

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, or other financial adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all your Urban&Civic plc shares, please send this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Urban&Civic plc

(incorporated and registered in Scotland under  
company registration number SC149799)

## **Notice of Annual General Meeting**

Notice of the Annual General Meeting of Urban&Civic plc to be held at 10.00 a.m. on Wednesday 10 February 2016 at The Royal Institution of Great Britain, 21 Albemarle Street, London W1S 4BS is set out on pages 5 to 7 of this document.

A Form of Proxy for use at the Annual General Meeting is enclosed. To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed on it to Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible but in any event so as to arrive no later than 10.00 a.m. on Monday 8 February 2016.

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## Annual General Meeting

### The Royal Institution of Great Britain

21 Albemarle Street  
London W1S 4BS



# Urban&Civic plc

(the “Company”)

(incorporated and registered in Scotland under company registration number SC149799)

## **Directors**

Nigel Hugill (Chairman)  
Robin Butler  
Philip Leech  
Jon Austen  
Robert Adair  
June Barnes  
Alan Dickinson  
Robert Dyson  
Duncan Hunter  
Mark Tagliaferri

## **Registered office**

115 George Street  
Edinburgh  
EH2 4JN

5 January 2016

## **To the Shareholders of Urban&Civic plc**

Dear Shareholder

### **Notice of Annual General Meeting**

I am pleased to be writing to you with details of our Annual General Meeting which we are holding at The Royal Institution of Great Britain on 21 Albemarle Street, London W1S 4BS on Wednesday 10 February 2016 at 10.00 a.m. The formal notice of Annual General Meeting is set out on pages 5 to 7 of this document.

The purpose of this letter is to explain certain elements of the business to be considered at the meeting.

### **Resolution 1 – Annual Report and Accounts**

Shareholders will be asked to receive and adopt the accounts of the Company for the year ended 30 September 2015, together with the directors’ report and report of the auditor, which were posted to shareholders together with this document.

### **Resolution 2 – Remuneration Report**

Resolution 2 is an ordinary resolution to approve the directors’ remuneration report (other than the part containing the Remuneration Policy) for the year ended 30 September 2015. The directors’ remuneration report is set out on pages 104 to 115 of the Annual Report and Accounts. As the vote is advisory it does not affect the actual remuneration paid to any individual director. The Urban&Civic plc Remuneration Policy is set out on pages 106 to 109 of the Annual Report and Accounts and is unchanged from the policy approved by shareholders at the 2015 Annual General Meeting. The Urban&Civic plc Remuneration Policy will be put to shareholders for approval again no later than the 2018 Annual General Meeting.

### **Resolution 3 – Final Dividend**

The directors recommend the payment of a final dividend of 1.65 pence per ordinary share for the year ended 30 September 2015. If approved by shareholders, the final dividend will be paid on 19 February 2016 to all ordinary shareholders who were on the register of members at the close of business on 5 February 2016.

### **Resolutions 4 to 13 (inclusive) – Re-election of Directors**

Resolutions 4 to 13 (inclusive) deal with re-election of the directors. Biographies of each of the directors seeking re-election can be found on pages 98 to 99 of the Annual Report and Accounts. The Nomination Committee has confirmed that all directors standing for re-election continue to perform effectively and demonstrate commitment to their role.

### **Resolutions 14 and 15 – Auditor**

The Company is required at each general meeting at which accounts are presented to appoint auditors to hold office until the next such meeting. BDO LLP have indicated their willingness to hold office until such meeting. Accordingly, Resolution 14 proposes the reappointment of BDO LLP as the Company's auditor to hold office until the next general meeting at which accounts are laid before the Company. Resolution 15 authorises the directors to determine the remuneration of BDO LLP as auditor to the Company.

### **Resolution 16 – Authority to allot Ordinary shares**

The authority given to the directors to allot shares and grant rights to subscribe for, or convert any security into, shares requires prior authorisation of shareholders in general meeting, under section 551 of the Companies Act 2006 (the "Companies Act"). The authority granted at the last Annual General Meeting is due to expire at the conclusion of the 2016 Annual General Meeting and your Board considers it appropriate to recommend that a general authority be granted to allot shares up to a maximum nominal amount of £9,504,432, representing approximately 33 per cent of the Company's issued ordinary share capital as at 4 January 2016 (being the latest practicable date before publication of this letter).

In addition, the Investment Association has said that it will consider as routine a resolution to authorise the allotment of a further one-third of share capital for use in connection with a rights issue. Your Board considers it appropriate to seek this additional allotment authority at this year's Annual General Meeting in order to take advantage of the flexibility it offers.

If given, the authority will expire at the conclusion of the next Annual General Meeting in 2017 or, if earlier, 15 months after the passing of this resolution. The Directors intend to seek to renew such power at successive Annual General Meetings in accordance with current best practice.

The directors have no current plans to allot shares, except in connection with the Company's share plans or the proposed Scrip Dividend Scheme (defined below), if approved by shareholders under resolutions 19 to 20 at this Annual General Meeting.

### **Resolution 17 – Disapplication of Statutory Pre-Emption Rights**

If the directors wish to exercise the authority under Resolution 16 to offer shares for cash, the Companies Act requires that unless shareholders have given specific authority for the waiver of the statutory pre-emption rights, the new shares be offered first to existing shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new shares (or to grant rights over shares) for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 17 would authorise the Directors to do this by allowing the directors to allot shares for cash:

- a) In connection with a rights issue or other pro-rata offer to existing shareholders.
- b) Otherwise than in connection with a rights or other pro rata issue up to a maximum nominal value of £2,880,130, representing approximately 10 per cent of the issued ordinary share capital of the Company as at 4 January 2016 (the latest practicable date before publication of this letter).

The Board intends to adhere to the provisions in the Pre-Emption Group's Statement of Principles, as updated in March 2015, and not to allot shares for cash on a non pre-emptive basis pursuant to the authority in Resolution 17:

- (i) in excess of an amount equal to 5 per cent of the total issued ordinary share capital of the Company (excluding treasury shares); or
- (ii) in excess of an amount equal to 7.5 per cent of the total issued ordinary share capital of the Company (excluding treasury shares) within a rolling three-year period, without prior consultation with shareholders,

in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

If given, the authority will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 15 months after the passing of this resolution. The Directors intend to seek to renew such power at successive Annual General Meetings in accordance with current best practice.

The directors have no current plans to allot shares, except in connection with the Company's share plans or the proposed Scrip Dividend Scheme (defined below), if approved by shareholders under resolutions 19 to 20 at this Annual General Meeting.

### **Resolution 18 – Authority to Purchase Own Shares**

Resolution 18 is a special resolution authorising the Company to make market purchases of its own ordinary shares in the market as permitted by the Companies Act. The authority limits the number of shares that could be purchased to a maximum of 14,400,655, representing approximately 10 per cent of the Company's issued ordinary share capital as at 4 January 2016, (being the latest practicable date before publication of this letter) and sets minimum and maximum prices. This authority will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 15 months after the passing of this resolution.

The directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The authority will be exercised only if the directors believe that to do so would result in an increase in earnings per share and would be in the interests of shareholders generally. Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange.

Listed companies purchasing their own shares are allowed to hold them in treasury as an alternative to cancelling them. No dividends are paid on shares whilst held in treasury and no voting rights attach to treasury shares. If Resolution 18 is passed at the Annual General Meeting, it is the Company's current intention to hold in treasury all of the shares it may purchase pursuant to the authority granted to it. However, in order to respond properly to the Company's capital requirements and prevailing market conditions, the directors will need to reassess at the time of any and each actual purchase whether to hold the shares in treasury or cancel them, provided it is permitted to do so. The Company may hold a maximum of up to 10 per cent of its issued share capital in treasury in accordance with guidelines issued by the Investment Association.

As at 4 January 2016 (being the latest practicable date before publication of this letter), the Company held no ordinary shares in the capital of the Company in treasury.

As at 4 January 2016 (being the latest practicable date before publication of this letter), there were outstanding options over 2,856,810 ordinary shares in the capital of the Company representing 1.98 per cent of the Company's issued ordinary share capital (excluding treasury shares).

### **Resolution 19 – Scrip Dividend Scheme**

The Directors are proposing to offer an optional scrip dividend scheme (the "Scrip Dividend Scheme"), which is expected to commence with the interim dividend for the year ended 30 September 2016 (if payable). The Scrip Dividend Scheme will not be available for the proposed final dividend for the year ended 30 September 2015.

The Scrip Dividend Scheme will give shareholders the right to elect to receive new ordinary shares in the Company (credited as fully paid) instead of cash. The Directors believe that the offer of the Scrip Dividend Scheme is advantageous and allows shareholders to increase their shareholding in the Company in a simple manner without paying dealing costs or stamp duty. The Scrip Dividend Scheme also gives the Company greater flexibility in managing its capital resources by retaining cash within the business. The Scrip Dividend Scheme is subject to shareholder approval. In line with relevant investor protection guidelines, the authority contained in Resolution 19 is sought for three years, and will therefore expire on the day of the annual general meeting to be held in 2019. Unless circumstances change, the directors would expect to seek an extension of this authority before it expires.

Details of how the Scrip Dividend Scheme operates are explained in the Terms and Conditions which are set out in Appendix 1 on pages 10 to 16, and, if approved, will be added to the Company's website: [www.urbandcivic.com](http://www.urbandcivic.com). If approved, the Scrip Dividend Scheme will allow participants to receive Ordinary Shares for every cash dividend entitlement where the scrip alternative is offered, unless and until they notify the Company otherwise.

Shareholders who wish to participate in the Scrip Dividend Scheme will need to complete a Scrip Dividend Mandate Form in accordance with the Terms and Conditions. Shareholders who hold their Ordinary Shares in CREST can only participate in the Scrip Dividend Scheme by use of the CREST Dividend Election Input Message. Evergreen instructions are not permitted and shareholders must complete a Dividend Election Input Message on each occasion otherwise any dividend entitlement will be paid in cash.

The number of New Shares (as defined in Appendix 1) 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 Reference Share Price. The Scrip Reference Share Price is the average closing middle market quotations for the Company's shares over five dealing days commencing on the ex-dividend date for each dividend.

In accordance with the Articles of Association of the Company, approval is sought to capitalise sums standing to the credit of the reserves of the Company, including the share premium account. This would enable the directors to apply such sums in paying up in full the nominal amounts of New Shares allotted to shareholders pursuant to the elections under the Scrip Dividend Scheme.

If approved by shareholders, the Scrip Dividend Scheme is expected to commence with the interim dividend for the year ended 30 September 2016 (if payable), and for future dividends during the period when the Scrip Dividend Scheme is in effect. Information in respect of the first Scrip Dividend, and future Scrip Dividends, will be announced on the London Stock Exchange and made available on the Company's website: [www.urbandcivic.com](http://www.urbandcivic.com).

### **Resolution 20 – Approval of the Urban&Civic Performance Share Plan 2016 (“PSP”)**

Resolution 20 seeks authority from shareholders for the implementation of a new long-term incentive arrangement for the Company’s Executive Directors and other selected employees. The proposed PSP would replace the Company’s existing performance share plan which is due to expire in January 2016. The design of the PSP has been approved by the Remuneration Committee of the Board (the “Remuneration Committee”) and as per the existing performance share plan will provide for annual share-based awards to be granted, at the discretion of the Remuneration Committee, to the Company’s Executive Directors and other selected employees. Awards will normally vest three years from grant, subject to continued service and the satisfaction of performance conditions and underpins measured at the end of a three year period. No amendments are required to be made to the shareholder approved Directors’ Remuneration Policy to accommodate the new PSP. The Remuneration Committee intends to grant awards under the 2016 PSP within six weeks of shareholder approval of the plan. The performance conditions attaching to such awards will continue to be based on EPRA NAV and relative TSR conditions.

A summary of the principal terms of the PSP is set out in Appendix 2 on pages 17 to 19 of this document.

### **Resolution 21 – Political Donations**

Resolution 21 is designed to deal with the rules on political donations contained in the Companies Act. Political donations to any political parties, independent election candidates or political organisations or the incurring of political expenditure are prohibited unless authorised by shareholders in advance. What constitutes a political donation, a political party, a political organisation, or political expenditure is not easy to decide, as the legislation is capable of wide interpretation. Sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may fall within this.

Therefore, notwithstanding that the Company has not made a political donation in the past, and has no intention either now or in the future of making any political donation or incurring any political expenditure in respect of any political party, political organisation or independent election candidate, the Board has decided to put forward Resolution 21 to allow the Company to continue to support the community and put forward its views to wider business and Government interests without running the risk of being in breach of the law. As permitted under the Companies Act, Resolution 21 has also been extended to cover any political donations made, or political expenditure incurred, by any subsidiaries of the Company.

### **Resolution 22 – Notice period for General Meetings**

This resolution is required under section 307A of the Companies Act. Under that section, a traded company which wishes to be able to call general meetings (other than an Annual General Meeting) on 14 clear days’ notice must obtain shareholder approval. At the Annual General Meeting held in 2015, shareholders authorised the calling of general meetings, other than Annual General Meetings, on not less than 14 clear days’ notice. It is proposed in Resolution 22 that this authority is renewed. The resolution is valid up to the next Annual General Meeting and so will need to be renewed annually. The Company will also need to meet the requirements for voting by electronic means under section 307A before it can call a general meeting on less than 21 clear days’ notice. The shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

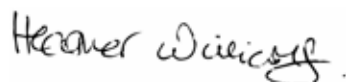
### **Action to be taken**

You will find enclosed a form of proxy for use at the Annual General Meeting and, whether or not you intend to be present at the meeting, you are requested to return the form of proxy, completed in accordance with the instructions set out thereon, to Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible and in any event so as to be received by not later than 10.00 a.m. on 8 February 2016. The completion and return of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish.

### **Recommendation**

The Board considers that the resolutions will promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 8,140,088 ordinary shares representing approximately 5.65 per cent of the existing issued ordinary share capital of the Company.

Yours sincerely



**Heather Williams**  
Company Secretary

# Notice of Annual General Meeting

## Urban&Civic plc

Notice is hereby given that the Annual General Meeting of Urban&Civic plc (the “Company”) will be held at The Royal Institution of Great Britain, 21 Albemarle Street, London W1S 4BS on Wednesday 10 February 2016 at 10.00 a.m. to transact the following business.

### Ordinary Business

1. To receive and adopt the accounts of the Company for the year ended 30 September 2015 together with the directors’ report and the report of the auditor thereon.
2. To approve the directors’ remuneration report, other than the part containing the directors’ remuneration policy, in the form set out in the Company’s report and accounts for the year ended 30 September 2015.
3. To declare a final dividend for the period of 1.65 pence per share in respect of the year ended 30 September 2015, payable on 19 February 2016 to ordinary shareholders on the register as at the close of business on 5 February 2016.
4. To re-elect Nigel Hugill as a director of the Company.
5. To re-elect Robin Butler as a director of the Company.
6. To re-elect Philip Leech as a director of the Company.
7. To re-elect Jonathan Austen as a director of the Company.
8. To re-elect Robert Adair as a director of the Company.
9. To re-elect June Barnes as a director of the Company.
10. To re-elect Alan Dickinson as a director of the Company.
11. To re-elect Robert Dyson as a director of the Company.
12. To re-elect Duncan Hunter as a director of the Company.
13. To re-elect Mark Tagliaferri as a director of the Company.
14. To re-appoint BDO LLP as auditor to the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
15. To authorise the directors to determine the remuneration of the auditor.

### Special Business

As Special Business, to consider and, if thought fit, pass the following resolutions, of which resolutions 16 and 19 to 21 (inclusive) will be proposed as ordinary resolutions and resolutions 17, 18 and 22 will be proposed as special resolutions:

16. THAT the directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “Companies Act”) in substitution for all existing authorities:
  - (i) to exercise all the powers of the Company to allot shares and to make offers or agreements to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (together “Relevant Securities”) up to an aggregate nominal amount of £9,504,432; and
  - (ii) to exercise all the powers of the Company to allot equity securities (within the meaning of section 560 of the Companies Act) up to an additional aggregate nominal amount of £9,504,432 provided that this authority may only be used in connection with a rights issue in favour of holders of ordinary shares and other persons entitled to participate therein where the equity securities respectively attributable to the interests of all those persons at such record dates as the directors may determine are proportionate (as nearly as may be) to the respective numbers of equity securities held or deemed to be held by them or are otherwise allotted in accordance with the rights attaching to such equity securities subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter whatsoever.

The authority hereby conferred on the directors shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or if earlier on the date which is 15 months after the date of the Annual General Meeting, except that under this authority the Company may, before such expiry, make an offer or agreement which would or might require Relevant Securities or equity securities as the case may be to be allotted after such expiry and the directors may allot Relevant Securities or equity securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.



### Special Business continued

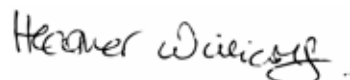
17. THAT, subject to the passing of resolution 16 above, the directors be and they are hereby empowered pursuant to section 570 of the Companies Act to allot equity securities (as defined in section 560 of the Companies Act) for cash pursuant to the authority conferred by resolution 16 or by way of a sale of treasury shares as if section 561(1) of the Companies Act did not apply to any such allotment, provided that this power shall be limited to:
- (i) the allotment of equity securities in connection with a rights issue or other pro rata offer (but, in the case of the authority conferred by paragraph 16(ii), by way of a rights issue only) in favour of holders of ordinary shares and other persons entitled to participate therein where the equity securities respectively attributable to the interests of all those persons at such record dates as the directors may determine are proportionate (as nearly as may be) to the respective numbers of equity securities held or deemed to be held by them or are otherwise allotted in accordance with the rights attaching to such equity securities subject in each case to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter whatsoever; and
  - (ii) the allotment (otherwise than pursuant to paragraph 17 (i) above) of equity securities up to an aggregate nominal amount of £2,880,130, provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or if earlier on the date which is 15 months after the date of the Annual General Meeting, except that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and that the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.
18. THAT the Company be and is hereby generally and unconditionally authorised, in accordance with section 701 of the Companies Act, to make market purchases (within the meaning of section 693(4) of the Companies Act) of ordinary shares of 20 pence each in the capital of the Company ("Ordinary Shares") on such terms and in such manner as the directors may from time to time determine provided that:
- (i) the maximum number of Ordinary Shares authorised to be purchased is 14,400,655;
  - (ii) the minimum price which may be paid for an Ordinary Share is 20 pence (exclusive of expenses payable by the Company);
  - (iii) the maximum price which may be paid for an Ordinary Share (exclusive of expenses payable by the Company) cannot be more than the higher of:
    - (a) 105 per cent of the average middle market quotations of an Ordinary Share, as derived from the Daily Official List published by London Stock Exchange plc, for the five business days prior to the day on which the Ordinary Share is contracted to be purchased; and
    - (b) the value of an Ordinary Share calculated on the basis of the higher of:
      - (A) the last independent trade of; or
      - (B) the highest current independent bid for,any number of Ordinary Shares on the trading venue where the market purchase by the Company will be carried out; and
  - (iv) the authority conferred shall expire at the conclusion of the next Annual General Meeting of the Company except that the Company may before such expiry make a contract to purchase its own shares which will or may be completed or executed wholly or partly after such expiry.
19. THAT:
- (i) the directors be and are hereby authorised to offer holders of its Ordinary Shares (excluding members holding any shares as treasury shares) the right to elect to receive Ordinary Shares, credited as fully paid, instead of a cash dividend from time to time or for such period as the directors may determine, all pursuant to the provisions of Article 115 of the Company's Articles of Association, as in force from time to time, and on such other terms and conditions as the directors may from time to time determine, provided that the authority conferred by this resolution shall expire at the end of the third Annual General Meeting of the Company after the date on which this resolution is passed; and
  - (ii) for the purposes of any offer made pursuant to paragraph 19 (i) of this resolution, the directors be and are hereby authorised, in accordance with the Company's Articles of Association, as in force from time to time, to capitalise such amount standing to the credit of any reserve or account of the Company as may be necessary and apply the same in paying up and allotting and issuing new Ordinary Shares to the shareholders who have, or are deemed to have, validly accepted such an offer in accordance with their respective entitlements.



### **Special Business continued**

20. THAT the rules of the Urban&Civic Performance Share Plan 2016 (“PSP”) be approved, as referred to in the letter to shareholders dated 5 January 2016, summarised in Appendix 2 to the Notice of the Annual General Meeting and produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman, and that the directors be authorised to:
- (i) make such modifications to the PSP as they may consider appropriate to take account of the requirements of best practice and for the implementation of the PSP, and to adopt the PSP as so modified and to do all such other acts and things as they may consider appropriate to implement the PSP; and
  - (ii) if appropriate, to establish schedules to the PSP or further plans based on the PSP but modified to take account of local tax, exchange control or securities laws for overseas territories, provided that any shares made available under such further plans or schedules are treated as counting against the limits on individual or overall participation in the PSP.
21. THAT, in accordance with sections 366 and 367 of the Companies Act, the Company and all companies which are subsidiaries of the Company at the date on which this resolution 21 is passed or during the period when this resolution 21 has effect, are authorised to:
- (i) make political donations to political parties or independent election candidates, as defined in the Companies Act, not exceeding £50,000 in total;
  - (ii) make political donations to political organisations other than political parties, as defined in the Companies Act, not exceeding £50,000 in total; and
  - (iii) incur political expenditure, as defined in the Companies Act, not exceeding £50,000 in total,
- during that period beginning with the date of the passing of this resolution and ending on the conclusion of the next Annual General Meeting of the Company provided that the authorised sums referred to in paragraphs (i), (ii) and (iii) above comprised of one or more amounts in different currencies which, for the purposes of calculating the said sums, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant donation is made or expenditure incurred (or the first business day thereafter), or, if earlier, on the day on which the Company enters into any contract or undertaking in relating to the same.
22. THAT the Company is authorised to call any general meeting of the Company other than the Annual General Meeting by notice of at least 14 working days during the period beginning on the date of the passing of this resolution and ending on the conclusion of the next Annual General Meeting of the Company.

By order of the Board



**Heather Williams FCIS**

Company Secretary  
5 January 2016

### **Registered office**

115 George Street  
Edinburgh EH2 4JN

## Notes

### Appointment of Proxies

1. A member entitled to attend and vote at the meeting is entitled to appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
2. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.
3. An appointment of proxy is provided with this notice and instructions for use are shown on the form. In order to be valid, a completed appointment of proxy must be returned to the Company by one of the following methods:
  - 3.1 in hard copy form by post or by hand to the Company's Registrars at the address shown on the form of proxy; or
  - 3.2 when submitted by email, to the email address stated on the form of proxy; or
  - 3.3 in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,

and in each case must be received by the Company's Registrars not less than 48 hours before the time fixed for the meeting.

Please note that any electronic communication sent to us/our registrars in respect of the appointment of a proxy that is found to contain a computer virus will not be accepted.

4. To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.
5. Crest Members
  - 5.1 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
  - 5.2 In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA36) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
  - 5.3 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
6. Only those shareholders registered in the Register of Members of the Company as at 6.00 p.m. on 8 February 2016 (or, if the meeting is adjourned, on the date which is two days before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting or adjourned meeting in respect of the number of shares registered in their respective names at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting or adjourned meeting.
7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

### **Nominated Persons**

8. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a “Nominated Person”). The rights to appoint a proxy cannot be exercised by a Nominated Person, they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member who has nominated him to be appointed as a proxy for the meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

### **Issued Shares and Total Voting Rights**

9. As at 4 January 2016 (being the last business day before the publication of this Notice), the Company’s issued share capital consisted of 144,006,555 ordinary shares carrying one vote each. Therefore the total voting rights in the Company are 144,006,555.

### **Website Publication of Audit Concerns**

10. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to 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 meeting.

The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company’s auditor no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

### **Members’ Right to ask Questions**

11. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
- 11.1 to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  - 11.2 the answer has already been given on a website in the form of an answer to a question; or
  - 11.3 it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

### **Documents on Display**

12. The following documents are available for inspection at the Company’s registered office and at the principal place of business of the Company at 50 New Bond Street, London W1S 1BJ during normal business hours on each weekday (public holidays excluded) from the date of this Notice of Annual General Meeting until the date of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting:
- 12.1 copies of the Executive Directors’ service contracts with the Company;
  - 12.2 copies of Letters of Appointment of Non-Executive Directors;
  - 12.3 a copy of the draft rules of the Urban&Civic plc Performance Share Plan 2016; and
  - 12.4 a copy of the Articles of Association of the Company.

Members who wish to communicate with the Company by electronic means in connection with the matters set out in this notice may do so by contacting the Company’s Registrars at [enquiries@shareregistrars.uk.com](mailto:enquiries@shareregistrars.uk.com) on or before 8 February 2016. Please note that a communication containing a computer virus may not be accepted but every effort would be made to inform the member of the rejected communication.

A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at [www.urbandcivic.com/home](http://www.urbandcivic.com/home).

# Appendix 1

## Terms and Conditions of the Urban&Civic plc Scrip Dividend Scheme

This document is important. If you are in any doubt as to the action you should take, you should seek your own advice from an independent professional adviser.

### 1. What is the Scrip Dividend Scheme?

The Scrip Dividend Scheme is a scheme designed to enable shareholders of Urban&Civic to receive New Shares instead of cash dividends. This enables Shareholders to increase their shareholdings in Urban&Civic without incurring dealing costs or stamp duty.

The Scrip Dividend Scheme is subject to shareholder approval, which is being sought for a period of three years, after which the authority will need to be renewed.

Your decision to elect to receive New Shares should depend upon your own personal circumstances and you should seek advice from an appropriately authorised independent financial adviser if you are in any doubt.

### Conditions to the Scrip Dividend Scheme

The allotment and issue of New Shares pursuant to the Scrip Dividend Scheme is, at all times, conditional upon:

- all authorities in respect thereof being in full force and effect, including the passing of any resolution of the Company required by law, regulations or the Company's Articles of Association; and
- the admission to the Official List of the United Kingdom Listing Authority and to trading on the Main Market of the London Stock Exchange of such New Shares.

If, for any reason, these conditions are not satisfied such that the Company cannot allot and issue New Shares pursuant to the Scrip Dividend Scheme in respect of any dividend, participants will receive cash (as opposed to New Shares) in respect of that dividend.

### 2. Who can join the Scrip Dividend Scheme?

All Shareholders who are resident in the United Kingdom can join the Scrip Dividend Scheme. Overseas Shareholders may be eligible to participate – please refer to Question 14.

### 3. How do I join the Scrip Dividend Scheme?

You can join the Scrip Dividend Scheme by completing a Scrip Dividend Mandate Form (which may be amended from time to time) and sending it to Share Registrars at the address given at Question 20. A Scrip Dividend Mandate Form may be obtained from the Company's website at [www.urbandandcivic.com](http://www.urbandandcivic.com) or upon request from Share Registrars.

Scrip Dividend Mandate Forms (hard copy and electronic) must be received by Share Registrars no later than 4.30 p.m. on such date that is at least 20 business days before the dividend payment date for the relevant dividend to be eligible to receive New Shares instead of cash for that, and subsequent, dividends. Forms received after that time will be applied in time for the next dividend. Please note that no acknowledgement of receipt of Scrip Dividend Mandate Forms will be issued.

Scrip Dividend Mandate Forms, once completed, remain in force for all future dividends until cancelled in writing. For further details see Question 17.

Shareholders who hold their Ordinary Shares in CREST can only elect to receive dividends in the form of New Shares by use of the CREST Dividend Election Input Message. Any Scrip Dividend Mandate Forms or other forms of instruction received from CREST holders will not be accepted and will be ignored. For further details please refer to Question 4.

### 4. What if my Ordinary Shares are held in CREST?

If your shareholding is in uncertificated form in CREST (and was in uncertificated form as at the relevant record date), you can only elect to receive your dividend in the form of New Shares by means of the CREST procedure to effect such an election. No other method of election will be permitted under the Scrip Dividend Scheme and will be rejected. CREST shareholders, by effecting their elections by means of the CREST procedure, will be taken to have confirmed their election to participate in the Scrip Dividend Scheme and to have confirmed their acceptance of these terms and conditions, as amended from time to time.

If you are a CREST sponsored member, you should consult your CREST sponsor, who will be able to take appropriate action on your behalf. All elections made via the CREST system should be submitted using the Dividend Election Input Message in accordance with the procedures as stated in the CREST Reference Manual.

#### 4. What if my Ordinary Shares are held in CREST? continued

The Dividend Election Input Message submitted must contain the number of shares on which the election is being made. If the relevant field is left blank or completed with zero, the election will be rejected. If you enter a number of shares greater than the holding in CREST on the relevant record date, the election will be applied to your total holding as at the relevant record date for the dividend. Evergreen elections will not be permitted. If you wish to receive New Shares instead of cash in respect of future dividends for which a Scrip Dividend alternative is offered, you must complete a Dividend Election Input Message on each occasion otherwise you will receive your dividend in cash. Elections via CREST should be received by CREST no later than 4.30 p.m. on such date that is at least 20 business days before the dividend payment date for the relevant dividend in respect of which you wish to make an election.

Once an election is made using the CREST Dividend Election Input Message it cannot be amended. Therefore, if a CREST shareholder wishes to change their election, the previous election would have to be cancelled.

#### 5. How many New Shares will I receive under the Scrip Dividend Scheme?

Your entitlement to New Shares will be calculated by taking the amount of cash dividend to which you are entitled (plus any residual cash brought forward from a previous Scrip Dividend) and dividing it by the Scrip Reference Share Price. The Scrip Reference Share Price is the average of the closing middle market quotations for the Company's Ordinary Shares, as derived from the London Stock Exchange Daily Official List, for the five dealing days commencing on the relevant ex-dividend date. Details of the Scrip Reference Share Price will be announced on the London Stock Exchange and posted on the Company's website at [www.urbandandcivic.com](http://www.urbandandcivic.com).

The formula which will be used is as follows:

$$\begin{array}{l} \text{Number of Ordinary Shares held at relevant dividend record date} \\ \text{multiplied by} \\ \text{the cash dividend rate} \\ \text{added to} \\ \text{any fractional cash entitlement carried forward from last dividend} \\ \text{divided by} \\ \text{the Scrip Reference Share Price} \end{array}$$

See example below:

Number of Ordinary Shares held	1,010
Dividend paid per Ordinary Share*	2 pence (£0.02)
Scrip Reference Share Price*	300 pence

##### Step 1 – calculate maximum cash available

Cash dividend payable:

1,010 x £0.02	£20.20
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##### Step 2 – calculate number of New Shares to be issued

Maximum cash available (Step 1) divided by the Scrip Reference Price: £20.20 ÷ £3.00	6.733 New Shares
Number of whole New Shares acquired	6 New Shares
Value of New Shares acquired (number of shares multiplied by the Scrip Reference Price): 6 x £3.00	£18.00

##### Step 3 – calculate residual cash balance carried forward

Maximum cash available (Step 1) less value of New Shares (Step 2)	£2.20
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##### Note

\* This price is for illustrative purposes only.

#### 6. What will happen with any Scrip Dividend Scheme cash balance?

No fraction of a New Share will be allotted and calculation of entitlement to New Shares will always be rounded down to the nearest whole share. Any residual cash balance will be carried forward to be included in the calculation of the next dividend. No interest will be paid on any residual cash balances.

If you withdraw from the Scrip Dividend Scheme or sell or transfer your entire holding of Ordinary Shares, or if the Company terminates the Scrip Dividend Scheme, any cash balance of £3.00 or more will be paid to any such Shareholder in cash (by cheque) on or as soon as practicable after the cancellation. Where any such residual amount is £2.99 or less such sums will be paid to a charity of the Company's choice.

### **7. How will I know how many New Shares I have received?**

You will receive a statement showing the number of New Shares allotted, the relevant Scrip Reference Share Price and the total cash equivalent of the New Shares for tax purposes. If your cash dividend entitlement, together with any residual cash entitlement brought forward, is insufficient to acquire at least one New Share, your statement will explain that no New Shares have been issued and will show the total amount of cash to be carried forward.

CREST holders will have their member accounts credited directly with the New Shares on the dividend payment date or as soon as practicable thereafter and will separately receive a statement showing the number of New Shares allotted, the relevant Scrip Reference Share Price and the total cash equivalent of the New Shares for tax purposes.

### **8. Will I have to apply again for the Scrip Dividend Scheme for the next dividend?**

No. Your completed Scrip Dividend Mandate Form will apply for all future dividends for which a Scrip Dividend is offered. For the avoidance of doubt, existing Scrip Dividend Mandate Forms executed by shareholders previously will remain effective and will apply to future dividends for which a Scrip Dividend Alternative is offered unless the mandate is cancelled in accordance with these terms and conditions. Shareholders holding via CREST will, however, need to elect for each dividend by means of the Dividend Election Input Message.

### **9. Are my new Scrip Dividend Shares included in the next Scrip Dividend Alternative?**

Provided you continue to hold them at the relevant dividend record date, all New Shares will automatically increase your shareholding on which the next entitlement to a Scrip Dividend Alternative will be calculated. Where your cash dividend is insufficient to acquire New Shares, funds representing your fractional cash entitlement will be accumulated for your benefit. These funds will be added to the cash amount of any subsequent dividends (in respect of which a Scrip Dividend Alternative is offered) and applied in calculating your entitlement under that offer.

All accumulated fractional cash entitlements of a value of £2.99 or less will, if you cancel your mandate or dispose of your entire shareholding, be paid to a charity of the Company's choice.

### **10. Will my New Shares under the Scrip Dividend Scheme have the same voting rights as my existing Ordinary Shares?**

Yes. New Shares will carry the same voting rights as your existing Ordinary Shares.

### **11. When will I receive my share certificate?**

Subject to the New Shares being admitted to the Official List of the United Kingdom Listing Authority, and to trading on the London Stock Exchange, your New Share certificate will be posted to you, at your own risk, as soon as is practicable after the dividend payment date.

### **12. Does the Scrip Dividend Scheme apply to Ordinary Shares held in joint names?**

Yes. The Scrip Dividend Scheme will apply to shareholding accounts in joint names, so long as all joint holders have signed the Scrip Dividend Mandate Form.

### **13. Can I complete a Scrip Dividend Mandate Form for part of my holding?**

No. Scrip Dividend Mandate Forms will only be accepted in relation to your entire shareholding. However, see Question 16 for details of separate shareholding accounts.

### **14. Can Overseas shareholders join the Scrip Dividend Scheme?**

The opportunity to elect to receive New Shares instead of future cash dividends is not being offered to, or for the account of, any citizen, national or resident of the United States, Canada, Australia, Japan or the Republic of South Africa, any corporation, partnership or other entity created or organised in, or under the laws of, the United States, Canada, Australia, Japan or the Republic of South Africa, or any political sub-division of these countries, or with a registered address in any of these countries or any estate or trust, the income of which is subject to United States federal income tax, or income tax in Canada, Australia, Japan or the Republic of South Africa, regardless of its source.

"United States" means the United States of America (including the District of Columbia). References to the United States, Canada, Australia, Japan and the Republic of South Africa include their territories, possessions and all areas subject to their jurisdiction.

No person receiving a copy of this document in any territory other than the United Kingdom may treat it as constituting an invitation or offer to it unless in such territory such an invitation or offer could lawfully be made to them without compliance with any registration or other legal requirements. It is the responsibility of any such person wishing to elect to receive New Shares, either in respect of this invitation or by way of mandate under the Scrip Dividend Scheme, to satisfy itself as to the full observance of the laws of such territory, including obtaining any governmental or other consents which may be required and observing any other formalities needing to be observed in such territory.



### **15. What happens if I sell/buy shares after I complete a Scrip Dividend Mandate Form?**

If you sell some of your Ordinary Shares before a record date for a dividend, the Scrip Dividend Scheme will apply to the remainder of your Ordinary Shares.

If you buy any additional Ordinary Shares after a record date, these additional shares will not be eligible to receive the cash dividend or New Shares, but will be eligible for future dividends without a new Scrip Dividend Mandate Form being completed so long as they are registered in the same way as your existing shareholding. If your Ordinary Shares are not registered in the same way, you may request your shareholding accounts to be amalgamated and/or you may complete a new Scrip Dividend Mandate Form in respect of your new shareholding.

### **16. What happens if I have more than one holding?**

Holding shares in different accounts is a means by which you may select different preferences for dividend payments. For example, if for any reason shares are registered in more than one shareholder account, then unless such multiple accounts are consolidated, they will be treated as separate. As a result separate Scrip Dividend Mandate Forms will need to be completed (and received by Share Registrars as set out at Question 3) for each shareholder account in order to participate in the Scrip Dividend Scheme. For the avoidance of doubt, dividends will be paid in cash for any shareholder accounts in which a Scrip Dividend Mandate Form has not been validly received by Share Registrars.

### **17. Can I cancel my instructions?**

Yes, you may cancel your mandate at any time. However notice of cancellation must be given in writing to Share Registrars no later than 4.30 p.m. on such date that is at least 20 business days before the relevant dividend payment date for it to be effective for that dividend. Shareholders holding through the CREST system can only cancel their mandate via the CREST system. In such circumstances, Shareholders would receive cash for that dividend and subsequent dividends. A notice of cancellation will take effect upon its receipt and process by Share Registrars in respect of all dividends payable after the date of receipt of such notice.

Your mandate will be deemed to be cancelled if you sell or otherwise transfer your Ordinary Shares to another person but only with effect from the registration of the relevant transfer. Your mandate will also terminate immediately on receipt of notice of your death, notice of your insolvency or your inability to maintain your financial affairs due to mental incapacity. If a joint Shareholder dies, the mandate will continue in favour of the surviving joint Shareholder(s) (unless and until cancelled by the surviving joint Shareholder(s)). Funds representing fractional cash entitlements accumulated on your behalf of £2.99 or less will, on cancellation of your mandate, be paid to a charity of the Company's choice.

### **18. Can the Company change or cancel the Scrip Dividend Scheme?**

Yes. The Scrip Dividend Scheme may be modified, suspended, terminated or cancelled at any time at the discretion of the directors without notice to Shareholders individually. In the case of any modification, existing mandates (unless otherwise specified by the directors) will be deemed to remain valid under the modified arrangements unless and until Share Registrars receive a cancellation in writing from you.

The operation of the Scrip Dividend Scheme is always subject to the directors' decision to make an offer of New Shares in respect of any particular dividend. The Directors also have the power, after such an offer is made, to revoke the offer generally at any time prior to the allotment of the New Shares under the Scrip Dividend Scheme. This may, in particular, be exercised if 20 business days prior to the dividend payment date, the price of an Ordinary Share of the Company has fallen 15% or more below the Scrip Reference Share Price used to calculate Shareholders' entitlements. If the directors revoke an offer, Shareholders will receive their dividends in cash on or as soon as possible after the dividend payment date. An announcement of any cancellation or modification to the terms and conditions of participation in the Scrip Dividend Scheme will be made on our website at [www.urbandcivic.com](http://www.urbandcivic.com).

### **19. Governing law**

The Scrip Dividend Scheme is subject to the Articles of Association and is governed by and its terms are to be construed in accordance with English law. By electing to receive New Shares the Shareholder agrees to submit to the exclusive jurisdiction of the English courts in relation to the Scrip Dividend Scheme.



## **20. What do I do if I have any questions?**

If you have any questions about the procedure for election or on how to complete the Scrip Dividend Mandate Form, please contact Share Registrars between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 01252 821390 (calls are charged at your standard network rate) from within the UK. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scrip Dividend Scheme nor give any personal financial, legal or tax advice. Additional Scrip Dividend Mandate Forms are available from Share Registrars on request. Alternatively you may email Share Registrars at [enquiries@shareregistrars.uk.com](mailto:enquiries@shareregistrars.uk.com).

Scrip Dividend Mandate Forms should be returned to the following address: Share Registrars, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL.

Requests to withdraw from the Scrip Dividend Scheme should be submitted in writing to the same address stated above.

## **21. Taxation**

The tax consequences of electing to receive New Shares in place of a cash dividend will depend on your individual circumstances. If you are not sure how you will be affected from a tax perspective, you should consult your solicitor, accountant or other professional adviser before taking any action. UK resident trustees, corporations, pension funds and other Shareholders, including overseas Shareholders, are advised to contact their professional advisers regarding their own tax circumstances in relation to the Scrip Dividend Scheme. Summary information on the Company's understanding of the consequences of electing to receive New Shares, as this process applies under United Kingdom legislation and Her Majesty's Revenue and Customs is outlined, in broad terms, under Taxation separately (see below). This summary is not exhaustive.

If you wish to receive dividends in cash in the usual way you need take no further action and should not complete or return a Scrip Dividend Mandate Form.

The tax consequences of electing to receive New Shares in place of a cash dividend will depend on Shareholders' individual circumstances. If Shareholders are not sure how they will be affected from a tax perspective, they should consult their solicitor, accountant or other professional adviser before taking any action.

### **United Kingdom taxation**

The following information is provided as a general guide to current UK tax law and to the current practice of Her Majesty's Revenue and Customs, both of which are subject to change at any time, possibly with retrospective effect. It is not advice. Except where specifically stated, the information is 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 Ordinary Shares as investments and who are the absolute beneficial owners of Ordinary Shares. The information may not apply to certain classes of Shareholders, such as dealers in securities, broker-dealers, insurance companies, collective investment schemes, and persons who have acquired (or are deemed for tax purposes to have acquired) their shares by reason of office or employment.

Shareholders who are in any doubt as to their tax position or who are resident or domiciled in or subject to tax in a jurisdiction other than the UK should consider their tax position and consult their own professional advisers as appropriate before participating in the Scrip Dividend Scheme.

### **Income tax**

#### **Rules before April 2016**

Generally, individuals who currently pay income tax at the basic rate will have no further liability to income tax in respect of New Shares received under the Scrip Dividend Scheme.

Individuals who are subject to income tax at the rate of 40% will be liable to pay income tax at the dividend upper rate of 32.5% on the gross income they are treated as having received. The 10% income tax deemed to have been paid can be set off as part of this liability, thereby reducing the liability to 22.5% of the amount of the gross income treated as having been received.

Individuals who are subject to income tax at the rate of 45% will be liable to pay income tax at the dividend upper rate of 37.5% on the gross income they are treated as having received. The 10% income tax deemed to have been paid can be set off as part of this liability, thereby reducing the liability to 27.5% of the amount of the gross income treated as having been received.

#### **Rules after April 2016**

The Government announced in its 2015 budget that it would be abolishing the dividend tax credit with effect from April 2016. This will be replaced by a new tax free £5,000 dividend allowance; any dividend income in excess of the tax free allowance will be taxed at the following rates:

- 7.5% (basic rate taxpayers);
- 32.5% (higher rate taxpayers); and
- 38.1% (additional rate taxpayers).

### **Capital gains tax**

A Shareholder who is an individual resident (for tax purposes) in the United Kingdom and who elects to receive New Shares instead of a cash dividend will be treated as having acquired those New Shares for an amount equal to the cash equivalent, cash equivalent defined as the amount of the cash dividend which the Shareholder would have received, had they not elected to take New Shares, unless the market value of the New Shares on the first day of dealings on the London Stock Exchange differs substantially from the cash dividend foregone (i.e. differs by 15% or more of such market value), in which case the market value will be treated as the cash equivalent of the New Shares for taxation purposes.

### **Corporation tax**

To the extent that a company which is resident (for tax purposes) in the United Kingdom elects to receive New Shares instead of a cash dividend, the issue of the New Shares should not give rise to a charge to corporation tax. No acquisition cost should be obtained for the New Shares and, 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.

### **Stamp duty**

No stamp duty or stamp duty reserve tax will be payable on receipt of New Shares under the Scrip Dividend Scheme.

### **Definitions**

**Articles of Association** means the Articles of Association of the Company as amended from time to time.

**Company** or **Urban&Civic** means Urban&Civic plc.

**CREST** means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI/3755)) in respect of which Euroclear UK & Ireland Limited is the operator.

**Directors** means the directors of Urban&Civic plc.

**London Stock Exchange** means London Stock Exchange plc.

**New Shares** means new fully paid Ordinary Shares issued under the Scrip Dividend Scheme.

**Ordinary Shares** means ordinary shares of 20 pence each in the capital of the Company.

**Scrip Dividend Alternative** means the offer by the Company to Shareholders, pursuant to the Scrip Dividend Scheme, to issue New Shares instead of paying a cash dividend.

**Scrip Dividend Mandate Form or mandate** means a mandate in a form (paper or online) provided by the Company from a Shareholder to the directors to allot New Shares under the terms of the Scrip Dividend Scheme in lieu of a cash dividend to which they may become entitled from time to time.

**Scrip Dividend Scheme** means the Urban&Civic plc Scrip Dividend Scheme as comprised under and subject to the terms and conditions contained in this document as amended from time to time.

**Scrip Reference Share Price** means the price of New Shares, calculated by reference to the average of the closing middle market quotations for the Ordinary Shares, as derived from the London Stock Exchange Daily Official List, for the five dealing days commencing on the relevant ex-dividend date.

**Shareholder** means a holder of Ordinary Shares.

**Share Registrars** means Share Registrars Limited, being the Company's registrars.

**UK** or **United Kingdom** means the United Kingdom of Great Britain and Northern Ireland and its dependent territories.

### Urban&Civic plc Scrip Dividend Mandate Form

If you wish to participate in the Urban&Civic plc Scrip Dividend Scheme, please sign and return this form to Share Registrars, Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL.

This document is important. If you are in any doubt as to the action you should take, you should seek your own advice from an independent professional adviser.

Name(s) of Shareholder(s):

Address:

Postcode:

Investor/Holder Number:

Your Investor/Holder Number can be located on your Share Certificate/Tax Voucher

To be effective for a particular dividend, your Scrip Mandate Form must be received by Share Registrars by no later than 20 business days before the dividend payment date. If you wish to continue to receive your dividends in cash or you hold your Ordinary Shares in uncertificated form (in CREST), you should NOT complete or return this Scrip Mandate Form. Forms received in respect of an uncertificated account will not be accepted and will be rejected.

Unless revoked, this Scrip Dividend Mandate Form will apply to all future dividends in respect of which a Scrip Dividend alternative is offered by the directors in respect of your entire shareholding. This Scrip Dividend Mandate Form may be revoked by you at any time by writing to Share Registrars at the above address.

### To the directors of Urban&Civic plc

I/We the undersigned, being the registered holder(s) of Ordinary Shares in the Company\*, confirm that I/we have read and understood the terms and conditions of the Scrip Dividend Scheme. I/We hereby elect to receive an allotment of New Shares instead of cash, in respect of any future dividend for which a Scrip Dividend Alternative is offered, for my/our maximum entitlement, subject to and in accordance with the Articles of Association of the Company and the terms and conditions of the Scrip Dividend Scheme as modified from time to time.

By signing this mandate form I/we confirm that I/we am/are not prohibited from receiving or electing to receive Scrip Dividend Alternative in accordance with the terms and conditions of the Scrip Dividend Scheme and the regulatory and legal requirements of any applicable overseas jurisdiction.

I/We hereby authorise you to make a payment of or to retain any cash balances to be carried forward under the Scrip Dividend Scheme in accordance with the terms and conditions of the Scrip Dividend Scheme. The Scrip Dividend Mandate Form will apply for all future dividends that are paid by the Company on all the Ordinary Shares registered in my/our name(s), until this Scrip Dividend Mandate Form is revoked by me/us by notice in writing to Share Registrars.

I/We authorise you to send me/us by post, at my/our own risk, a share certificate in respect of New Shares allotted and issued to me/us under the Scrip Dividend Scheme.

Signature of first-named Shareholder:

Signature of third-named Shareholder:

Signature of second-named Shareholder:

Signature of fourth-named Shareholder:

Date:

Daytime telephone number:

Email address:

\* If you hold Ordinary Shares in the Company jointly with others, then you must arrange for ALL joint holders to sign this Scrip Dividend Mandate Form. In the case of a corporation, this form should be executed under its common seal or be signed by a duly authorised official whose capacity must be stated.

## **Appendix 2**

### Summary of the Principal Terms of the Urban&Civic plc Performance Share Plan 2016 (the “Plan”)

#### **Operation**

The Remuneration Committee of the Board of Directors (the “Committee”) will supervise the operation of the Plan.

#### **Eligibility**

Any employee (including an Executive Director) of the Company and its subsidiaries will be eligible to participate in the Plan at the discretion of the Committee.

#### **Grant of awards**

The Committee may grant awards to acquire ordinary shares in the Company (“Shares”) within six weeks following the Company’s announcement of its results for any period. The Committee may also grant awards within six weeks of shareholder approval of the Plan or at any other time when the Committee considers there are sufficiently exceptional circumstances which justify the granting of awards.

The Committee may grant awards as conditional share awards, nil (or nominal) cost options or forfeitable shares. The Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

An award may not be granted more than 10 years after shareholder approval of the Plan.

No payment is required for the grant of an award. Awards are not transferable, except on death. Awards are not pensionable.

#### **Individual limit**

An employee may not receive awards in any financial year over Shares having a market value in excess of 200% of their annual base salary in that financial year (rising to 300% in exceptional circumstances including, but not limited to, recruitment and retention).

#### **Performance conditions**

The vesting of awards granted to the Company’s Executive Directors and selected senior management will be subject to suitably stretching and demanding performance conditions set by the Committee.

The Committee can set different performance conditions for future awards provided that, in the reasonable opinion of the Committee, the new targets are not materially less challenging in the circumstances than the conditions currently operated.

Awards to employees below Executive Director level may be granted subject to different performance conditions to those applying to awards granted to Executive Directors or subject to no performance conditions.

The Committee may vary or waive and replace the performance conditions applying to existing awards if an event (or series of events) has occurred which causes the Committee to consider that it would be appropriate to amend or replace the performance conditions, provided the Committee considers the varied or replacement conditions are fair and reasonable and not materially less challenging than the original conditions would have been but for the event in question.

#### **Vesting of awards**

Awards normally vest three years after grant to the extent that the applicable performance conditions (if any) have been satisfied and provided the participant is still a director or employed in the Company’s group. Options are then exercisable up until the day before the tenth anniversary of grant, unless they lapse earlier.

In respect of awards to employees who are not Executive Directors of the Company, the Committee may determine that such awards can vest (in whole or in part) earlier than the third anniversary of grant.

A post-vesting holding period may be applied to vested shares/awards at the discretion of the Committee.

#### **Dividend equivalents**

The Committee may decide that participants will receive a payment (in cash and/or Shares) on or shortly following the vesting of their awards, of an amount equivalent to the dividends payable on vested shares between the date of grant and the vesting of an award. This amount may assume the reinvestment of dividends. Any payment to Executive Directors must be within the prevailing shareholder approved Directors’ Remuneration Policy.

### **Leaving employment**

As a general rule, an award will lapse upon a participant ceasing to hold employment or be a director within the Company's group. However, if a participant ceases to be an employee or a director because of injury or disability (evidenced to the satisfaction of the Committee), retirement (with the agreement of the Committee), their employing company or the business for which they work being sold out of the Company's group or in other circumstances at the discretion of the Committee, then their award will normally vest on the date when it would have vested if they had not ceased such employment or office. The extent to which an award will vest in these situations will depend upon two factors: (i) the extent to which the performance conditions (if any) have, in the opinion of the Committee, been satisfied over the original performance measurement period, and (ii) pro-rating of the award to reflect the period of time between the date of grant and the date of cessation relative to the normal vesting period, although the Committee can decide not to pro-rate an award if it regards it as appropriate to do so in the particular circumstances.

Alternatively, if a participant ceases to be an employee or director in the Company's group for one of the "good leaver" reasons specified above, the Committee can decide that their award will vest when they leave, subject to: (i) the performance conditions (if any) measured at that time; and (ii) pro-rating by reference to the time of cessation as described above.

If a participant ceases to be an employee or director in the Company's group by reason of death, then their award will normally vest on the date of cessation. The extent to which an award will vest in these situations will depend upon two factors: (i) the performance conditions (if any) measured at that time; and (ii) the pro-rating of the award to reflect the period of time between the date of grant and the date of cessation relative to the normal vesting period, although the Committee can decide not to pro-rate an award if it regards it as appropriate to do so in the particular circumstances.

### **Corporate events**

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all awards will vest early subject to: (i) the extent that the performance conditions (if any) have been satisfied at that time; and (ii) the pro-rating of the awards to reflect the period of time between the date of grant and the date of vesting relative to the normal vesting period, although the Committee can decide not to pro-rate an award if it regards it as appropriate to do so in the particular circumstances.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company unless the Committee decides that awards should vest on the basis which would apply in the case of a takeover.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may decide that awards will vest on such basis as it decides.

### **Participants' rights**

Awards settled in Shares will not confer any shareholder rights until the awards have vested or the options have been exercised as relevant and the participants have received their Shares.

### **Rights attaching to Shares**

Any Shares allotted when an award vests or is exercised will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

### **Variation of capital**

In the event of any variation of the Company's share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the Shares, the Committee may make such adjustment as it considers appropriate to the number of Shares subject to an award and/or the exercise price payable (if any).

### **Overall Plan limits**

The Plan may operate over new issue Shares, treasury Shares or Shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10% of the issued ordinary share capital of the Company under the Plan and any other employee share plan adopted by the Company.

Treasury Shares will count as new issue Shares for the purposes of these limits unless institutional investors decide that they need not count.

### **Alterations to the Plan**

The Committee may, at any time, amend the Plan or the terms of an award in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Shares or the transfer of treasury Shares, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash to be acquired and the adjustment of awards.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group. Shareholder approval will also not be required for any amendments to any performance condition applying to an award.

### **Clawback and malus**

The Committee may decide prior to the vesting of an award that the number of shares under such award will be reduced (including, if appropriate, reduced to zero) if there has been a material misstatement in the Company's financial results and/or if the number of shares over which the award was granted was based on an error or on the basis of incorrect information or assumptions, and this has resulted (directly or indirectly) in the award being granted over a higher number of shares than would otherwise have been the case.

The Committee may also decide within three years from the date of vesting of an award that the award and any shares delivered under it will be subject to clawback where there has been a material misstatement in the Company's financial results, or an error in assessing any applicable performance condition, or if a participant ceases employment by reason of misconduct, and the Committee determines that the award has vested to a greater degree than would otherwise have been the case. Clawback may be satisfied by way of a reduction in the amount of any future bonus, subsisting award, the vesting of any subsisting award or future share awards and/or a requirement to make a cash payment.

### **Overseas plans**

The shareholder resolution to approve the Plan will allow the Board to establish further plans or schedules to the Plan for overseas territories to the extent relevant in the future; with any such plan or schedule to be similar to the Plan, but modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further plans or schedules are treated as counting against the limits on individual and overall participation in the Plan.

## Appendix 3

### Adoption of Financial Reporting Standard 102 – The Financial Reporting Standard Applicable in the UK and Ireland (“FRS102”)

#### Introduction

On 1 January 2015 a new reporting regime known as FRS 102 was introduced. FRS 102 permits qualifying entities to adopt a reduced level of disclosure for their individual financial statements (the “FRS 102 disclosure exemptions”). The Company is proposing that the FRS 102 disclosure exemptions be applied in the individual financial statements of the Company for financial years beginning on or after 1 October 2015.

The FRS 102 disclosure exemptions cover a wide range of topics including cash flow statements, financial instruments, fair value measurement, share based payments and related party transactions. A brief narrative summary of the disclosure exemptions adopted will be disclosed in the notes to the individual financial statements of the Company.

The Company’s accounts will still be prepared to meet the requirements of the Companies Act 2006 including giving a true and fair view of the Company’s assets, liabilities, financial position and profit or loss. This means the Company will therefore always be required to include in its accounts all information relevant to shareholders and necessary to show a true and fair view.

Before an entity can apply the FRS 102 disclosure exemptions, it is required to inform its shareholders and to provide a reasonable opportunity for its shareholders to object. The Company will not be able to adopt the FRS 102 disclosure exemptions if a shareholder or shareholders holding in aggregate 5% or more of the total allotted shares in the Company objects. Objections to the use of the disclosure exemptions on Urban&Civic plc must be served in writing and addressed to the Company Secretary at the Company’s registered office, 115 George Street, Edinburgh EH2 4JN within 28 days of the date of this Notice of Annual General Meeting.

This election will apply on an ongoing basis until such time as the Company notifies shareholders of any change to its chosen accounting framework for the parent company financial statements.





