders who hold Ordinary Shares on the SA Register through South African nominees (i.e. a CSDP or broker) who wish to register their holdings in their own names or to remove their registrations from the SA Register to the UK Register (either into their own names or into the name of a non-South African nominee) in CREST will be required to obtain the consent of the SARB to do so, for which purpose they should approach an Authorised Dealer.

It should also be noted that new non-South African resident Shareholders who wish to participate in the Scrip Dividend Scheme on the SA Register will need to appoint a South African resident nominee (i.e. a CSDP or broker). In the case of non-CMA residents, the appointment of such nominee must be referred to the exchange control division of an Authorised Dealer.

South African resident Shareholders who hold Ordinary Shares listed on the London Stock Exchange and who acquired such shares either through their foreign investment allowance or through other legitimate offshore funds will be entitled to participate in the Scrip Dividend Scheme without restriction. Further, scrip dividends received under the Scrip Dividend Scheme will not be placed in a Blocked Account upon emigration, should such South African resident Shareholder decide to emigrate.

Aligned with Exchange Control Circular No.22/2011, published on 7 December 2011, the Ordinary Shares will be classified as domestic assets in the hands of investors for EXCON purposes.

(ii) South African individuals

South African individuals (excluding Emigrants) can acquire Ordinary Shares listed on the JSE without restriction. An acquisition by an individual will not affect such individual's foreign investment allowance and will not create a "loop structure".

(iii) South African corporates and trusts

South African companies, trusts, partnerships and banks are permitted to invest in inward-listed (foreign) instruments on the JSE without restriction. South African institutional investors and corporate entities will be allowed to participate in the Scrip Dividend Scheme for holdings on the SA Register as these shares are domestic assets for EXCON purposes.

Institutional investors comprising of, inter alia, retirement funds, long-term insurers, collective investment scheme management companies and investment managers are allowed to transfer funds from South Africa for investment abroad subject to the various SARB prudential regulations and foreign exposure thresholds.

(iv) Non-residents of the CMA

Non-residents (excluding Emigrants) may acquire Ordinary Shares listed on the JSE provided they settle the purchase consideration from funds received in foreign currency and payment for which is made from a non-resident account. Proceeds from a sale of the Ordinary Shares by non-residents are freely transferable.

(v) Emigrants

Emigrants may freely acquire Ordinary Shares by using their legitimate offshore currency (unblocked funds). Emigrants may also acquire such shares from funds retained in an Emigrant Blocked Account. In the latter case, after the endorsement has been annotated (if certificated), the securities will be returned to the broker, buyer or Authorised Dealer controlling the Blocked Account of the Emigrant concerned, whichever is applicable. Former residents of the CMA who have emigrated may not use funds from their Blocked Account to acquire Ordinary Shares listed on the London Stock Exchange.

Application of Exchange Control Regulations to the Scrip Dividend Scheme

New Ordinary Shares issued in terms of the Scrip Dividend Scheme are not freely transferable and must be dealt with in terms of the Exchange Control Regulations.

Shareholders who hold shares on the SA Register can only receive New Ordinary Shares on that register.

Shareholders who elect to receive New Ordinary Shares in terms of the Scrip Dividend Scheme should note the following:

(i) In the case of certificated shareholders

■ Non-residents

Share certificates will be issued with a "non-resident" endorsement and will be sent to the registered address of the shareholder concerned or in accordance with the instructions given to the SA Transfer Secretaries.

■ Emigrants

Any new share certificates based on Emigrants' shares controlled in terms of the Exchange Control Regulations will be forwarded to the Authorised Dealer controlling their blocked assets. The election by Emigrants for the above purpose must be made through the Authorised Dealer controlling their blocked assets. Such share certificates will be endorsed "Non-Resident".

(ii) In the case of dematerialised shareholders

All aspects relating to exchange control will be managed by a dematerialised shareholder's CSDP or broker, as follows:

■ Non-residents

New Ordinary Shares will be credited to their CSDP or broker accounts and a "Non-Resident" annotation will appear in the CSDP or broker register.

■ Emigrants

New Ordinary Shares will be credited to the Emigrant Blocked Account at the CSDP or broker controlling their blocked assets and a "Non-Resident" annotation will appear in the CSDP or broker register.

DEFINITIONS

The following definitions apply throughout this document and to the accompanying documents unless the context otherwise requires:

“Authorised Dealer”	a person (usually a commercial bank) appointed as an agent of EXCON to assist in administering exchange control in the relevant jurisdiction under the applicable foreign exchange regulations
“Blocked Account”	an account to which exchange control restrictions have been applied
“Cash Balances”	any residual cash balance held by the Company on behalf of a Shareholder being the cash value of any fractions of New Ordinary Shares which were not issued to that Shareholder pursuant to the Scrip Dividend Scheme
“Certificated Form”	recorded in physical paper form without reference to CREST or Strate
“CMA”	means the Common Monetary Area consisting of Lesotho, Swaziland, South Africa and Namibia
“Company” or “Capital & Regional”	Capital & Regional plc, registered number 1399411, a public company incorporated in terms of the laws of England and Wales which holds a primary listing on the Main Market of the LSE and a secondary listing on the JSE’s Main Board;
“CREST” or “Euroclear Service”	the relevant system as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) in respect of which Euroclear UK & Ireland Limited is the operator
“CREST Dividend Election Input Message”	the procedure for shareholders registered in the UK Register to elect to participate in the Scrip Dividend Scheme as set out in the CREST Manual
“CREST Manual”	the manual issued by Euroclear UK & Ireland concerning the CREST system and available on the Euroclear website
“CSDP”	a central securities depository participant appointed by a shareholder for purposes of, and in regard to, dematerialisation, and to hold and administer securities or an interest in securities on behalf of a shareholder, in terms of the applicable South African legislation
“Currency Conversion Date”	the day the Exchange Rate is set for the Relevant Dividend
“Daily Official List”	the daily publication of official quotations for all securities traded on the LSE
“Dematerialised Form”	recorded in the sub-register of SA Shareholders maintained by a CSDP or custodian, title to which is no longer represented by physical paper
“Directors”	the Directors of the Company from time to time
“Election Date”	the deadline by which elections must be received by the relevant Registrar, as announced by the Company as the respective applicable deadline for the dividend concerned (generally the Record Date for the Relevant Dividend for Shareholders on the SA Register and five business days after the Record Date for Shareholders on the UK Register)
“Emigrant Blocked Account”	the account of an Emigrant from the CMA to which the exchange control restrictions have been applied
“Emigrants”	South African exchange control residents who have left South Africa to take up permanent residence in any country outside the CMA
“Ex-dividend Date”	the day the Ordinary Shares are first quoted “ex” for the Relevant Dividend
“Exchange Control Regulations”	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act 9 of 1933, as amended
“Exchange Rate”	the exchange rate selected by the Directors for any currency conversions required
“EXCON”	the Financial Surveillance Department of the SARB
“HMRC”	Her Majesty’s Revenue & Customs
“JSE”	JSE Limited, registration number 2006/022939/06, a public company incorporated in South Africa and licensed as an exchange in terms of the Financial Markets Act 19 of 2012
“London Stock Exchange” or “LSE”	the London Stock Exchange plc
“Mandate Form”	an election, in the form provided to Shareholders who hold their Ordinary Shares in Certificated Form, authorising the Directors to allot New Ordinary Shares under the Scrip Dividend Scheme in respect of Relevant Dividends
“New Ordinary Shares”	new Ordinary Shares to be issued, credited as fully paid up, pursuant to the Scrip Dividend Scheme
“Ordinary Shares”	shares of 10p each in the ordinary share capital of the Company
“PID”	Property Income Distribution – a dividend payable which, in accordance with the UK legislation applicable to UK REITs, is subject to deduction of UK withholding tax unless exemptions apply
“Rand”	South African Rand, the lawful currency of South Africa
“Record Date”	the date on which Ordinary Shares must be held on the SA Register or the UK Register (as applicable) in order for a Shareholder to be eligible to receive a declared dividend
“Registrars”	the UK Registrar and the SA Transfer Secretaries
“Regulated Intermediary”	for the purposes of the SA Income Tax Act the SA Transfer Secretaries, or CSDP, authorised user, nominee or collective investment scheme in securities, as applicable, all as contemplated in the definition of “regulated intermediary” in section 64D of the SA Income Tax Act

"REIT"	Real Estate Investment Trust
"Relevant Dividend"	any dividend proposed or declared by the Company to which the Shareholders are entitled for which a Scrip Dividend Alternative is offered
"Relevant Dividend Payment Date"	in respect of a Relevant Dividend, the date on which the Relevant Dividend is proposed to be paid
"SA" or "South Africa"	the Republic of South Africa
"SA Certificated Shareholders"	SA Shareholders who hold Ordinary Shares that are in Certificated Form
SA Income Tax Act	The South African Income Tax Act No. 58 of 1962, as amended from time to time
"SA Register"	the register of members maintained on behalf of the Company in South Africa by the SA Transfer Secretaries
"SA Shareholder"	a Shareholder on the SA Register
"SA Transfer Secretaries"	Link Market Services South Africa Proprietary Limited;
"SARB"	the South African Reserve Bank
"SARS"	South African Revenue Service
"Scrip Calculation Price"	(i) for Ordinary Shares traded on the LSE, the average of the middle market quotations of an Ordinary Share derived from the Daily Official List of the LSE for the last five consecutive dealing days ending on the day before the Currency Conversion Date (adjusted for any discount in the event that one is applied), less the amount of the Relevant Dividend per Ordinary Share; and (ii) for Ordinary Shares traded on the JSE, this price will be converted into Rand on the Currency Conversion Date.
"Scrip Dividend Alternative"	the offer by the Company to Shareholders to receive New Ordinary Shares instead of a cash dividend in respect of the Relevant Dividend pursuant to the Scrip Dividend Scheme
"Scrip Dividend Scheme"	the scheme in terms of which Shareholders may be offered the option to receive New Ordinary Shares instead of a cash dividend, comprising the terms and conditions contained in this document as amended from time to time
"Scrip Statement"	the written statement delivered to each Shareholder who has elected to participate in the Scrip Dividend Scheme on every occasion that the Scrip Dividend Alternative is offered, which sets out, among other things, details of the New Ordinary Shares issued to the Shareholder and the amount of any Cash Balances carried forward to the next Scrip Dividend Alternative
"Shareholder"	a holder (whether registered or beneficial) of Ordinary Shares
"South African"	a person (natural or juristic) who is regarded as a South African resident for exchange control purposes
"Strate"	Strate Proprietary Limited, registration number 1998/022242/07, a registered central securities depository in terms of the Financial Markets Act, 19 of 2012, and the electronic clearing and settlement system used by the JSE to settle trades
"Tax Exemption Declaration Form"	the form with respect to withholding tax exemption found on the Company's website at https://capreg.com/investor-info/reit-status/
"UK"	the United Kingdom of Great Britain and Northern Ireland
"UK Certificated Shareholders"	UK Shareholders who hold Ordinary Shares that are in Certificated Form
"UK Listing Authority"	the UK Listing Authority, being the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"UK Register"	the register of members of the Company in the UK excluding, for the avoidance of doubt, the SA Register
"UK Registrar"	Equiniti
"UK Shareholder"	a Shareholder on the UK Register
"Uncertificated Form"	recorded on the register of members as being held in uncertificated form in CREST
"2016 Scrip Dividend Scheme"	the Scrip Dividend Scheme approved by Shareholders at the annual general meeting of the Company held on 10 May 2016

CAPITAL & REGIONAL PLC

Notice of Annual General Meeting

Notice is hereby given that the 41st Annual General Meeting (“AGM”) of Capital & Regional plc (the “Company”) will be held at the offices of Capital & Regional plc, 22 Chapter Street, London, SW1P 4NP, on Wednesday, 20 May 2020 at 10.00 am (British Summer Time) / 11.00 am (South Africa Time) to consider and, if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

Resolutions 1 to 16 will be proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than 50% of the votes cast must be in favour of the resolution.

Report and Accounts

1. To receive and adopt the Company's annual accounts for the financial year ended 30 December 2019, and the directors' reports and the auditor's report on those accounts.

Dividend

2. To declare and approve the final dividend proposed by the Board of Directors for the financial year ended 30 December 2019 of 11 pence per ordinary share which will be paid to the holders of ordinary shares on the register of members of the Company at the close of business on 5 June 2020.

Remuneration Report

3. To approve the Directors' 2019 Remuneration Report (excluding the Directors' Remuneration Policy), as detailed on pages 63 to 71 of the Annual Report and Accounts for the financial year ended 30 December 2019.

Auditors

4. To re-appoint Deloitte LLP as auditors to hold office from the conclusion of the AGM until the conclusion of the next general meeting of the Company at which accounts are laid before the Company.
5. To authorise the directors to determine the remuneration of the Company's auditors.

Directors

6. To elect David Hunter as a Director of the Company.
7. To re-elect Lawrence Hutchings as a Director of the Company.
8. To re-elect Stuart Wetherly as a Director of the Company.
9. To re-elect Tony Hales as a Director of the Company.
10. To re-elect Ian Krieger as a Director of the Company.
11. To elect George Muchanya as a Director of the Company.
12. To re-elect Louis Norval as a Director of the Company.
13. To re-elect Laura Whyte as a Director of the Company.
14. To elect Norbert Sasse as a Director of the Company.

Approval of the Capital & Regional plc Scrip Dividend Scheme

15. THAT the directors be and are hereby authorised, in accordance with Article 109 of the Company's Articles of Association, and to the extent and in the manner determined by the directors, to offer the holders of ordinary shares in the capital of the Company (excluding members holding any shares as treasury shares), the right to elect to receive an allotment of new ordinary shares in the capital of the Company (credited as fully paid) instead of any cash, in respect of all or part of any dividend as may be declared by the directors from time to time (including the dividend declared by Resolution 2 at this AGM), provided that the authority conferred by this Resolution shall expire at the conclusion of the annual general meeting of the Company to be held in 2023.

Authority to allot shares

16. THAT:
 - a) the Directors of the Company be generally and unconditionally authorised under section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights (“Rights”) to subscribe for, or to convert any security into, shares in the Company:
 - (i) up to an aggregate nominal amount of £3,462,801; and
 - (ii) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a further aggregate nominal amount of £3,462,801 in connection with an offer by way of a rights issue but subject to such exclusions and other arrangements as the directors may consider necessary or appropriate in relation to fractional entitlements, record dates, treasury shares or any legal, regulatory or practical problems under the laws of any territory (including the requirements of any regulatory body or stock exchange) or any other matter; and
 - b) such authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the conclusion of the Company's next annual general meeting or 15 months from the date of the AGM at which this Resolution is passed, whichever is the earlier and the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after the authority has expired and the directors may allot shares or grant Rights in pursuance of any such offer or agreement notwithstanding that this authority has expired; and
 - c) all previous authorities to allot shares or grant Rights, to the extent unused, shall be revoked.

SPECIAL RESOLUTIONS

Resolutions 17 to 20 will be proposed as special resolutions at the AGM. This means that for each of those resolutions to be passed, at least 75% of the votes cast must be in favour of the resolution.

Disapplication of statutory pre-emption rights

17. THAT subject to Resolution 16 being passed, the directors be and they are hereby authorised pursuant to sections 570 and 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash either pursuant to the authority conferred by Resolution 16 or by way of a sale of treasury shares as if section 561(1) of the Companies Act 2006 did not apply to any such allotment or sale provided that this power shall be limited to:

- (i) any such allotment of equity securities and/or sale of treasury shares in connection with an offer by way of a rights issue or other pre-emptive offer or issue, open for acceptance for a period fixed by the directors, made to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or due to the existence of depositary receipts or any other matter whatsoever; and
- (ii) any such allotment of equity securities or sale of treasury shares, other than pursuant to sub-paragraph (i) above, of equity securities having, in the case of ordinary shares, an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into ordinary shares having an aggregate nominal value, not exceeding the sum of £2,077,680,

and this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) upon the expiry of the general authority conferred by Resolution 16 above, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Authority for market purchases of own shares

18. THAT:

- a) the Company be, and it is hereby, generally and unconditionally authorised for the purpose of sections 693 and 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of £0.01 each in the capital of the Company upon such terms and in such manner as the directors of the Company shall determine, provided that:
 - (i) the maximum aggregate number of ordinary shares authorised to be purchased is 10,388,402;
 - (ii) the minimum price which may be paid for each ordinary share is £0.10 per share (exclusive of expenses);
 - (iii) the maximum price (exclusive of expenses) which may be paid for each ordinary share shall be an amount equal to the higher of:
 - a) 105% of the average of the closing middle market price of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day the purchase is made; or
 - b) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share in the capital of the Company as derived from the trading venue or venues where the purchase is carried out.
- b) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the Company's next annual general meeting or 15 months from the date of the AGM at which this resolution is passed, whichever is the earlier; and
- c) the Company may make a contract or contracts to purchase its ordinary shares under this authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of its ordinary shares in pursuance of any such contract or contracts.

Notice period for general meetings

19. THAT a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

Amendment to the Articles of Association

20. THAT, with effect from the conclusion of the AGM, the amended articles of association produced to the meeting and signed by the Chairman for the purpose of identification, are adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

By order of the Board

S Wetherly

Company Secretary
22 Chapter Street
London SW1P 4NP
16 April 2020

Notes for the AGM

PLEASE READ NOTES 1-16 BELOW IN CONJUNCTION WITH THE REST OF THIS DOCUMENT TO WHICH THIS NOTICE IS ATTACHED REGARDING THE PROPOSED PROCEDURE FOR THE AGM IN VIEW OF THE GOVERNMENT MEASURES IN PLACE AS A RESULT OF COVID-19. IN PARTICULAR, PLEASE NOTE THAT SHAREHOLDERS, THEIR PROXIES AND CORPORATE REPRESENTATIVES WILL BE REFUSED ENTRY TO THE AGM. THE COMPANY WILL CONTINUE TO UPDATE SHAREHOLDERS ON ARRANGEMENTS FOR THE AGM THROUGH A REGULATORY INFORMATION SERVICE AND THE COMPANY'S WEBSITE AT www.capreg.com. SHAREHOLDERS ARE ADVISED TO CHECK THE COMPANY'S WEBSITE FOR UPDATES.

1. Shareholders are entitled to appoint another person as a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company at capinfo@capreg.com. 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. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior). A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.
2. To be valid, any proxy form or other instrument appointing a proxy must be returned by one of the following methods:
 - in hard copy form by post, by courier or by hand to the appropriate Company registrar; in the case of members on the Company's UK Register, to Equiniti at Aspect House, Spencer Road, Lancing BN99 6DA, United Kingdom and, in the case of members on the Company's South African Register, to Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000, South Africa); or
 - by email for members on the Company's UK Register to proxyvotes@equiniti.com and for members on the Company's South African Register to meetfax@linkmarketservices.co.za; or
 - in the case of CREST members, by utilising the procedure set out below under paragraphs 8-11; or
 - in the case of dematerialised shareholders on the Company's South African Register holding their shares through a CSDP or broker, by providing their voting instruction to the CSDP or broker (as applicable).

Dematerialised shareholders on the Company's South African Register holding their shares through a CSDP or broker must advise their CSDP or broker if they wish to attend the AGM or send a proxy to represent them at the AGM. Their CSDP or broker will issue them with the necessary letter of representation to attend or be represented at the AGM. If they do not wish to attend the AGM, but wish to cast their votes, they should provide their CSDP or broker with their voting instructions. In the absence of such instructions, their CSDP or broker will be obliged to vote in accordance with the instructions contained in the custody agreement mandate between them and their CSDP or broker.

To be valid, proxy forms must be received no later than 48 hours before the time of the AGM or, if the AGM is adjourned, 48 hours before the time fixed for the adjourned meeting. Where shares are held by a CSDP or broker, voting instructions must be provided in sufficient time to permit the CSDP or broker to advise the registrar no later than 11.00 am South African time on Monday 18 May 2020, or 48 hours before the time of the AGM in the event of an adjournment.

3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Company's UK Register and the Company's South African Register before the latest time for the respective receipt of proxies will take precedence.
4. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to the Nominated Persons. The rights described in such paragraphs can only be exercised by shareholders of the Company.
6. To be entitled to attend, speak and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), London Stock Exchange (LSE) shareholders must be registered in the Register of Members of the Company at 6.30 pm (British Summer Time) on Monday 18 May 2020 (or, in the event of any adjournment, you must be entered on the register at 6.30 pm on the date which is two business days before the date of the adjourned meeting). Johannesburg Stock Exchange (JSE) shareholders must be registered on the Company's JSE register of members at 7.00 pm (SA time) on Monday 18 May 2020 or, if the meeting is adjourned, you must be entered on the register at 7.00 pm (SA time) on the date which is two business days prior to the date of any adjourned meeting. Changes to the Register of Members after the relevant deadlines shall be disregarded in determining the rights of any person to attend and vote at the meeting.

On a show of hands, every member who is entitled to vote and is present in person or by proxy has one vote and, on a poll, every member who is present in person or by a proxy has one vote for every ordinary share held by him/her.

7. As at 15 April 2020 (being the last practicable date prior to the publication of this document) the Company's issued share capital consists of 103,884,025 ordinary shares of £0.10 each, carrying one vote each. Therefore, the total voting rights in the Company as at 15 April 2020 are 103,884,025.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications, and must contain the information required for such instruction, as described in the CREST Manual (which can be viewed at www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA19) by 10.00 am on Monday 18 May 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001.
12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all of its powers as a shareholder provided that no more than one corporate representative exercises powers over the same share.
13. Under section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company’s accounts (including the auditor’s report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company’s auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
14. In accordance with section 311A of the Companies Act 2006, a copy of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members’ statements, members’ resolutions or members’ matters of business received by the Company after the date of this Notice can be found on the Company’s website www.capreg.com.
15. Shareholders may not use any electronic address provided either in this notice of meeting or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
16. The following documents will be available for inspection at the venue of the AGM for at least 15 minutes prior to the time fixed for the AGM until the end of the AGM: (i) copies of the service contracts of the executive directors of the Company; (ii) copies of the letters of appointment of the non-executive directors of the Company; (iii) the existing articles of association and (iv) the proposed amended articles of association. In addition, the proposed amended articles will be available for inspection at the offices of the Company from the date of dispatch of this Notice convening the AGM until the close of the meeting.