

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.

Shareholder approval to offer the Scrip Dividend Scheme was first granted at the Company's Annual General Meeting on 10 February 2016. The renewal of the Scrip Dividend Scheme is subject to shareholder approval at the Company's Annual General Meeting on 13 February 2019, 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.urbandcivic.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.

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.urbandandcivic.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.

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 current United Kingdom legislation and Her Majesty's Revenue and Customs published practice is outlined, in broad terms, under United Kingdom 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.

United Kingdom taxation

The following information is provided as a general guide to current UK tax law and to the current published 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) 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

For individual shareholders resident in the UK, the cash equivalent of the New Shares received by them under the Scrip Dividend Scheme will be treated as dividend income of the shareholder for UK income tax purposes. The cash equivalent is normally equal to the amount of the cash dividend alternative. However, if the difference between the cash dividend alternative and the market value of the New Shares received on the first day of dealings on the London Stock Exchange is 15% or more of the market value, the market value of the shares is substituted as the cash equivalent.

Generally, individuals receive a tax free dividend allowance each tax year. For the tax year 6 April 2018 to 5 April 2019, the allowance is £2,000. No liability to income tax arises in respect of New Shares received under the Scrip Dividend Scheme, where the individual's total dividend income for the year, including the cash equivalent that is deemed to have been received under the Scrip Dividend Scheme, is less than the allowance. Individuals in receipt of dividend income in excess of the allowance will be taxable on the amount of the excess. Dividend income within the allowance still counts as part of a shareholder's total taxable income for the purposes of determining how much of the basic and higher rate tax bands have been used.

A UK resident individual shareholder's dividend income in excess of the £2,000 allowance will be subject to UK income tax at the dividend ordinary rate, dividend upper rate or dividend additional rate, depending on the extent to which the dividend income falls into (respectively) the basic rate, higher rate or additional rate income tax bands. For the year 6 April 2018 to 5 April 2019, the dividend ordinary rate is 7.5% per cent, the dividend upper rate is 32.5%

and the dividend additional rate is 38.1%. Dividends are treated as the top slice of the individual's income for the purposes of determining into which income tax band dividend income falls.

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.