

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from a 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 shares in The Berkeley Group Holdings plc, please forward 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. Whether or not you intend to be present at the meeting, please register your proxy vote no later than 11:00am on 4 September 2019 via the website of the Company's registrar at www.signalshares.com or by completing a hard copy Form of Proxy (which can be requested from the Company's registrar) and returning it in accordance with the instructions printed on it. Further details are set out on page 34. If you are a CREST member, you can register your proxy vote electronically by using the service provided by Euroclear. Further details on proxy votes are given in the notes to this document on page 34. The registration of your proxy vote will not prevent you from attending and voting at the meeting in person, should you so wish.



The Berkeley Group Holdings plc

(incorporated and registered in England and Wales under number 5172586)

Notice of Annual General Meeting
to be held on Friday 6 September 2019



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The Berkeley Group Holdings plc

(Registered in England and Wales, No. 5172586)
Berkeley House, 19 Portsmouth Road,
Cobham, Surrey KT11 1JG

5 August 2019

To the holders of ordinary shares of The Berkeley Group Holdings plc

Dear Shareholder,

Annual General Meeting

Introduction

I am pleased to invite you to the 2019 Annual General Meeting of The Berkeley Group Holdings plc (the “Company” or “Berkeley”) which will be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG on Friday 6 September 2019 at 11:00am. It is your opportunity to meet with the Directors and to question them about issues that concern the Company and I therefore encourage you to attend.

Please write to me at the above address if you would like to ask a specific question at the meeting.

The Annual Report and Accounts for the year ended 30 April 2019 (the “Annual Report”) is available on the Company’s website. Printed copies of the Annual Report have been sent to those shareholders that requested them. If you requested a printed copy of the Annual Report and have not received it, please contact the Company Secretary.

Summary of Resolutions

The full form of the resolutions is set out in the Notice of Annual General Meeting accompanying this letter. However, by way of summary, we will be proposing the following: (a) that the accounts for the year ended 30 April 2019 be received; (b) that the Directors’ Remuneration Policy be approved; (c) that the Annual Report on Remuneration for the year ended 30 April 2019, be approved; (d) that the Directors be re-elected; (e) that KPMG LLP be reappointed as auditors; (f) that the Directors be authorised to allot a percentage of the share capital of the Company and that authority be granted for the allotment for cash of certain of those shares without reference to shareholders’ pre-emption rights; (g) that the authority be renewed allowing the Company to purchase its own shares in the market; (h) that the authority be renewed allowing the Company to make donations to EU political organisations and to incur EU political expenditure; (i) that extraordinary general meetings may be held on 14 days’ notice; and (j) that the rules of The Berkeley Group Holdings plc 2011 Long Term Incentive Plan be amended.

Presentation of report and accounts (Resolution 1)

In accordance with section 437 of the Companies Act 2006 (the “Act”), Directors must present the report of the Directors and the accounts of the Company for the year ended 30 April 2019 to shareholders at the Annual General Meeting. The report of the Directors, the accounts and the report of the Company’s auditor on the accounts and on those parts of the Remuneration Report that are capable of being audited are contained within the Annual Report.

Remuneration Report (Resolutions 2 and 3)

In accordance with section 439 and 439A of the Act, shareholders are required to approve the Directors’ Remuneration Policy and the Annual Report on Remuneration which form part of the Remuneration Report as presented on pages 92 to 113 of the Annual Report. In accordance with the Act, resolution 3 in respect of the Annual Report on Remuneration is advisory only in order to provide shareholder feedback to the Company’s Board of Directors (the “Board”). Also in accordance with the Act Resolution 2, which seeks shareholders’ approval for the Directors’ Remuneration Policy, is binding and Directors can only receive remuneration if it is within the policy approved by shareholders (unless the remuneration has separately been approved by Shareholder resolution). The Directors’ Remuneration Policy can be found in Appendix 2 of this document.

The Directors’ Remuneration Policy must be put to a shareholder vote at least every three years. The Directors’ Remuneration Policy was last approved by shareholders at the Extraordinary General Meeting held on 23 February 2017. Although the Directors’ remuneration policy is not therefore required to be approved at this year’s Annual General Meeting, the Directors are seeking approval for the Directors’ Remuneration Policy this year for the reasons set out in the Letter from the Chairman of the Remuneration Committee on page 7. It is intended that, if approved by shareholders, the policy will apply from the beginning of the current financial year, being 1 May 2019, to the conclusion of the Annual General Meeting held in 2022. Payments will continue to be made to Directors in line with existing contractual arrangements until the date the Directors’ Remuneration Policy becomes effective.

Resolution 3 seeks shareholders’ approval for the Annual Report on Remuneration which can be found on pages 92 to 113 of the Annual Report.

**Re-election and election of Directors (Resolutions 4 to 19)**

The Articles of Association of the Company include the requirement for Directors to submit themselves to shareholders for re-election every three years. In addition, all Directors are subject to election by shareholders at the first opportunity after their appointment and thereafter at intervals of no more than three years. The Board has, however, adopted the provision in the UK Corporate Governance Code 2018 (the "Code") whereby all Directors are subject to annual re-election. Therefore at this Annual General Meeting all the Directors, will retire and are offering themselves for re-election or for election if the appointment has taken place during the year.

The Board has considered the effectiveness and independence of the current Non-executive Directors under the Code on an annual basis, taking into account each individual's professional characteristics, behaviour and their contribution to unbiased and independent debate. It has concluded that the Non-executive Directors, led by the Senior Independent Director Glyn Barker, have the skills, experience, independence and knowledge of the Company to enable them to discharge their respective duties and responsibilities skilfully and effectively. The Board annually reviews the outside directorships and time commitments of the Non-executive Directors. The Non-executive Directors' letters of appointment set out the expected time commitment and the Board has determined that each Non-executive Director is able to allocate sufficient time to the Company to discharge their responsibilities effectively. During the year the Board met formally four times and there were no absences. Those Non-executive Directors who are committee members attended all of their respective committee meetings during the year. All of the Non-executive Directors presenting themselves for re-election are considered to have been independent in character and judgement throughout the year and are free of any other business or other relationship with the Group. Biographical details of the Directors, including details of their contribution and how it is and continues to be important to the Company's long term sustainable success, are set out in Appendix 1 to this notice.

Following the annual evaluation of the Board and its committees, which this year was carried out by the Group's Head of Legal, the Board is satisfied that each Director standing for re-election continues to make effective and valuable contributions to the Board and to demonstrate commitment to the role.

Reappointment of auditor and auditor's remuneration (Resolutions 20 and 21)

In accordance with section 489 of the Act, the auditor of a company must be reappointed at each general meeting at which accounts are laid. Resolution 20 proposes the reappointment of the Company's existing auditor, KPMG LLP, until the conclusion of the next general meeting of the Company at which accounts are laid. Resolution 21 gives authority to the audit committee to determine the auditor's remuneration.

Allotment of shares (Resolution 22)

The Directors may allot shares and grant rights to subscribe for, or convert any security into, shares only if authorised to do so by shareholders pursuant to section 551 of the Act. The authority granted at the last Annual General Meeting is due to expire at the conclusion of this year's Annual General Meeting or on 31 October 2019, whichever is earlier. Accordingly, resolution 22 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares. If given, these authorities will expire at the conclusion of the Company's next Annual General Meeting or on 31 October 2020, whichever is the earlier.

Paragraph (a) of resolution 22 will allow the Directors to allot ordinary shares up to a maximum nominal amount of £2,115,645 representing approximately one third (33.33%) of the Company's existing issued share capital (excluding treasury shares), calculated as at 29 July 2019 (being the latest practicable date prior to publication of this document). In accordance with the latest institutional guidelines issued by the Investment Association (the "IA"), paragraph (b) of resolution 22 will also allow the Directors to allot, including the ordinary shares referred to in paragraph (a) of resolution 22, ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £4,231,925, representing approximately two thirds (66.67%) of the Company's existing issued share capital (excluding treasury shares) calculated as at 29 July 2019 (being the latest practicable date prior to publication of this document). The Directors have no present intention of allotting new ordinary shares other than in relation to the Company's employee share schemes. However, the Board considers it appropriate to maintain the flexibility that this authority provides. If they do exercise the authority, the Directors intend to follow emerging best practice as regards its use (including, where appropriate, the Directors standing for re-election) as recommended by the IA.

As at 29 July 2019 (being the latest practicable date prior to publication of this document), the Company holds 11,141,900 shares in Treasury. This represents 8.78% of the total ordinary share capital in issue (excluding treasury shares) as at 29 July 2019 (being the last practicable date prior to the publication of this notice).

Pre-emption rights (Resolutions 23 and 24)

The Directors also seek a power from shareholders pursuant to sections 570(1) and 573 of the Act to allot equity securities or sell treasury shares for cash without complying with the pre-emption rights in the Act in certain circumstances. The power granted at the last Annual General Meeting is due to expire on 31 October 2019, or at the conclusion of this year's Annual General Meeting, whichever is the earlier. Accordingly, resolutions 23 and 24 will be proposed as special resolutions to grant such power. This disapplication authority is in line with institutional shareholder guidance, and in particular with the Pre-Emption Group's Statement of Principles (the "Pre-Emption Principles") which were revised in March 2015 to allow the authority for an issue of shares for cash otherwise than in connection with a pre-emptive offer to include: (i) an authority over 5% of the company's issued share capital for use on an unrestricted basis; and (ii) an additional authority over a further 5% of a company's issued share capital for use in connection with an acquisition or specified capital investment announced contemporaneously with the issue, or which has taken place in the six month period preceding the announcement of the issue.

Resolution 23 will permit the Directors to allot:

- (a) equity securities for cash and sell treasury shares up to an aggregate nominal value of £4,231,925 representing two-thirds of the Company's issued share capital as at 29 July 2019 (the latest practicable date prior to the publication of this document) on an offer to existing shareholders on a pre-emptive basis including a rights issue or an open offer (in the case of the authority granted under paragraph (b) of resolution 22 by way of a rights issue only), in each case subject to any adjustments, such as for fractional entitlements, as the Directors see fit; and
- (b) equity securities for cash and sell treasury shares up to a maximum nominal value of £317,379 representing approximately 5% of the Company's issued share capital less treasury shares as at 29 July 2019 (the latest practicable date prior to the publication of this document) otherwise than in a pre-emptive offer to existing shareholders.

Resolution 24 will permit the Directors to allot additional equity securities for cash and sell treasury shares up to a maximum nominal value of £317,379 representing approximately 5% of the Company's issued share capital less treasury shares as at 29 July 2019 (the latest practicable date prior to the publication of this document), otherwise than in connection with a pre-emptive offer to existing shareholders only in connection with an acquisition or specified capital investment as contemplated by the Pre-Emption Principles described above.

As noted in resolution 22 above, the Directors have no present intention of allotting ordinary shares other than in relation to the Company's employee share schemes. However, the Board considers that it is in the best interests of the Company and its shareholders generally that the Company should seek the maximum authority permitted by the pre-emption guidelines and preserve flexibility conferred by resolutions 23 and 24 to conduct a pre-emptive offering without complying with the strict requirements of the statutory pre-emption provisions and to finance business opportunities quickly and efficiently when they arise.

If given, this power will expire upon the expiry of the authority to allot shares in resolution 24 (that is at the conclusion of the Company's next Annual General Meeting or, if earlier on 31 October 2020). In accordance with the Pre-Emption Principles, the Directors do not intend to issue more than 7.5% (excluding treasury shares) of the issued share capital of the Company for cash on a non-pre-emptive basis in any rolling three year period without prior consultation with shareholders and the investment committees of the IA and Institutional Shareholder Services.

Purchase of the Company's own shares (Resolution 25)

In accordance with section 701 of the Act, this resolution, which is a special resolution, will give the Company authority to purchase its own shares in the market up to a limit of 10% of its issued ordinary share capital (excluding treasury shares) as at 29 July 2019 (being the last practicable date prior to the publication of this document). The maximum and minimum prices are stated in the resolution. The Directors intend to use the authority granted by this resolution to continue making market purchases of the Company's ordinary shares as a method of returning value to shareholders and believe that it is advantageous for the Company to have this flexibility. The Directors will exercise this authority only if they are satisfied that a purchase would result in an increase in expected earnings per share and would be in the interests of shareholders generally.

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 while they are held in treasury and no voting rights are attached to treasury shares. If this resolution is passed at the Annual General Meeting, it is the Company's current intention to cancel 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 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.

As at 29 July 2019 (being the latest practicable date prior to publication of this document), the total number of options over shares that were outstanding under all of the Company's share option plans was 8,757,988, which if exercised would represent 6.9% of the Company's issued share capital at that date (excluding treasury shares). If the Company were to purchase its own shares to the fullest possible extent of its authority from shareholders (existing (from last year's Annual General Meeting which is due to expire at the end of this Annual General Meeting) and being sought), this number of outstanding options could potentially represent 7.7% of the issued share capital of the Company (excluding treasury shares). There are no warrants over ordinary shares in the capital of the Company outstanding.

Unless renewed, revoked or varied, this authority will expire at the conclusion of the next Annual General Meeting of the Company after the date on which this resolution is passed or, if earlier, on 31 October 2020.

Political donations and expenditure (Resolution 26)

The Company intends to renew the authorisation to make donations to political organisations and to incur political expenditure. Whilst it is the Company's policy not to make donations to political parties, section 366 of the Act contains restrictions on companies making donations or incurring expenditure in relation to political organisations. Therefore, as any expenditure which is regulated by the Act requires shareholder approval, the Directors consider that it is prudent to seek such approval in order to avoid inadvertent infringement of the Act.

The Company has no intention of making a political donation. This authority shall expire at the conclusion of the next Annual General Meeting of the Company after the date on which this resolution is passed.



Notice of general meetings (Resolution 27)

The Companies (Shareholders' Rights) Regulations 2009 have increased the notice period required for general meetings of the Company to 21 days unless shareholders agree to a shorter notice period, which cannot be less than 14 clear days. Annual General Meetings will continue to be held on at least 21 clear days' notice.

At the 2018 Annual General Meeting, a resolution was passed approving the Company's ability to call general meetings on not less than 14 clear days' notice. As this approval will expire at the conclusion of this Annual General Meeting, resolution 27, which is a special resolution, proposes its renewal.

The shorter notice period, if approved, would not be used as a matter of routine for such 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. The renewed approval will be effective until the conclusion of the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

Shareholders should note that the changes to the Act mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

The Berkeley Group Holdings Plc 2011 Long Term Incentive Plan (Resolution 28)

The Company seeks approval from shareholders that the rules of The Berkeley Group Holdings Plc 2011 Long Term Incentive Plan (the "2011 LTIP") be amended as set out in the letter from the Chairman of the Remuneration Committee which can be found on page 7 of this document.

Voting at the meeting

At the meeting itself, voting on all resolutions will be conducted by way of a poll. Further details on voting are set out in the notes to the Notice of Annual General Meeting.

Voting by proxy

If you would like to vote on the resolutions but cannot come to the Annual General Meeting, you can appoint a proxy to exercise all or any of your rights to attend, vote and speak at the Annual General Meeting by using one of the methods set out in the notes to the Notice of Annual General Meeting on pages 34 to 35 of this document.

Shareholders are requested, whether or not they propose to attend the Annual General Meeting, to register their proxy votes as soon as possible but in any event by no later than 11:00am on 4 September 2019. The registration of proxy votes will not prevent shareholders from attending and voting in person, should they so wish.

Recommendation

The Board considers the proposed resolutions to be in the best interests of the Company and its shareholders as a whole and are therefore likely to promote the success of the Company.

Accordingly, the Board recommends unanimously that you vote in favour of the proposed resolutions and intends to vote in favour of the proposed resolutions in respect of their own beneficial shareholdings in the Company.

Yours faithfully

A W PIDGLEY, CBE
CHAIRMAN



The Berkeley Group Holdings plc

Dear Shareholder,

New Directors' Remuneration Policy

Introduction

I am writing to you in my capacity as Chair of the Remuneration Committee of the Company (the "Committee"). In this letter and the attached schedule I have set out the background, detailed terms and conditions and rationale behind the new Directors' Remuneration Policy (the "Remuneration Policy"). The Remuneration Policy incorporates the removal of the Bonus Plan for future contributions, changes to The Berkeley Group Holdings Plc 2011 Long Term Incentive Plan (the "2011 LTIP"); and the Committee has also taken the opportunity to update the Remuneration Policy for developments in best practice, including the revisions to the UK Corporate Governance Code published in July 2018. The full Remuneration Policy can be found in Appendix 2 to this Notice of Meeting.

Headline Changes

The Committee is proposing to amend the Remuneration Policy approved by shareholders at a General Meeting in February 2017 by making the following changes:-

Bonus Plan

1. No Bonus Plan will be operated for FY2019/20 onwards as the Committee believes the 2011 LTIP provides a better long term focus in line with the revised strategy announced with the Company's Interim Results in December 2018 (see page 8).

2011 LTIP

2. Key Changes to the 2011 LTIP;
 - a. No change to the number of shares which can be earned by management.
 - b. Shares earned but not vested at 30 September 2021 have to be re-earned by management over 4 years in equal instalments to 2025 subject to £2 of additional return being provided to shareholders each year.
 - c. The share sale restriction for management is being extended from 2023 to 2025.

(See pages 11 and 12 for full details on the proposed changes to the 2011 LTIP).

Other Policy Changes

1. Removal of the separate LTIP Cap. The Total Remuneration Cap will remain unchanged and therefore with the removal of the bonus and the operation of only one incentive plan a separate LTIP Cap is no longer required.
2. Retention of the Total Cap on the value provided in aggregate under the 2011 LTIP at £35 per share.
3. Introduction of a two year post cessation shareholding requirement based on the current minimum shareholding (CEO 400% of salary, other Executive Directors 200% of salary).
4. Reduction of the maximum pension contribution rate for new Executive Directors to the majority employee contribution of 6% of salary.
5. No other material changes to the current Remuneration Policy.

Why Should Shareholders Support the Committee's Proposals?

1. There are a number of attractions of the Committee's proposals to shareholders:-
 - a. For the same number of shares capable of being earned when awards were granted in 2011 under the 2011 LTIP the value provided to shareholders per share was increased from £13 by £3.34 to £16.34 in 2016 and under the new Remuneration Policy by a further £8.00 to £24.34.
 - b. No more shares are capable of being awarded than when the 2011 LTIP was approved; these shares are now being spread over an additional 4 years giving a total LTIP period of 14 years.
 - c. The removal of the bonus reduces the cash compensation payable to the Executive Directors further shifting the balance in favour of long term locked in shareholdings.
 - d. Supports the build-up and retention of shares by Executive Directors for an even longer period further enhancing alignment with shareholders.
 - e. It avoids shareholders potentially being in conflict with the Company around the challenge in calibrating and measuring the bonus targets compared to the bonus actually earned with the consequential negative impact on voting.

Background

Strategy Link

1. The Company has always been able to draw a direct link between the corporate strategy and the reward strategy. This was evidenced in February 2016 when the 2011 LTIP was amended (to the detriment of the participants) to reflect the increase in the dividend payable over the performance period. The LTIP was also amended to tranche vesting based on annual dividend payments of £2 as part of the Company's strategy to give shareholders greater visibility and certainty over their income from holding Berkeley shares. In February 2017 the 2011 LTIP was amended to allow share buybacks to be included in meeting the performance conditions (but not in reducing the exercise price) to align with the Board's view that share buybacks should be part of the corporate strategy.

Governance Link

2. The Committee has proactively managed on an ongoing basis the remuneration of the Executive Directors to ensure that the Company anticipated evolving shareholder sentiment and made changes to the remuneration in advance. The key changes made to the 2011 LTIP by the Committee due to this active management were:-
 - a. February 2016 – global cap on the maximum value that could be paid under the 2011 LTIP at £35 per share.
 - b. February 2016 – increase in the performance conditions by £3.34.
 - c. February 2017 – introduction of LTIP Cap and Total Remuneration Cap.

Shareholder Voting

3. The Committee believes that its approach has been endorsed by shareholders based on the voting on the remuneration resolutions as seen most recently by the 2018 AGM vote on the Annual Report on Remuneration which was passed with 92% support (all votes since 2011 have been passed by an 80%+ majority).
4. The Committee believes that part of the reason for continued shareholder support has been:-
 - a. The effective communication of the link between the implementation of the strategy and the reward provided to the Executive Directors.
 - b. Shareholders have felt that there has been a strong link between the performance of the Company and the reward provided to the Executive Directors.
 - c. No material concerns have been raised by shareholders over the corporate governance surrounding the operation of the Company's remuneration in practice.

Revised Strategy

5. The Company updated shareholders on its strategy in December 2018. An extract is set out below:-

"Berkeley's strategy for capital allocation is to: first, invest in opportunities for the business where the right risk-adjusted returns are available; second, to ensure the financial strength reflects the prevailing macro environment; and third, to make returns to shareholders through either dividends or share buy-backs.

The current phase of the strategy began in 2011. We had entered the financial crisis in a position of strength and identified what was a unique opportunity to invest our capital to create value for our shareholders and other stakeholders. At the time, Berkeley had net assets of £0.9 billion (£7.09 per share), was ungeared and had an estimated £2.3 billion of future gross profit in its land holdings. From this base we made a commitment to return £1.7 billion to shareholders (£13 per share) over the next ten years.

Over the subsequent seven and a half years, Berkeley successfully executed its strategy, delivering exceptional financial returns that were unique to this period and the investments Berkeley made. £1.55 billion (£11.34 per share) has been returned to shareholders, while net assets have grown by £1.8 billion (£13.65 per share) to £2.7 billion (£20.74 per share), with an estimated £6.0 billion of future gross profit in its land holdings following this balance sheet investment. Berkeley is now a business of scale with over £850 million of net cash with which to invest as a new phase of the strategy begins.

The investment in this period has allowed Berkeley to add a number of fantastic sites to its urban regeneration portfolio in its wholly owned business, as well as that of its joint ventures. These are in, or will shortly move into, production and include sites at White City, Northfields, Southall, West Ham and Kennington in London as well as Birmingham, Watford, Reading, Slough, and Staines outside the Capital. In its joint ventures, this includes sites at Fleet in St Edward, and Hornsey, Fulham and Poplar in St William. We are also seeing a number of new opportunities as the market in London and the South East factors in the prevailing macro uncertainty and policy interventions of recent years.

Berkeley has the unique expertise to unlock the social and economic value in these sites, which include some of the most complex and ambitious in Europe, coupled with the strong capital base required to execute their delivery as, by nature they are highly capital intensive; particularly in the early stages of remediation and investment in site infrastructure. As we know from the ongoing development of our existing regeneration sites, the success of these long-term sites is founded on trusted partnerships with Local Authorities and communities and their development is directly aligned to the Government's strategy for increasing the supply of good quality homes for everyone, across all tenures.

Entering this new phase of the strategy, Berkeley is targeting a long-term, sustainable pre-tax return on equity of 15%; a return commensurate with the investment required to bring forward the next generation of sites into production, their longevity and relative risk profile, alongside Berkeley's lasting commitment to investing in the wider community benefits that good development brings.

In terms of Shareholder Returns, we now see the current quantum of returning £280 million per annum continuing beyond the current formal period, which ends in 2021, to September 2025, assuming there is no material deterioration in the operating environment.

Following the Interim Results, the Remuneration Committee of the Board will consult with Shareholders over a new three year remuneration policy for implementation next year."

6. Key aspects affecting the Company's approach to remuneration are:-
- An indication to the market that over the next period the Company is targeting ROE of approximately 15% p.a. rather than the current level of performance which is 25%>.
 - A shift in focus to maintaining NAV over the period rather than material growth in line with the updated returns profile.
7. One of the objectives of this updated strategy is to ensure the long-term strength and performance of the Company over the next 5 year period.

Link between Revised Strategy & Berkeley Remuneration

8. It has been a key tenet behind the Company's successful management of its remuneration both internally and externally that it supports the Company strategy. The key objective of the strategy is to ensure a focus on the long-term sustainable performance of the Company.
9. In considering what impact (if any) the revised strategy should have on the Remuneration Policy the Committee considered the following:-
- The remuneration principles issued by the majority of UK Institutional Shareholders which focus on the long-term sustainable performance of the Company and the belief that Executive Directors can be aligned with this focus through:-
 - the build-up of material shareholdings by Executive Directors; and
 - the retention of these shareholdings for the long-term including a period post cessation of employment.
 - Provision 40 of the new UK Corporate Governance Code (see page 21 for details).

Proposed Change to Berkeley Remuneration

10. The Committee, taking into account the above factors, came to the following determination on a revised approach to remuneration:-
- The Committee felt that the build-up and retention of shares by the Executive Directors most strongly supports the objective of the revised strategy to ensure the long-term strength and performance of the Company over the next 5 year period. The extension of the 2011 LTIP to 2025 with the associated continued restriction of the sale of shares to 10% p.a. provides this long term locked in alignment with shareholders;
 - On reviewing the incentives the Committee felt that a continuation of the 2011 LTIP to 2025 better supported the strategy over the next period than the Bonus Plan, for the following reasons:-
 - The Bonus Plan provides a degree of tension between meeting annual targets and the longer term perspective required by the strategy. The Committee believes that incentivisation works and therefore felt that removing this tension was beneficial to all stakeholders and addressed the point in Provision 40 of the Code around considering and mitigating the behaviour risks that can arise from target based incentive plans.
 - It has been pointed out by some shareholders and their representative bodies that there was a perception of rewarding twice for the same performance, once through the Bonus Plan and secondly through the annual tranche vesting under the 2011 LTIP. While the Committee does not share this view it is a factor that influenced the decision not to continue with the Bonus Plan.
 - The quantum of the Bonus Plan was very competitive and in the Committee's mind could only be justified when the levels of absolute and comparative performance were extremely high. This degree of leveraging to high levels of performance was not compatible with the long term sustainable level of performance targeted under the revised strategy and the risk profile that the Board felt was appropriate over the next period.
11. The following table sets out how the Committee's proposal aligns with Provision 40 of the UK Corporate Governance Code whose objective is to ensure the remuneration operated by the Company is aligned to all stakeholder interests including those of shareholders, as set out in the table below:-



Provision 40

How Remuneration Proposal Aligns

Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.

- There is some complexity to the operation of the Bonus Plan (due to the “banking” element), and the removal of the Bonus Plan reduces the incentive arrangements to one.
- It is comparatively straightforward to explain to all stakeholders that the only incentive earned by the Executive Directors over this period relates to the delivery of £2 of return to shareholders each financial year. Further that these shares are substantially retained until 2025.

Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand.

- The operation of the 2011 LTIP can be described as a plan which provides an award in shares each year subject to delivering £2 of return to shareholders within a maximum value of remuneration which can be paid to an Executive Director in any financial year.
- The rationale and operation of the LTIP is easy to understand as it aligns with the Company’s strategy of returning value to shareholders over this period.

Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.

- The inclusion of a Total Remuneration Cap mitigates against the reputational risk from excessive rewards.
- The risks from operating target based incentive plans are mitigated by the removal of the Bonus Plan which could encourage a short term focus on meeting immediate targets to the detriment of long term value. Further the build-up and significant deferral of shares before they can be realised under the LTIP provides further safeguards against any behavioural risk associated with simply meeting the annual target; as the actual value received by the Executive Directors will reflect the market’s longer term view of whether the strategy was sustainable.

Predictability – the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.

- The removal of the Bonus Plan increases the predictability of the rewards to Executive Directors as it removes a potential variable from the remuneration package.
- The inclusion of a Total Remuneration Cap provides a limit on the remuneration which can be provided to an Executive Director in respect of any one financial year providing absolute predictability of the maximum levels of remuneration that could be earned.
- The operation of the 2011 LTIP has a number of limits and safeguards ensuring the Committee can manage the plan effectively.

Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.

- One of the key strengths of the proposed (and historic) approach of the Company to remuneration is the direct link between the returns strategy and the value received by Executive Directors under the 2011 LTIP.
- The Company has clearly articulated the potential reward to the Executive Directors compared to the value that has to be delivered to shareholders for that reward to be earned.

Alignment to culture – incentive schemes should drive behaviours consistent with company purpose, values and strategy.

- The amended 2011 LTIP rewards long-term sustainable performance in an inherently cyclical market. This focus on long-term sustainable value is a key tenet of the Company’s strategy and its culture and values.

Shareholder Consultation

The Committee invited the Company’s top 30 shareholders, the IA, ISS and Glass Lewis to take part in an extensive shareholder consultation exercise over a number of months. At the date of this Notice the majority of shareholders who responded to the invitation were supportive of the Committee’s proposals. The Committee is grateful for the time and effort spent by shareholders and their representative bodies in engaging with the Company.

G BARKER

CHAIRMAN, REMUNERATION COMMITTEE

5 August 2019



Schedule 1 – Summary of Amendments made to the Rules of The Berkeley Group Holdings Plc 2011 Long Term Incentive Plan (the “2011 LTIP”)

1. This Schedule provides more detail on the Committee’s Remuneration Proposal in relation to the 2011 LTIP.
2. The proposed changes to the 2011 LTIP are as follows:-
3. Performance Period:-
 - a. The current performance period finishes on 30 September 2021;
 - b. It is proposed that the performance period is extended to 30 September 2025.
4. Performance Condition:-
 - a. The current performance condition requires £16.34 of dividend and/or share buybacks to have been made by the end of the performance period on 30 September 2021;
 - b. It is proposed to increase the performance condition by requiring an additional £2 of dividend and/or share buyback to have been made in respect of each of year ending 30 September 2022, 2023, 2024 and 2025 respectively. This would increase the total from £16.34 (£16.34 + £8.00) to £24.34.
5. Maximum Number of Shares:-
 - a. The maximum number of shares capable of being earned under the 2011 LTIP is determined on 30 September 2021 based on how much of the £16.34 has been delivered to shareholders by this date. The proposal does not change the current operation of the 2011 LTIP in this respect.
 - b. The proposed change to the operation of the 2011 LTIP is what happens to earned but banked shares at 30 September 2021.
 - c. A number of these banked shares will be split into 4 tranches. The number of shares subject to these tranches will be calculated by:-
 - i. Determining the value of the shares earned but banked at 30 September 2021 (number of shares banked multiplied by the gain per share on 30 September 2021).
 - ii. Determining the value that could be received by each participant for four annual vestings from 30 September 2022 to 30 September 2025 (Total Remuneration Cap (less fixed pay) x 4).
 - iii. Convert the value in 5.c.ii into a number of shares subject to the tranches (divide by the gain per share on 30 September 2021).
 - iv. Take the number of shares calculated in 5.c.iii and divide by 4.
 - v. The following should be noted:-
 - a. Where the value of the shares in 5.c.i is less than in 5.c.ii the value of the tranches will be based on the value in 5.c.i, and all of the earned and banked shares at 30 September 2021 will be divided by 4 to create the tranches.
 - b. Where the value of the shares in 5.c.i is greater than in 5.c.ii the excess value will be converted into a number of banked shares (calculated by dividing by the gain per share on 30 September 2021); these earned and banked shares will remain banked and be capable of vesting over the period to 30 September 2025 subject to the Total Remuneration Cap in each year and will not be subject to the performance condition for the tranche vesting.
 - vi. These tranches will vest annually during 2022 – 2025 subject to:-
 - a. continued employment;
 - b. £2 of return provided per share (total £280m approx.) each year; and
 - c. the Total Remuneration Cap.
 - vii. In effect Executive Directors will have to earn shares for delivering £16.34 per share (total £2.25 billion) by 30 September 2021 and then have to earn those shares subject to the tranches again on an annual basis by delivering a further £2 per share (total £280m approx. per annum).



6. Exercise Price:-

- a. Currently the exercise price is reduced from £16.34 for dividends paid up to 30 September 2021;
- b. The proposal does not change the current operation of the 2011 LTIP in this respect. Therefore, the exercise price for the shares subject to the amended 2011 LTIP is fixed as at 30 September 2021.

7. Sales Restrictions on Shares from 2011 LTIP:-

- a. Currently the sale restrictions provide that a maximum of 10% of the cumulative balance of the shares earned can be sold each year (net of any shares sold to pay tax). This sale restriction is lifted on 30 September 2021 at which point all shares can be sold.
- b. It is proposed that the current sale restriction continues to apply in its current form until 30 September 2025 at which point it will fall away.

8. Current Caps

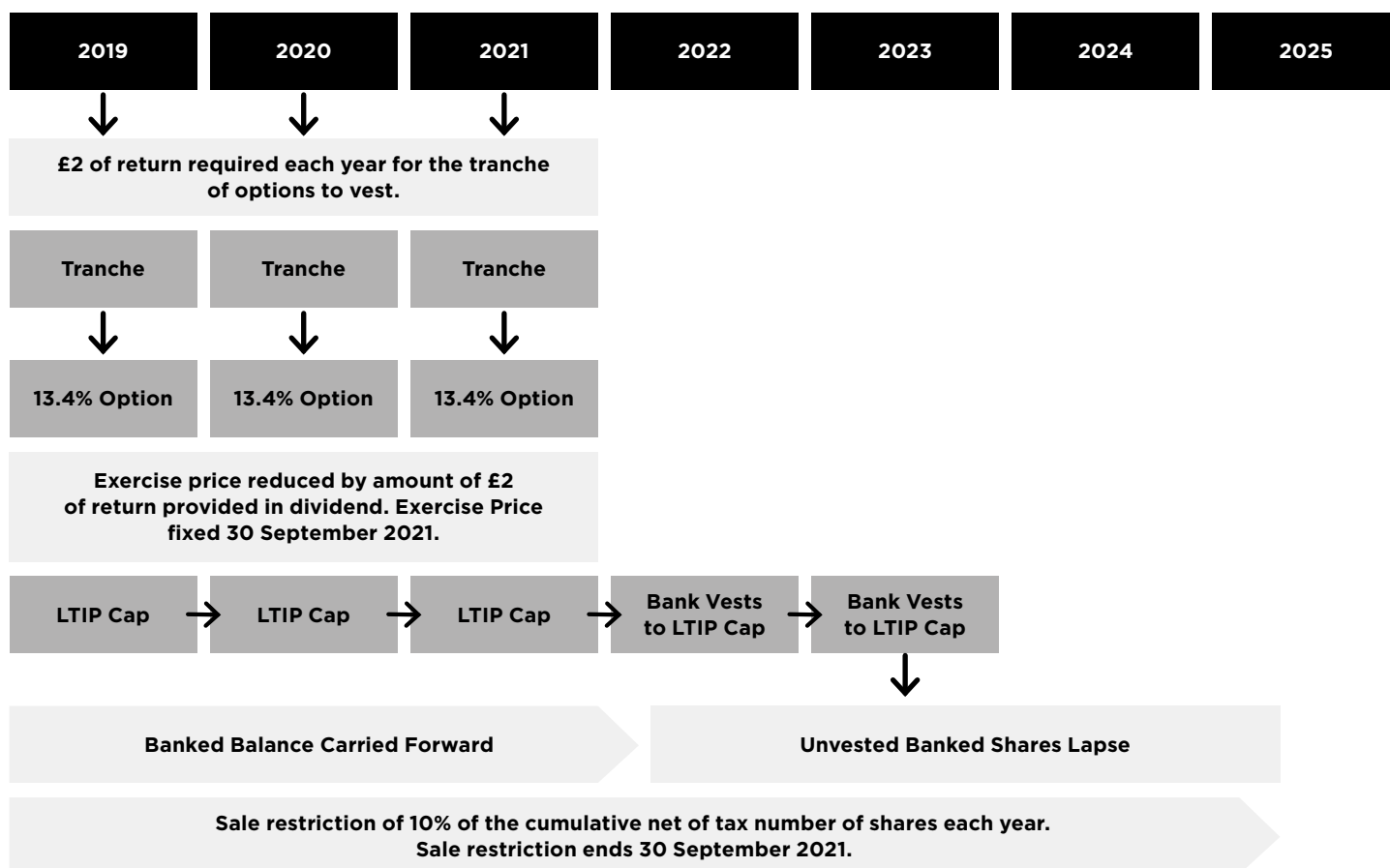
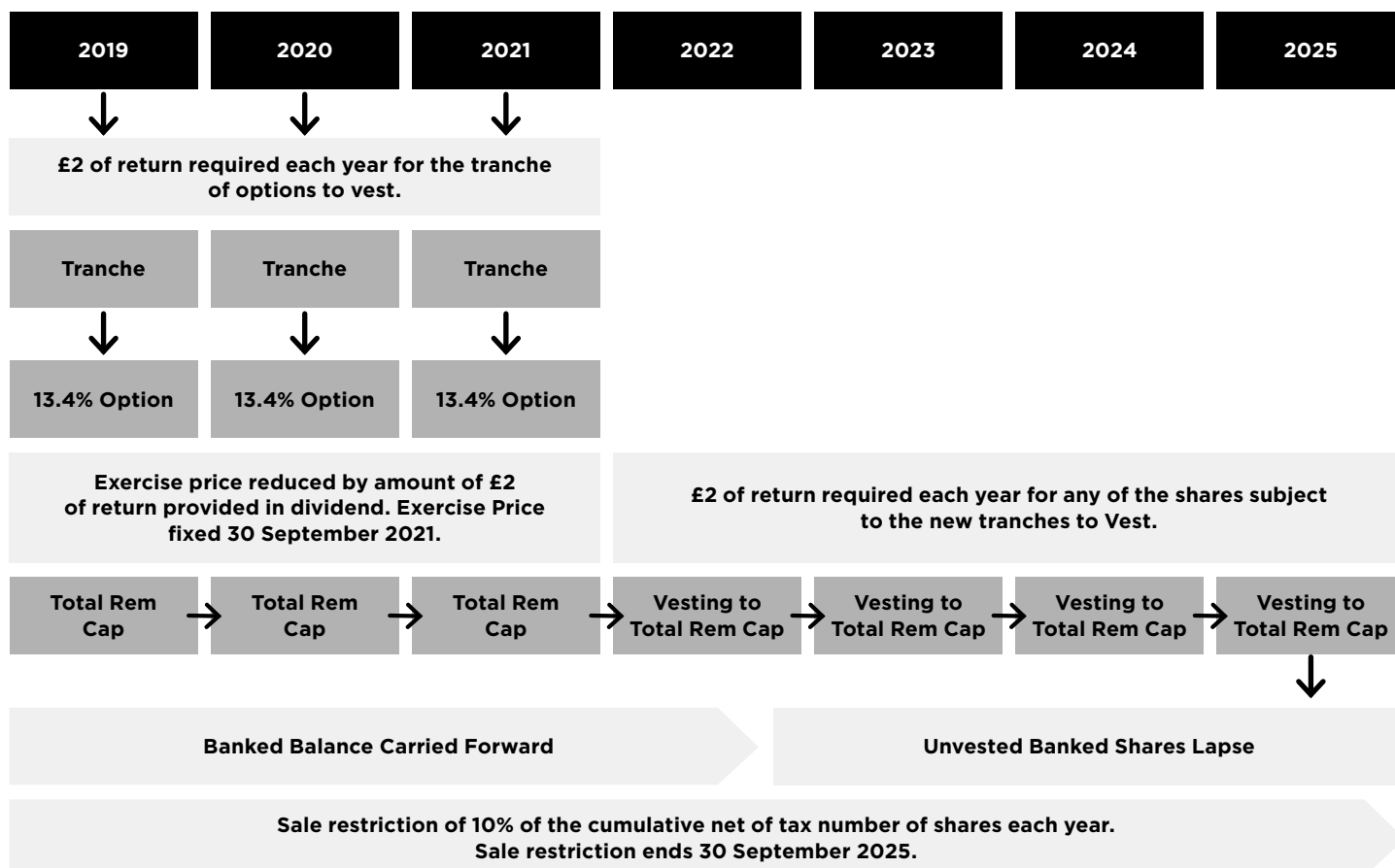
The Committee introduced both the LTIP Cap and a Total Remuneration Cap at the General Meeting in February 2017. It is proposed that the LTIP Cap be removed under the new arrangements but the Total Remuneration Cap be retained. The following table sets out both Caps:

	LTIP Cap (£'000)	Total Remuneration Cap (£'000)
A W Pidgley	8,000	8,200
R C Perrins	5,500	8,000
R J Stearn	2,000	3,250
K Whiteman	2,000	3,250
S Ellis	3,750	5,000
J Tibaldi	1,150	2,400
P Vallone	1,150	2,400

The Total Remuneration Cap will remain unchanged and therefore with the removal of the bonus and the operation of only one incentive plan a separate LTIP cap is no longer required.

9. Schematic of Changed LTIP Operation

The following schematics show the principal differences between the current and proposed operation of the 2011 LTIP for the remainder of the Plan period:-

**Current Operation of the 2011 LTIP****Proposed Operation of the 2011 LTIP**



The Berkeley Group Holdings plc
(the "Company")

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London EC2A 2EG on Friday 6 September 2019 at 11:00am to consider and, if thought fit, to pass the following resolutions. It is intended to propose resolutions 23, 24, 25 and 27 as special resolutions. All other resolutions will be proposed as ordinary resolutions.

Ordinary Business

1. To receive the accounts for the year ended 30 April 2019, together with the reports of the Directors and auditor thereon. (Resolution 1)
2. To approve the Directors' Remuneration Policy. (Resolution 2)
3. To approve the Annual Report on Remuneration for the financial year ended 30 April 2019. (Resolution 3)
4. To re-elect A W Pidgley, CBE as a Director of the Company. (Resolution 4)
5. To re-elect R C Perrins as a Director of the Company. (Resolution 5)
6. To re-elect R J Stearn as a Director of the Company. (Resolution 6)
7. To re-elect K Whiteman as a Director of the Company. (Resolution 7)
8. To re-elect S Ellis as a Director of the Company. (Resolution 8)
9. To re-elect Sir J Armit as a Director of the Company. (Resolution 9)
10. To re-elect Dame A Nimmo as a Director of the Company. (Resolution 10)
11. To re-elect V Wadley, CBE as a Director of the Company. (Resolution 11)
12. To re-elect G Barker as a Director of the Company. (Resolution 12)
13. To re-elect A Li as a Director of the Company. (Resolution 13)
14. To re-elect A Myers as a Director of the Company. (Resolution 14)
15. To re-elect D Brightmore-Armour as a Director of the Company. (Resolution 15)
16. To re-elect J Tibaldi as a Director of the Company. (Resolution 16)
17. To re-elect P Vallone as a Director of the Company. (Resolution 17)
18. To re-elect P Vernon as a Director of the Company. (Resolution 18)
19. To re-elect R Downey as a Director of the Company. (Resolution 19)
20. To re-appoint KPMG LLP as auditor of the Company. (Resolution 20)
21. To authorise the audit committee to determine the auditor's remuneration. (Resolution 21)



Special Business

Ordinary Resolution

22. THAT the Directors be generally and unconditionally authorised for the purposes of section 551 of the Act, to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:

- (a) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £2,115,645; and
- (b) up to a further aggregate nominal amount of £2,115,645 provided that (i) they are equity securities (as defined in section 560 of the Act); and (ii) they are offered by way of a rights issue in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities), but subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever.

These authorisations are to expire at the conclusion of the next Annual General Meeting of the Company after the date on which this resolution is passed or, if earlier, on 31 October 2020 (save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights to be granted, after such expiry and the Directors may allot shares, or grant rights to subscribe for or to convert any security into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired). (Resolution 22)

Special Resolution

23. THAT, subject to Resolution 22 being passed, the Board be authorised to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to:

- (a) the allotment of equity securities or sale of treasury shares in connection with an offer of securities (but in the case of the authority granted under paragraph (b) of Resolution 22 above by way of rights issue only) in favour of the holders of ordinary shares on the register of members at such record date(s) as the Directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record date(s), subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of ordinary shares being represented by depositary receipts or any other matter; and
- (b) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £317,379 (being approximately 5% of the issued share capital of the Company less treasury shares as at 29 July 2019, the latest practicable date prior to publication of this document),

such authority to expire upon the expiry of the general authority conferred by resolution 22 above, but prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired. (Resolution 23)

Special Resolution

24. THAT, subject to Resolution 22 being passed, the Board be authorised in addition to any authority granted under Resolution 23 to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £317,379 (being approximately 5% of the issued share capital of the Company less treasury shares as at 29 July 2019, the latest practicable date prior to publication of this document); and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Pre-Emption Principles most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire upon the expiry of the general authority conferred by resolution 22 above, but prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired. (Resolution 24)

**Special Resolution**

25. THAT the Company is generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of any of its ordinary shares of 5p each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine, and where such shares are held as treasury shares, the Company may use them for the purposes of its employee share schemes, provided that:

- (a) the maximum number of ordinary shares which may be purchased is 12,695,141 (representing approximately 10% of the Company's issued share capital (excluding treasury shares) at 29 July 2019, the latest practicable date prior to the publication of this document);
- (b) the minimum price that may be paid for each ordinary share is 5p which amount shall be exclusive of expenses, if any;
- (c) the maximum price (exclusive of expenses) that may be paid for each ordinary share is an amount equal to the higher of: (i) 105% of the average of the middle market quotations for the ordinary shares as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the Company on the trading venues where the market purchase by the Company is carried out;
- (d) unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the date on which this resolution is passed or, if earlier, on 31 October 2020; and
- (e) the Company may, before this authority expires, contract to purchase ordinary shares that would or might be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired. (Resolution 25)

Ordinary Resolution

26. THAT the Company and any company which is a subsidiary of the Company during the period to which this resolution relates be and is hereby generally and unconditionally authorised pursuant to sections 366 and 367 of the Act to:

- (a) make donations to political organisations, other than political parties, not exceeding £50,000 in total; and
- (b) incur political expenditure not exceeding £50,000 in total,

provided that such donations and/or expenditure made by the Company and its subsidiaries pursuant to this resolution do not in aggregate exceed £50,000 during the period to which this resolution relates and for the purposes of this resolution, the authorised sum may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sum, 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 expenditure is incurred (or the first business day thereafter). This authority shall expire at the conclusion of the next Annual General Meeting of the Company after the date on which this resolution is passed. For the purposes of this resolution "donation", "political organisations" and "political expenditure" are to be construed in accordance with sections 363, 364 and 365 of the Act. (Resolution 26)

Special Resolution

27. THAT extraordinary general meetings of the Company (other than Annual General Meetings) may be called by notice of not less than 14 clear days. (Resolution 27)

Ordinary Resolution

28. That the Rules of The Berkeley Group Holdings Plc 2011 Long Term Incentive Plan (the "2011 LTIP"), be amended as described in the Chair of Remuneration Committee's letter included in this Notice of Annual General Meeting and the amended Rules of the 2011 LTIP which are produced at the Meeting and for the purposes of identification initialled by the Chairman be approved and that the Directors are authorised to do all acts and things which they may consider necessary or expedient to carry the amended 2011 LTIP into effect. (Resolution 28)

By Order of the Board

J S P CRANNEY
COMPANY SECRETARY

5 August 2019

Registered Office:
Berkeley House
19 Portsmouth Road
Cobham
Surrey KT11 1JG

Registered in England and Wales, No. 5172586



Appendix 1

BIOGRAPHIES OF DIRECTORS

A W Pidgley, CBE Chairman

Date of appointment to the Board: Co-founder of the Company in 1976 and led the business as Group Managing Director for 33 years. Appointed Group Chairman on 9 September 2009.

Committee memberships: Chairman of the Nomination Committee

Skills, experience and contribution: A W Pidgley, CBE has advised successive Governments on housing, regeneration and the development of public sector land. His expertise of the property market and the wider industry is widely recognised and he has been a member of Lord Heseltine's Estate Regeneration Advisory Panel, the Thames Estuary 2050 Growth Commission and the Mayor of London's Outer London Commission. He was the longest serving President in the history of the London Chamber of Commerce and Industry and was awarded a CBE in 2013 for services to the housing sector and the community.

A W Pidgley, CBE has pioneered Berkeley's holistic approach to placemaking and shaped a strong company culture centred on customer focus, partnership working and relentless attention to detail. These qualities have been and will continue to remain the cornerstones of Berkeley's long-term success.

Other appointments:

Trustee, Sir Simon Milton Foundation
Vice President, Wildfowl & Wetlands Trust
Thames Estuary Commissioner
Trustee of Weybridge Youth Centre
Advisory Board Member for Public Practice

R C Perrins BSc (Hons) FCA

Chief Executive

Date of appointment to the Board: 1 May 2001

Committee memberships: None

Skills, experience and contribution: R C Perrins joined Berkeley in 1994 having qualified as a chartered accountant with Ernst & Young in 1991. He was appointed to the Group Main Board on 1 May 2001 on becoming Managing Director of Berkeley Homes plc. He became Group Finance Director on 2 November 2001, moving to his current role as Chief Executive on 9 September 2009.

One year later R C Perrins launched 'Our Vision' which drives the Company to deliver exceptional homes and places, to maximise the social benefits from every development and to achieve high standards of environmental sustainability. Under his management Berkeley has sustained leading customer satisfaction scores, has become the UK's first carbon positive homebuilder and has pioneered a ground-breaking approach to net biodiversity gain, which is being applied to every new Berkeley site.

In 2011 R C Perrins launched the Berkeley Foundation, a registered charity that has grown to support thousands of disadvantaged young people each year. As Chair of Trustees, R C Perrins oversees the foundation's work on homelessness, unemployment, skills development and care.

Other appointments:

Council member, Aston University
Governor, Wellington College

R J Stearn BSc (Hons) FCA

Finance Director

Date of appointment to the Board: 13 April 2015

Committee memberships: None

Skills, experience and contribution: R J Stearn re-joined Berkeley on 13 April 2015 as Finance Director, having previously worked for the company from 2002 to 2011 as Group Financial Controller. In the intervening period, R J Stearn spent three years at Quintain Estates and Development plc, serving as the company's Finance Director for most of that time.

R J Stearn has 16 years of direct experience in the property and development industry. Prior to joining Berkeley, R J Stearn trained and practiced for 12 years as a chartered accountant with PricewaterhouseCoopers LLP, auditing and advising a wide range of clients.

R J Stearn is responsible for the Group's finance, insurance, treasury, tax and investor relations functions. He also leads on strategic risk management and has oversight of the Group's IT function, both key roles underpinning the Group's long-term success.

Other appointments: None

K Whiteman BSc (Hons)

Executive Director

Date of appointment to the Board: 10 September 2009

Committee memberships: None

Skills, experience and contribution: K Whiteman joined Berkeley in 1996 as a Construction Director, before rising to Divisional Managing Director of Berkeley Homes East and West Thames. He joined the Group Main Board on 10 September 2009 as a Divisional Executive Director.

K Whiteman leads two of the country's most celebrated regeneration projects – Kidbrooke Village and Royal Arsenal Riverside. He is also responsible for Southall Waterside, another highly ambitious long-term regeneration programme. He is Managing Director of Berkeley Modular where he is leading the development of the Group's precision manufacturing facility in Kent.

K Whiteman oversees the delivery of Our Vision, the Group's business strategy which is driving performance and innovation right across the business. He is also responsible for the Group's approach to sustainability, along with the Group-wide health & safety strategy and is Chairman of the Health and Safety Committee.

Other appointments: None

**S Ellis BSc (Hons)****Executive Director****Date of appointment to the Board:** 9 September 2010**Committee memberships:** None

Skills, experience and contribution: S Ellis joined Berkeley in 2004 and was appointed to the Group Main Board on 9 September 2010, as a Divisional Executive Director.

S Ellis is Chairman of the Group's Land and Planning Committee and is a regular contributor to the national planning and housing debate. He began his career at Beazer Homes and prior to joining Berkeley held various senior positions at Laing Homes, where he was appointed Managing Director in 1999.

S Ellis is Chairman of St James Group, Berkeley Homes (Eastern Counties) and the joint venture with National Grid, St William. As the head of these businesses he has overseen highly acclaimed mixed use developments across London and the South East, including Riverlight, winner of the RIBA National Award 2018.

In respect of St James, S Ellis is overseeing the transformation of an 11 acre former warehousing site in the White City Opportunity Area – a long-term regeneration programme which will deliver more than 1,400 homes. As Chairman of St William, S Ellis leads the long-term regeneration of former National Grid gas infrastructure sites, which require complex remediation and placemaking strategies.

Other appointments: None

J Tibaldi**Executive Director****Date of appointment to the Board:** 8 December 2017**Committee memberships:** None

Skills, experience and contribution: J Tibaldi joined Berkeley in 1999 as a senior surveyor and went on to hold board positions within the Group's London divisions. He became Managing Director of Berkeley Homes (Capital) in 2011 and joined the Group Main Board on 8 December 2017, as a Divisional Executive Director.

J Tibaldi is responsible for the Group's Estates Management Committee and shapes Company policy on placekeeping and sustainable resident-led stewardship. He also has oversight of the Group's Commercial Committee.

His project portfolio includes the long-term regeneration of Hackney's Woodberry Down, one of the country's most successful housing estate redevelopment programmes. He also leads the delivery of South Quay Plaza, one of London's tallest residential buildings, and Goodman's Fields, where 2,000 homes are being built around a popular public square and commercial hub.

Other appointments: None**P Vallone****Executive Director****Date of appointment to the Board:** 8 December 2017**Committee memberships:** None

Skills, experience and contribution: P Vallone joined Berkeley in 1990, with a background in property sales and marketing. He went on to become a Managing Director before joining the Group Main Board on 8 December 2017 as a Divisional Executive Director.

P Vallone is Executive Chairman of the St Edward joint venture with Prudential and is Divisional Managing Director of Berkeley Homes (Central and West London). P Vallone is Chairman of the Group's Sales and Marketing Committee, the Group-wide Digital Steering Group and Berkeley's international office network.

P Vallone oversees a number of projects in the Group which include Oval Village, built on the site of the historic Oval Gasworks; the restoration of the disused Atkinson Morley Hospital as part of the Wimbledon Hill Park masterplan; and 9 Millbank, a combination of newly-built properties and the restoration of a landmark building.

He also oversees the St Edward's Hartland Village project, one of the Group's most ambitious long-term regeneration programmes outside of London. This will see a long derelict National Gas turbine site transformed into a highly sustainable new village.

Other appointments: None

Sir J Armitt**Non-executive Director****Date of appointment to the Board:** 1 October 2007. Sir J Armitt served as Deputy Chairman and Senior Independent Director from 5 September 2012 to 18 April 2018**Committee memberships:** None

Skills, experience and contribution: Sir J Armitt is currently Chairman of National Express Group PLC, City & Guilds Group and the National Infrastructure Commission. He is an Independent Non-executive Director of Expo 2020. Sir J Armitt was President of the Institution of Civil Engineers (2015-2016), Chairman of the Olympic Delivery Authority (2007-2014) and Chairman of the Engineering and Physical Science Research Council (2007-2012). From 2001 to 2007, he was Chief Executive of Network Rail and its predecessor, Railtrack, and prior to that was Chairman of John Laing plc's international and civil engineering divisions. Sir J Armitt brings a wealth of operational, commercial and technical experience amassed throughout his career.

Sir J Armitt received a knighthood in 2012 for services to engineering and construction and was awarded a CBE in 1996 for his contribution to the rail industry.

Other appointments:

Chairman, National Express Group PLC
Chairman, City & Guilds Group
Chairman, National Infrastructure Commission
Independent Non-executive Director, Expo 2020



Dame A Nimmo

Independent Non-executive Director

Date of appointment to the Board: 5 September 2011

Committee memberships: Member of the Audit Committee

Skills, experience and contribution: Dame A Nimmo is a Chartered Surveyor and Town Planner by training and is currently Chief Executive of The Crown Estate. Dame A Nimmo has extensive experience in urban regeneration and property. Prior to joining The Crown Estate, she led the design and delivery of the London 2012 Olympic and Paralympic Games venues as Director of Regeneration and Design at the Olympic Delivery Authority and was the lead on sustainability and legacy for the Olympic Park. Her previous roles have included Chief Executive of Sheffield One and Project Director of Manchester Millennium Ltd.

Dame A Nimmo was awarded a CBE in 2004 for services to urban regeneration and is a Fellow of the Institute of Civil Engineers and the Royal Institute of British Architects. In 2014, she was awarded the prestigious Royal Town Planning Institute Gold Medal for recognition of her services to town planning and sustainability throughout her career. In 2019, Dame A Nimmo was awarded a DBE for public service and services to the Exchequer.

Other appointments:

Chief Executive, The Crown Estate
Member of Imperial College's Council and Chair of its White City Syndicate
Trustee of the UK Green Building Council
Chair of the CBI's Economic Growth Board

V Wadley, CBE

Independent Non-executive Director

Date of appointment to the Board: 3 January 2012

Committee memberships: Member of the Nomination Committee

Skills, experience and contribution: V Wadley, CBE is a journalist by profession; she was Editor of the Evening Standard from 2002 to 2009 and previously Deputy Editor of the Daily Mail and The Daily Telegraph. She was Chair of Arts Council, London and National Council Member of Arts Council England from 2010-2018 and Senior Adviser to the Mayor of London from 2012 to 2016 during which time she oversaw the delivery of youth volunteering and employment programmes and developed new strategy for business relationships and sponsorship for the Greater London Authority. Through her involvement in such mayoral schemes V Wadley brings an in-depth understanding of local government and communities in London.

In 2018 V Wadley was awarded a CBE for services to the arts.

Other appointments:

Independent Director, Times Newspapers Holdings Ltd
Member of City of London Education Board
Royal College of Music Board
Governor of Yehudi Menuhin School
Co-Founder and Trustee of London Music Fund
Governor of Shoreditch Park Academy

G Barker BSc (Hons) FCA

Deputy Chairman and Senior Independent Director

Date of appointment to the Board: 3 January 2012 and as Deputy Chairman and Senior Independent Director on 18 April 2018

Committee memberships: Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee

Skills, experience and contribution: G Barker is a Chartered Accountant and has extensive experience as a business leader and a trusted advisor to FTSE 100 companies. He has a deep understanding of accounting and regulatory issues together with extensive understanding of transactional and financial services.

G Barker was appointed as a Non-executive Director of Berkeley following a 35 year career with PricewaterhouseCoopers LLP ("PwC"), where he held a number of senior posts including UK Vice Chairman, UK Managing Partner and UK Head of Assurance. He also established and ran PwC's Transactions Services business.

Other appointments:

Senior Independent Non-executive Director, Aviva plc
Independent Non-executive Director, Transocean Limited
Chairman, Irwin Mitchell Holdings Limited
Senior Advisor, Novalpina Capital

A Li MA (Cantab), MBA, LPC

Independent Non-executive Director

Date of appointment to the Board: 2 September 2013

Committee memberships: None

Skills, experience and contribution: A Li is Co-Chief Executive of The Bank of East Asia with shared responsibility for the overall management of the group. He holds a Master of Management degree from the Kellogg School of Management and an MA in Law from the University of Cambridge. In addition to his banking experience, A Li provides valuable insight into the Far East property and finance markets.

Following concerns regarding the number of directorships held by A Li as raised by some shareholders in 2017 and 2018, the Board issued public statements which are available on the Company's website. The Board has also addressed these concerns in detail on page 84 of the Annual Report. A Li is an active and valuable member of the Board who brings legal and financial professional qualifications as well as a truly global and diverse perspective to Board discussions. He has attended all Board meetings since his appointment in 2013 and plays an active role in Board discussions. Furthermore, he devotes significant time to Berkeley outside Board meetings and the Board strongly believes that he has demonstrated that he has sufficient capacity and commitment to Berkeley to fulfil his obligations both in normal and exceptional times.

Other appointments:

Co-Chief Executive of The Bank of East Asia, Ltd
Independent Non-executive Director of two listed companies under the Sino Group (Sino Land Company Ltd. and Tsim Sha Tsui Properties Ltd.)
Independent Non-executive Director, China State Construction International Holdings Ltd
Independent Non-executive Director, COSCO SHIPPING Ports Ltd
A Li stepped down from the board of Sino Hotels (Holdings) Ltd in October 2017.

**A Myers BEng (Hons) ACA****Independent Non-executive Director****Date of appointment to the Board:** 6 December 2013**Committee memberships:** Chairman of the Audit Committee and a member of the Remuneration Committee**Skills, experience and contribution:** A Myers qualified as a Chartered Accountant with KPMG in 1990 and has extensive finance and commercial experience. He is Chief Financial Officer at SHL Group, the global leader in talent innovation. Previously he was Chief Financial Officer at McLaren Technology Group where he had responsibility for Finance, IT and Strategic Procurement.

A Myers has also held senior finance roles at Rolls Royce plc and at the BMW/Rover Group. He joined Rolls Royce Plc as Finance Director of the Combustion Business Unit in 2000 and was promoted to CFO of the Energy Sector, based in Washington DC, two years later.

Other appointments:

Chief Financial Officer, SHL Group

D Brightmore-Armour FCCA, MCT**Independent Non-executive Director****Date of appointment to the Board:** 1 May 2014**Committee memberships:** Member of the Nomination Committee**Skills, experience and contribution:** D Brightmore-Armour is a Fellow of the Association of Chartered Certified Accountants and a Fellow of the Association of Corporate Treasurers. She is currently the Chief Executive Officer, UK & Europe of the Australia and New Zealand Banking Group Ltd where she is responsible for oversight of the day to day activities of the branch, including the local execution of the Group's strategy, promoting a culture of compliance and ensuring appropriate standards of conduct and governance.

D Brightmore-Armour was previously CEO, Corporate Banking at Lloyds Banking Group (2004-2012) and spent her early career at The Coca Cola Company. D Brightmore-Armour has 30 years' international experience in banking, corporate finance, financial management, treasury and audit.

Diana is a strong supporter of talent development and gender diversity through her involvement with the 30% Club, City Women's Network and First Women Awards.

Other appointments:

Chief Executive Officer, UK & Europe of the Australia and New Zealand Banking Group Ltd
Member of the Board of the Association of Foreign Banks

P Vernon FRICS**Independent Non-executive Director****Date of appointment to the Board:** 6 September 2017**Committee memberships:** Member of the Remuneration Committee**Skills, experience and contribution:** P Vernon brings extensive experience of complex real estate transactions. He is Group Executive Director at Grosvenor where he has responsibility for overseeing the group's operating companies in North America, Asia and Britain and Ireland with an active programme of real estate investment and development in 11 world cities. During the period 2008 to 2016, P Vernon was Chief Executive of Grosvenor Britain and Ireland.

P Vernon is also a trustee of Peabody, the housing association that owns and manages more than 66,000 homes across London and South East.

He has been a Director of London First, Deputy Chairman of the West End Partnership, a member of the British Property Federation Policy Committee and of the RSA Insurance Group London Regional Board. He was a member of the Government's Montague Review into the Private Rented Sector, a Commissioner of the City Growth Commission and a member of the Government's Estates Regeneration Panel.

Other appointments:

Group Executive Director, Grosvenor
Trustee of Peabody

R Downey ACA**Independent Non-executive Director****Date of appointment to the Board:** 8 December 2017**Committee memberships:** Member of the Audit Committee**Skills, experience and contribution:** R Downey brings extensive regeneration expertise. She is Project Director of Manchester Life, a joint venture between Abu Dhabi United Group and Manchester City Council established in 2014 to make a significant contribution towards achieving Manchester's regeneration and residential growth ambitions.

Prior to that R Downey has managed various projects including the submission to the Government for £113 million to transform the public-housing stock in several neighbourhoods across Manchester and Salford as part of the Housing Market Renewal Pathfinder.

R Downey, a Chartered Accountant, is currently a Trustee of the We Love Manchester Emergency Fund and the Lord Mayor of Manchester's Charity Appeal Trust.

Other appointments:

Project Director, Manchester Life
Trustee of We Love Manchester Emergency Fund
Trustee of the Lord Mayor of Manchester's Charity Appeal Trust



Appendix 2

Directors' remuneration policy

This Appendix 2 contains details of the Company's Directors' Remuneration Policy ("Remuneration Policy") that will govern the Company's future remuneration and loss of office payments. The Remuneration Policy described in this Appendix 2 is intended to apply from the beginning of the current financial year, being 1 May 2019, to the conclusion of the Annual General Meeting held in 2022, subject to approval by shareholders at the Annual General Meeting ("Policy Period").

The Remuneration Committee ("Committee") has established the Remuneration Policy on the remuneration of the Executive Directors; the Board has established the Remuneration Policy on the remuneration of the Non-executive Directors. Changes to the current Remuneration Policy will apply from the beginning of the 2019/20 financial year commencing on 1 May 2019. All awards granted under the previous Directors' Remuneration Policy will be honoured as will any legacy arrangements for the Executive Directors.

Committee process to determine remuneration policy

The process the Committee went through in determining the Remuneration Policy was as follows:-

- The Committee reviewed independently the impact of the Company's new strategy on the current Remuneration Policy and formed its own views on the changes required to the Remuneration Policy to align with the strategy;
- The Committee sought advice from its independent remuneration consultant on the impact of the Code, Regulations and current investor sentiment in formulating the new Remuneration Policy;
- The Committee also consulted with the CEO and FD on the proposed changes to the Remuneration Policy as the changes to the 2011 LTIP awards held by management required their consent as they were detrimental to the current terms and conditions of these awards.

The Committee were mindful in its deliberations on the new Remuneration Policy on where there were potential conflicts of interest and sought to minimise them through an open and transparent process internally; by seeking independent advice and externally through an extensive shareholder consultation exercise.

The primary changes to the current Remuneration Policy in the new Policy are in relation to the operation of the incentives. When evaluating these changes the Committee paid particular attention to Provision 40 of the UK Corporate Governance Code; the Committee's analysis is set out below:-

Provision 40	How Remuneration Proposal Aligns
Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	— There is some complexity to the operation of the Bonus Plan (due to the banking), the removal of the Plan reduces the incentive arrangements to one. — It is comparatively straightforward to explain to all stakeholders that the only incentive earned by the Executives over this period relates to the delivery of £2 of return to shareholders each financial year. Further that these shares are substantially retained until 2025.
Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	— The operation of the 2011 LTIP can be described as a Plan which provides an award in shares each year subject to delivering £2 of return to shareholders within a maximum value of remuneration which can be paid to an Executive in any financial year. — The rationale and operation of the LTIP is easy to understand as it aligns with the Company's strategy of returning value to shareholders over this period.
Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	— The inclusion of a Total Remuneration Cap mitigates against the reputational risk from excessive rewards. — The risks from target based incentive plans are mitigated by the removal of the bonus which could encourage a short term focus on meeting immediate targets to the detriment of long term value. Further the build-up and significant deferral of shares before they can be realised under the LTIP provides further safeguards against any behavioural risk associated with simply meeting the annual target; as the actual value received by the Executives will reflect the market's longer term view of whether the strategy was sustainable.
Predictability – the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.	— The removal of the Bonus Plan increases the predictability of the rewards to Executives as it removes a potential variable from the remuneration package. — The inclusion of a Total Remuneration Cap provides a limit on the remuneration which can be provided to an Executive Director in respect of any one financial year providing absolute predictability of the maximum levels of remuneration that could be earned. — The operation of the 2011 LTIP has a number of limits and safeguards ensuring the Remuneration Committee can manage the Plan effectively.

Provision 40	How Remuneration Proposal Aligns
Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	- One of the key strengths of the proposed (and historic) approach of the Company to remuneration is the direct link between the returns strategy and the value received by Executives under the 2011 LTIP. - The Company has clearly articulated the potential reward to the Executives compared to the value that has to be delivered to shareholders for that reward to be earned.
Alignment to culture – incentive schemes should drive behaviours consistent with company purpose, values and strategy.	The amended 2011 LTIP rewards long-term sustainable performance in an inherently cyclical market. This focus on long-term sustainable value is a key tenet of the Company's strategy and its culture and values.

Remuneration policy discretion

The Committee has the ability to exercise independent judgement and discretion when authorising the outcomes of the Remuneration Policy, including the ability to override formulaic outcomes which may involve upward or downward adjustments, taking account of company and individual performance, and wider circumstances. The Committee may also exercise operational and administrative discretions under relevant plan rules approved by shareholders. In addition, the Committee has the discretion to amend the Remuneration Policy with regard to minor or administrative matters where it would, in the opinion of the Committee, be disproportionate to seek or await shareholder approval.

Policy – executive directors

The table below sets out the key elements of the Remuneration Policy for Executive Directors:

Objective and link to strategy	Operation	Maximum opportunity	Performance conditions and assessment
Base salary			
To recruit and retain Executive Directors of the appropriate calibre and experience to achieve the Company's business strategy.	An Executive Director's basic salary is set on appointment and reviewed annually (effective from 1 May each year) or when there is a change in position or responsibility. When determining an appropriate level of salary, the Committee considers: - the Executive Director's experience and responsibilities; - the performance of the individual Executive Director and the Group; - pay and conditions throughout the Group; - general salary rises to employees; - the economic environment; and - when the Committee determines a benchmarking exercise is appropriate, levels of base salary for similar positions with comparable status, responsibility and skills in companies in the comparator groups used for remuneration benchmarking. Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases subsequent increases in salary may be higher than the general rises for employees until the target positioning is achieved.	Typically, the base salaries of Executive Directors in post at the start of the Policy Period and who remain in the same role throughout the Policy Period will be increased by a similar percentage to the average annual percentage increase in salaries of all other employees in the Group. The exceptions to this rule may be where: - an individual is below market level and a decision is taken to increase base pay to reflect proven competence in role; or - there is a material increase in scope or responsibility to the Executive Director's role. The Committee ensures that maximum salary levels are positioned in line with companies of a similar size to Berkeley and validated against other companies in the industry, so that they are competitive against the market. The Committee intends to review the comparators periodically and may add or remove companies from the comparator group as it considers appropriate. Any changes to the comparator group will be set out in the section headed Implementation of Remuneration Policy, in the following financial year. The Total Remuneration Cap referred to below may apply to salary.	There are no performance conditions on salary. However, the performance of the individual and the Company are reflected in the salary they are paid. No recovery provisions apply.



Objective and link to strategy	Operation	Maximum opportunity	Performance conditions and assessment
Pension			
To provide competitive levels of retirement benefits.	The Company provides either a contribution to a pension arrangement or a payment in lieu of pension. All payments in lieu of pension are subject to income tax and national insurance. Pension is not included in salary figures for the purposes of determining any other benefit entitlement.	The maximum pension contribution allowance for existing Executive Directors will be fixed at the current contribution rates. The maximum contribution into a pension arrangement or payment in lieu of pension is 6% of base salary for new joiners and this is in line with contribution provided to the majority of the wider workforce. The Company will set out in the section headed Implementation of Remuneration Policy, in the following financial year the pension contributions for that year for each of the Executive Directors. The Total Remuneration Cap referred to below may apply to pension.	No performance or recovery provisions apply. Note The maximum pension contribution has been reduced from 20% of salary to 6% for new joiners.
Benefits			
To provide competitive levels of employment benefits.	Benefits include a fully expensed car or car allowance alternative, and medical insurance. The Committee recognises the need to maintain suitable flexibility in the benefits provided to ensure it is able to support the objective of attracting and retaining personnel in order to deliver the Group strategy. Additional benefits may therefore be offered such as relocation allowances on recruitment.	The maximum level of benefit is the cost of providing the relevant benefits; levels are determined by market rates.	No performance or recovery provisions apply.



Objective and link to strategy	Operation	Maximum opportunity	Performance conditions and assessment
Annual bonus			
No future awards will be granted to Executive Directors under the annual bonus plan ("Bonus Plan") during the Policy Period (subject to shareholder approval of the new Remuneration Policy).	The Company's legacy Bonus Plan operated as follows: under the Bonus Plan, awards are earned annually over a six year plan period, subject to stretching performance targets, which are set at the beginning of the plan year. 50% of a participant's plan account will be paid out annually for the first five years with 100% of the balance paid at the end of the sixth plan year. Malus applies up to the date of payment. Clawback applies three years post the date of payment. The intention is to allow the earned deferred balance in the participant's Bonus Plan account to be paid out in line with the previous Policy.		
Long-Term Incentive Plan			
No plan available for new grants during the Policy Period to the current Executive Directors.	The maximum number of shares which can be granted under The Berkeley Group Holdings plc 2011 Long-Term Incentive Plan (the "2011 LTIP") is 19,616,503 shares. No additional awards can be made to the current Executive Directors during the Policy Period other than as part of their promotion to the Board. Awards can be made to new Executive Directors during this period. No other Long Term Incentive Plan arrangement will be implemented by the Company during the Policy Period. Changes are proposed to the operation of the LTIP and these are set out on page 11. These changes are made to the existing legacy awards held by the Executive Directors and therefore require their consent as the overall impact is detrimental to their existing rights. These legacy awards will continue on their current terms and conditions subject to shareholder approval of the new Remuneration Policy and participants' consent to the changes (which the Committee has received conditional on approval of the new Remuneration Policy).		
Minimum Shareholding Requirement and Post-Cessation Shareholding Requirement			
To ensure that Executive Directors' interests are aligned with those of shareholders over a longer time horizon.	The Committee operates a system of shareholding guidelines to encourage long-term share ownership by the Executive Directors. This should be achieved within five years of appointment for Executive Directors. For two years following cessation of employment, Executive Directors are required to hold shares to the value of the shareholding guideline that applied at the cessation of their employment; or, in cases where the individual has not had sufficient time to build up shares to meet their guideline, the actual level of shareholding at cessation.	In the case of the Group Chairman and Group Managing Director this is 400% of base salary, for other Executive Directors 200% of base salary. The Committee retains the discretion to increase shareholding requirements.	None

Objective and link to strategy	Operation	Maximum opportunity	Performance conditions and assessment
Total Remuneration Cap			
To achieve a balance between the need to reward and incentivise the Executive Directors to implement the Company strategy and the interests of other stakeholders in the Company.	Individual caps will limit the amount of total remuneration that has been earned over the financial year and is capable of being paid out.	The Total Remuneration Cap for the Executive Directors are set out below (these remain the same as under the previous Remuneration Policy):-	None

Notes to the future policy table

Changes to remuneration policy from previous policy

The key changes to the previous Remuneration Policy that was approved at the 2017 Extraordinary General Meeting are set out on pages 100 to 102 of the Annual Report on Remuneration. It should be noted that the changes to the previous Remuneration Policy are consequential on the removal of the Bonus Plan for ongoing contributions, the changes to the terms and conditions of the 2011 LTIP and to satisfy the requirements of the UK Corporate Governance Code. No other material changes have been made to the previous Remuneration Policy.

The changes in the new Policy will apply to all subsisting option granted under the 2011 LTIP from the point of shareholder approval of the new Remuneration Policy and the agreement of participants to these changes (the Committee has obtained agreement from participants subject to shareholder approval of the new Remuneration Policy). The following table provides a summary of the key changes to the 2011 LTIP awards:-

**LTIP 2011**

Objective and link to strategy	Operation	Maximum opportunity	Performance conditions and assessment																																																												
Options granted under the Berkeley Group Holdings plc 2011 Long-Term Incentive Plan (2011 LTIP) (as amended)																																																															
To align Executive Directors' interests with those of shareholders by focusing on creating sustainable superior returns to shareholders over a 14 year period.	The 2011 LTIP is a 14 year plan which directly supports the Company's corporate strategy through incentivising returns to shareholders in cash over sustained period ensuring that the Group remains at the right size and balances investment and returns to shareholders. Options vest in annual tranches based on cumulative return targets. The exercise price of options will be £16.34 per share less an amount equal to the value of all dividends paid between the date of approval of the 2011 LTIP and 30 September 2021, provided the exercise price cannot be less than zero. Shares earned but not vested at 30 September 2021 have to be re-earned by management over 4 years in equal instalments to 2025 subject to £2 of additional return being provided to shareholders each year. Set out below is what will happen to earned but banked shares at 30 September 2021:- A number of these banked shares will be split into 4 tranches. The number of shares subject to these tranches will be calculated by:- (1) Determining the value of the shares earned but banked at 30 September 2021 (<i>number of shares banked multiplied by the gain per share on 30 September 2021</i>); (2) Determining the value that could be received by each participant for four annual vestings from 30 September 2022 to 30 September 2025 (<i>Total Remuneration Cap (less fixed pay) x 4</i>); (3) Convert the value in (2) into a number of shares subject to the tranches (<i>divide by the gain per share on 30 September 2021</i>); (4) Take the number of shares calculated in (3) and divide by 4. The following should be noted:- — Where the value of the shares in (1) is less than in (2) the value of the tranches will be based on the value in (1), and all of the earned and banked shares at 30 September 2021 will be divided by 4 to create the tranches; — Where value of shares in (1) is greater than in (2) the excess value will be converted into a number of banked shares (<i>calculated by dividing by the gain per share on 30 September 2021</i>); these earned and banked shares will remain banked and be capable of vesting over the period to 30 September 2025 subject to the Total Remuneration Cap in each year and will not be subject to the performance condition for the tranche vesting. These tranches will vest annually during 2022 – 2025 subject to:- — Continued employment; — £2 of return provided per share (total £280m approx.) each year; and the Total Remuneration Cap;	The maximum number of shares which can be granted under the 2011 LTIP" is 19,616,503 shares. No additional awards can be made to the current Executive Directors during the Policy Period other than as part of their promotion to the Board. Awards can be made to new Executive Directors during this period. No other Long Term Incentive Plan arrangement will be implemented by the Company during the Policy Period. Options were granted to the current Executive Directors as follows: <table><tr><th>Executive Director</th><th>Number of shares</th></tr><tr><td>A W Pidgley</td><td>5,000,000</td></tr><tr><td>R C Perrins</td><td>5,000,000</td></tr><tr><td>R J Stearn</td><td>954,328</td></tr><tr><td>S Ellis</td><td>2,250,000</td></tr><tr><td>K Whiteman</td><td>1,000,000</td></tr><tr><td>J Tibaldi*</td><td>450,000</td></tr><tr><td>P Vallone*</td><td>450,000</td></tr></table> * These two Executive Directors joined the 2011 LTIP part way through the performance period which is reflected in their options. On joining the Plan there were only four vesting dates to 30 September 2021; therefore their options vest in four equal instalments of 25%.	Executive Director	Number of shares	A W Pidgley	5,000,000	R C Perrins	5,000,000	R J Stearn	954,328	S Ellis	2,250,000	K Whiteman	1,000,000	J Tibaldi*	450,000	P Vallone*	450,000	In order for options to vest, the following levels of return (through a combination of dividends and share buybacks) must be provided to shareholders:- <table><tr><th>Date (by end of)</th><th>Return (£)</th><th>Cumulative Return of (£)</th><th>% of Option vesting</th></tr><tr><td>Sept 16</td><td>Paid</td><td>Paid</td><td>33.0% (Vested)</td></tr><tr><td>Sept 17</td><td>Paid</td><td>277,690,956 plus £2.00 for each share issued or reissued in the period 1 October 2016 to 30 September 2017</td><td>13.4% (Vested)</td></tr><tr><td>Sept 18</td><td>Paid</td><td>555,381,912 plus £2.00 for each share issued or reissued in the period 1 October 2016 to 30 September 2018</td><td>13.4% (Vested)</td></tr><tr><td>Sept 19</td><td>277,690,956 minimum</td><td>833,072,868 plus £2.00 for each share issued or reissued in the period 1 October 2016 to 30 September 2019</td><td>13.4%</td></tr><tr><td>Sept 20</td><td>277,690,956 minimum</td><td>1,110,763,824 plus £2.00 for each share issued or reissued in the period 1 October 2016 to 30 September 2020</td><td>13.4%</td></tr><tr><td>Sept 21</td><td>277,690,956 minimum</td><td>1,388,454,780 plus £2.00 for each share issued or reissued in the period 1 October 2016 to 30 September 2021</td><td>13.4%</td></tr><tr><td>Sept 22</td><td>277,690,956 minimum</td><td>1,666,145,736 plus £2.00 for each share issued or released in period 1 October 2016 to 30 September 2022</td><td>Banked balance to Total Rem Cap</td></tr><tr><td>Sept 23</td><td>277,690,956 minimum</td><td>1,943,836,692 plus £2.00 for each share issued or released in period 1 October 2016 to 30 September 2023</td><td>Banked balance to Total Rem Cap</td></tr><tr><td>Sept 24</td><td>277,690,956 minimum</td><td>2,221,527,648 plus £2.00 for each share issued or released in period 1 October 2016 to 30 September 2024</td><td>Banked balance to Total Rem Cap</td></tr><tr><td>Sept 25</td><td>277,690,956 minimum</td><td>2,499,218,604 plus £2.00 for each share issued or released in period 1 October 2016 to 30 September 2025</td><td>Banked balance to Total Rem Cap</td></tr></table> If the annual return payment is not made for the relevant year that tranche of the option will lapse. If in a subsequent year the cumulative returns paid reach the targeted level, the tranche for that year will vest; however, tranches where the annual return payment was not made for the relevant year will remain lapsed. Shares subject to the return exclude those held in treasury (912,258 as at 16 January 2017) or in the Company's employee benefit trust (424,872 as at 16 January 2017). It should be noted that any new shares issued (from treasury or as newly listed shares) increase the absolute level of cumulative return required.	Date (by end of)	Return (£)	Cumulative Return of (£)	% of Option vesting	Sept 16	Paid	Paid	33.0% (Vested)	Sept 17	Paid	277,690,956 plus £2.00 for each share issued or reissued in the period 1 October 2016 to 30 September 2017	13.4% (Vested)	Sept 18	Paid	555,381,912 plus £2.00 for each share issued or reissued in the period 1 October 2016 to 30 September 2018	13.4% (Vested)	Sept 19	277,690,956 minimum	833,072,868 plus £2.00 for each share issued or reissued in the period 1 October 2016 to 30 September 2019	13.4%	Sept 20	277,690,956 minimum	1,110,763,824 plus £2.00 for each share issued or reissued in the period 1 October 2016 to 30 September 2020	13.4%	Sept 21	277,690,956 minimum	1,388,454,780 plus £2.00 for each share issued or reissued in the period 1 October 2016 to 30 September 2021	13.4%	Sept 22	277,690,956 minimum	1,666,145,736 plus £2.00 for each share issued or released in period 1 October 2016 to 30 September 2022	Banked balance to Total Rem Cap	Sept 23	277,690,956 minimum	1,943,836,692 plus £2.00 for each share issued or released in period 1 October 2016 to 30 September 2023	Banked balance to Total Rem Cap	Sept 24	277,690,956 minimum	2,221,527,648 plus £2.00 for each share issued or released in period 1 October 2016 to 30 September 2024	Banked balance to Total Rem Cap	Sept 25	277,690,956 minimum	2,499,218,604 plus £2.00 for each share issued or released in period 1 October 2016 to 30 September 2025	Banked balance to Total Rem Cap
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Objective and link to strategy	Operation	Maximum opportunity	Performance conditions and assessment
	In effect Management will have to earn shares by delivering £16.34 per share (total £2.25 billion approx.) by 30 September 2021 and then have to earn those shares subject to the tranches again on an annual basis by delivering a further £2 per share (total £280m approx.). <i>"banked shares" are shares that are subject to an option but have been earned.</i> <i>"gain per share" is the difference between the market price of a share subject to an option on 30 September 2021 and the exercise price per share at that date.</i> The total value of all options granted under the 2011 LTIP is subject to a global cap at vesting based on the following formula: Number of shares subject to the 2011 LTIP x £35 per share. The value of an option for the purpose of the cap is calculated as the gain on vesting (market price of a share on vesting less the exercise price x number of shares vesting). The global cap is allocated proportionately to each vesting. Any element of unused global cap will roll forward to the next vesting. Any shares acquired through the exercise of options under the 2011 LTIP are subject to a restriction that no more than 10% of these shares are eligible to be sold each year until 30 September 2025 at which point the sale restriction falls away. This limit is cumulative so if no shares are sold in a year that number can be sold in a subsequent year as well as the shares eligible for sale in respect of that year. Malus and clawback provisions apply.		

Malus and Clawback

Malus provisions apply to both the earned and deferred balance in a participant's Bonus Plan accounts (earned under the previous Remuneration Policy) and the 2011 LTIP. Malus is the adjustment of the balance in participants' Bonus Plan accounts or unvested 2011 LTIP options because of the occurrence of one or more circumstances set out below. The adjustment may result in the value being reduced to nil.

Clawback is the recovery of payments made under the Bonus Plan or vested 2011 LTIP options as a result of the occurrence of one or more circumstances set out below. Clawback may apply to all or part of a participant's payment under the Bonus Plan or 2011 LTIP options and may be effected, among other means, by requiring the transfer of shares, payment of cash or reduction of options or bonuses.

The following table sets out the periods during which malus and clawback may be effected:-

	Bonus Plan (awarded under the previous Remuneration Policy)	2011 LTIP
Malus	Up to the point of determination.	Any time prior to exercise.
Clawback	Three years post the date of any payment.	Two years from the date of exercise.

The malus and clawback events that apply to the Bonus Plan (awarded under the previous Remuneration Policy) are set out below:-

- where the participant has benefitted from wilful negligence; and/or
- there has been a material misstatement of results; and/or
- the participant has caused serious reputational damage to the Company; and/or
- the participant is responsible for serious individual wrongdoing such as a material breach of any applicable code of conduct adopted by the Company; and/or
- the participant's actions amount to gross misconduct; and/or
- the performance conditions have been calculated incorrectly; and/or
- where, as a result of an appropriate review of accountability, the Remuneration Committee determines that the Executive Director has caused wholly or in part a corporate failure of the Company; and/or
- a Group member being censured by a regulatory body.

The malus and clawback events that apply to the 2011 LTIP are set out below:-

- discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company which has a material effect on the option; and/or
- the assessment of any performance condition or target in respect of the vesting of an option was based on error, or inaccurate or misleading information; and/or
- the discovery that any information used to determine the option was based on error, or inaccurate or misleading information; and/or
- action or conduct of a participant which, in the reasonable opinion of the Remuneration Committee, amounts to fraud or gross misconduct capable of summary dismissal; and/or
- where, as a result of an appropriate review of accountability, the Remuneration Committee determines that the Executive Director has caused wholly or in part a corporate failure of the Company; and/or
- a Group member being censured by a regulatory body.

The Committee believes that it has sufficient powers under the rules of the relevant plans to enforce these provisions.

Differences in remuneration policy for all employees

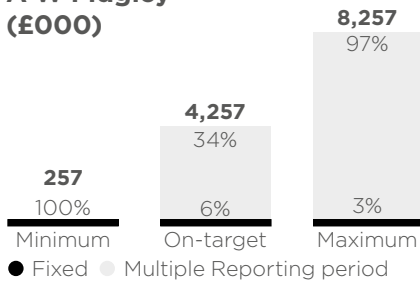
The Company seeks to establish remuneration packages that will attract, retain and motivate high quality employees. Salary and benefit packages for all employees are linked to both individual and business performance.

The Company's business comprises of a number of operating Divisions. The annual and longer term cash based compensation arrangements for these other senior employees of the Company are therefore linked to the performance of the relevant Division for which they work. Some elements of the cash bonus plans are annual while other elements are deferred to ensure long-term consistent delivery by each Division with part of such longer term awards linked to the performance of the Company. It is the view of both the Committee and the Board as a whole that these arrangements are very effective in ensuring the delivery of Divisional performance for which these senior employees are responsible. All other eligible employees participate in bonus plans, which, together with salary reviews linked to business performance, enable all employees to share in the success of the Group.

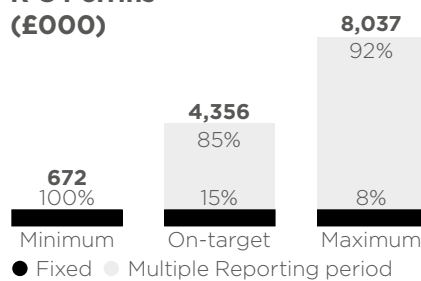
Illustrations of application of remuneration policy

The graphs below seek to demonstrate how pay varies with performance for the Executive Directors based on the proposed Remuneration Policy for the 2019/20 financial year:-

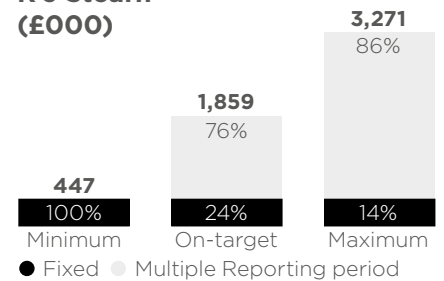
A W Pidgley (£000)



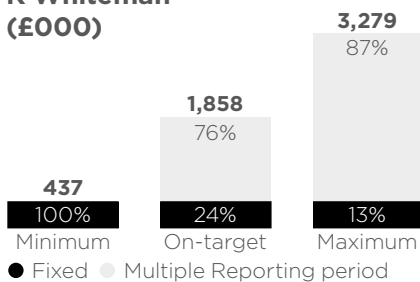
R C Perrins (£000)



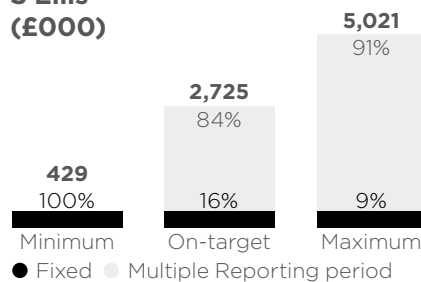
R J Stearn (£000)



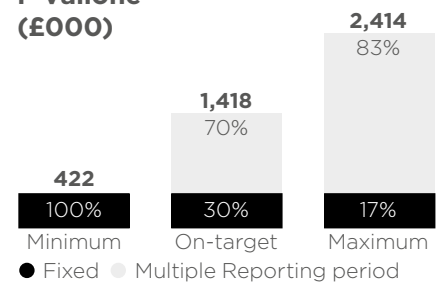
K Whiteman (£000)



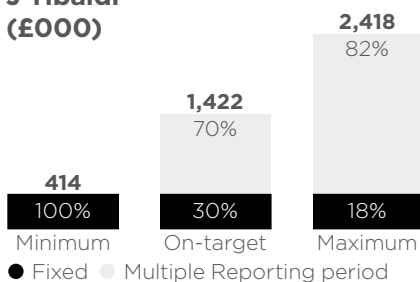
S Ellis (£000)



P Vallone (£000)



J Tibaldi (£000)



Assumptions used in determining the level of pay-out under given scenarios are as follows:-

Element	Minimum	On-Target	Maximum
Fixed Element	Fixed elements do not vary with performance and comprise:- — 2019/20 base salary; — Estimated benefits for 2019/20; — Pension (or cash in lieu of) pension contributions.		
Multiple Reporting Period			
Element (2011 LTIP)	0%	50% of maximum opportunity ²	100% of maximum opportunity ¹

Notes:

1. The maximum opportunity under the 2011 LTIP is calculated as the Total Remuneration Cap less base salary and pension, as this is the maximum value of options which can vest in a given year under the Policy (noting that the value of benefits paid in the year do not count towards the Total Remuneration Cap).
2. The on-target opportunity under the 2011 LTIP is calculated as 50% of the maximum value of options which can vest in a given year under the Policy calculated in accordance with 1. above.
3. The Company operates a Total Remuneration Cap and therefore the 50% share price growth scenario under the Regulations is demonstrated within the maximum scenario.

Future policy – non-executive directors

The table below sets out the key elements of the Remuneration Policy for Non-executive Directors:

Objective and link to Strategy	Operation	Maximum	Performance conditions and assessment
To attract Non-executive Directors with the requisite skills and experience to contribute to the strategy of the Company and to review its implementation.	All Non-executive Directors have specific terms of engagement and their remuneration is determined by the Board within the limits set by the Articles of Association.	In general fee rises will be limited to the level provided to employees of the Company as a whole.	None.
	Each Non-executive Director receives a fee which relates to membership of the Board and additional fees are paid for Committee Chairmanship.	In setting fees, the Board looks at the fee levels of companies of broadly similar size and complexity, in particular those companies within the comparator group and those in the FTSE 100.	
	In exceptional circumstances, fees may also be paid for additional time spent on the Company's business outside of the normal duties. The Board reviews the fees of the Non-executive Directors annually taking into account the following factors:	On an annual basis the Board will review the comparator groups to ensure they appropriately reflect the Company's size, operations and business complexities.	
	— the workload and level of responsibility of the Non-Executive Directors under the changing corporate governance expectations of shareholders and their representative bodies; — the current market rate for fees for Non-Executive Directors based on the comparators used for the Executive Directors	The Company will pay reasonable expenses incurred by the Non-executive Directors and may settle any tax incurred in relation to these.	
	Changes are effective from 1 May each year.	The Articles of Association impose a limit on the aggregate annual sum that can be paid to Non-executive Directors by way of fees (excluding amounts payable under any other Articles) of £500,000 or such larger amount as the Company may by ordinary resolution determine.	
	The Company has a shareholding requirement for Non-executive Directors, linked to the net fee they receive from the Company. This is equal to 100% of net fees. This should be achieved within three years of appointment for Non-executive Directors.	The total fee limit is £1,000,000.	
	Non-executive Directors do not participate in any variable remuneration or benefits/pension arrangements.		



Approach to recruitment remuneration

The Committee's approach to recruitment remuneration is to pay no more than is necessary to attract candidates of the appropriate calibre and experience needed for the role. The remuneration package for any new Executive Director would be assessed following the same principles as for the current Executive Directors.

The Committee is mindful that it wishes to avoid paying more than it considers necessary to secure the preferred candidate and is aware of guidelines and shareholder sentiment regarding one-off or enhanced short or long-term incentive payments made on recruitment and the appropriateness of any performance conditions associated with an award.

Where an existing employee is promoted to the Board, the Remuneration Policy would apply from the date of promotion but there would be no retrospective application of the Remuneration Policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing employee would be honoured and form part of the ongoing remuneration of the employee. These would be disclosed to shareholders in the following year's Annual Report on Remuneration.

The Company's detailed Remuneration Policy when setting remuneration for the appointment of new Executive Directors is summarised in the table below:

Remuneration element	Recruitment Policy
Base salary and benefits	The salary level will be set taking into account the responsibilities of the individual, experience and the salaries paid to similar roles in comparable companies. The Committee will apply the Remuneration Policy set out on salaries for the current Executive Directors in the Remuneration Policy table. The Executive Director shall be eligible to receive benefits in line with Berkeley's benefits policy as set out in the Remuneration Policy table.
Pension	The new Executive Director will be entitled to receive contributions into a pension plan or alternatively to receive a supplement in lieu of pension contributions in line with Berkeley's pension policy as set out in the Remuneration Policy table.
Long-Term incentives	On recruitment, the new Executive Director will be eligible to participate in the 2011 LTIP, provided awards are available under the 2011 LTIP and the total number of awards granted to all participants does not exceed 19,616,503 shares under subsisting options as agreed with shareholders at the 2011 AGM.
Maximum Variable Remuneration	Any available awards under the 2011 LTIP (provided awards are available under the 2011 LTIP and the total number of awards granted to all participants does not exceed 19,616,503 shares under subsisting options).
Total Remuneration Cap	The Committee will determine the Total Remuneration Cap to apply to the new Executive Director on appointment based on the elements of remuneration offered as part of the remuneration package.
"Buy Out" of incentives forfeited on cessation of employment	The Committee's policy is not to provide buy-outs as a matter of course. However, should the Committee determine that the individual circumstances of recruitment justifies the provision of a buyout, the equivalent value of any incentives that will be forfeited on cessation of an Executive Director's previous employment will be calculated taking into account the following: – the proportion of the performance period completed on the date of the Executive Director's cessation of employment; – the performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied; and – any other terms and conditions having a material effect on their value ("lapsed value"). The Committee may then grant up to the equivalent value as the lapsed value, where possible, under the 2011 LTIP. To the extent that it was not possible or practical to provide the buyout within the terms of the 2011 LTIP, a bespoke arrangement would be used.
Relocation Policies	Where the new Executive Director is required to relocate from one work-base to another, the Company may provide one-off/on-going benefits to reflect the cost of relocation for the new Executive Director in cases where they are expected to spend significant time away from their country of domicile. The level of the relocation package will be assessed on a case by case basis but will take into consideration any cost of living differences/housing allowance and schooling.

The Company's policy when setting fees for the appointment of new Non-executive Directors is to apply the policy which applies to current Non-executive Directors.



Service contracts

Details of the service contracts or letters of appointment for the Directors are as follows:

Executive Directors	Date of contract	Expiry date	Notice period by Company or Director
A W Pidgley	24 June 1994	Rolling service contract with no fixed expiry date	12 months
R C Perrins	15 July 2002	Rolling service contract with no fixed expiry date	12 months
R J Stearn	3 October 2014	Rolling service contract with no fixed expiry date	12 months
K Whiteman	15 January 1996	Rolling service contract with no fixed expiry date	12 months
S Ellis	5 May 2004	Rolling service contract with no fixed expiry date	12 months
J Tibaldi	30 June 1999	Rolling service contract with no fixed expiry date	12 months
P Vallone	25 September 1990	Rolling service contract with no fixed expiry date	12 months

Non-executive Directors	Letter of appointment	Expiry date	Notice period by Company or Director
J Armitt	1 October 2007	Renewable annually on 1 May	n/a
A Nimmo	5 September 2011	Renewable annually on 1 May	n/a
G Barker	3 January 2012	Renewable annually on 1 May	n/a
V Wadley	3 January 2012	Renewable annually on 1 May	n/a
A Li	2 September 2013	Renewable annually on 1 May	n/a
A Myers	6 December 2013	Renewable annually on 1 May	n/a
D Brightmore-Armour	1 May 2014	Renewable annually on 1 May	n/a
P Vernon	6 September 2017	Renewable annually on 1 May	n/a
R Downey	8 December 2017	Renewable annually on 1 May	n/a

All service contracts and letters of appointment are available for viewing at the Company's registered office.

The Company's practice is to appoint the Non-executive Directors under letters of appointment, which are renewable annually on 1 May. They are subject to the provisions of the Articles of Association dealing with appointment and rotation every three years, however in accordance with the UK Corporate Governance code are subject to annual re-election.

When setting notice periods for Executive Directors, the Committee has regard to market practice and corporate governance best practice. Notice periods will not be greater than 12 months.

Payments for loss of office and change of control

When determining any loss of office payment for a departing Director the Committee will always seek to minimise the cost to the Company whilst complying with the contractual terms and seeking to reflect the circumstances in place at the time. The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.



The table below sets out the Company's termination policy for each element of total remuneration. For each element the table also sets out the boundaries of Committee discretion.

Remuneration element	Approach	Application of Committee discretion
Base salary and benefits	In the event of termination by the Company, there will be no compensation for loss of office due to misconduct or normal resignation. In other circumstances, Executive Directors may be entitled to receive compensation for loss of office which will be a maximum of twelve months salary. Such payments will be equivalent to the monthly salary and benefits that the Executive Director would have received if still in employment with the Company. These will be paid over the notice period. Executive Directors will be expected to mitigate their loss within a twelve month period of their departure from the Company.	The Company has discretion to make a lump sum payment in lieu of notice.
Pension	Pension contributions or payments in lieu of pension contribution will be made during the notice period.	The Company has discretion to make a lump sum payment in lieu of notice.
Bonus Plan (legacy) (Cessation of employment)	Deferred Balances in Bonus Plan account Good leavers: The balance in the Bonus Plan account will be payable on cessation of employment. Other leavers: The balance in the Bonus Plan account will be forfeited on cessation of employment.	Deferred Balances in Bonus Plan account The Committee has the following elements of discretion: — to determine that an Executive Director is a good leaver. It is the Committee's intention to only use this discretion in exceptional circumstances and where there is an appropriate business case which will be explained in full to shareholders; and — to determine whether to pro-rate the balance in the Bonus Plan account for time in the case of a good leaver.
Bonus Plan (legacy) (Change of control)	Deferred Balances in Bonus Plan account The balance in the Bonus Plan account will be payable on the change of control.	Deferred Balances in Bonus Plan account The Committee has the following element of discretion: — to determine whether to pro-rate the balance in the Bonus Plan account for time. The Committee's normal policy is that it will not pro-rate for time. However, in exceptional circumstances taking into account the nature of the change of control it may determine that pro-rating is appropriate.
2011 LTIP (Cessation of employment)	The rules of the 2011 LTIP provide that unvested options will lapse unless the cessation of employment is for "good leaver" reasons. If the participant is a good leaver the amount of the option capable of vesting will be based on the cumulative return paid up to that date and an estimation of the return capable of being paid at that date. The option will vest at the relevant vesting date being the point at which options would normally have vested for that level of cumulative return. Any dividends paid from the date of termination will continue to reduce the exercise price until the option is exercised. Options banked as a result of the operation of the LTIP Cap will be exercisable for a period commencing on the date the participant becomes a good leaver and expiring immediately following the second vesting date after the participant became a good leaver subject to the Total Remuneration Cap. Any options that have not become exercisable and been exercised on or before such second vesting date will lapse. On leaving other than as a "good leaver" unvested options and banked options will lapse.	The Committee has the discretion to determine that an Executive Director is a good leaver. The Committee will only use its general discretion to determine that an Executive Director is a good leaver in exceptional circumstances and will provide a full explanation to shareholders of the basis for its determination.

Remuneration element	Approach	Application of Committee discretion
2011 LTIP (Change of control)	An option will become exercisable in full immediately prior to a change of control of the Company, court sanction of a scheme of arrangement or the disposal of all, or substantially all, of the assets of the Company and its subsidiaries. The exercise price shall be adjusted for any dividends paid to the date of the relevant transaction in accordance with the plan rules. The total value of options at vesting cannot exceed the global plan cap. In the event of an internal reorganisation, options shall not vest unless the Committee consents and the Committee may determine that options are exchanged for an option over a successor company's shares.	Consideration will be given by the Committee, in consultation with the participants, as to whether the type or timing of any consideration receivable by shareholders should affect either the timing of the exercise of options and/or alter the calculation of the exercise price so that the participants do not receive a greater or lesser benefit from the transaction than the shareholders (beyond the ability to exercise their options).
Other contractual obligations	There are no other contractual provisions other than those set out above that could impact on the quantum of the payment.	None.

The following definition of good leaver applies to both the Bonus Plan and the 2011 LTIP. A good leaver is a person whose cessation of employment is in the following circumstances:

- death;
- injury;
- ill-health;
- disability;
- redundancy;
- retirement;
- employing company ceasing to be a Group company;
- transfer of employment to a company which is not a Group company; and
- any other reason at the discretion of the Committee.

Other leavers are anyone who is not a good leaver.

Consideration of employment conditions elsewhere in the company

In making annual pay decisions the Committee also gives consideration to pay and employment conditions in the rest of the Group, including any base salary increases awarded. The Committee is provided with data on the remuneration structure for management level tiers below the Executive Directors, and uses this information to ensure consistency of approach throughout the Company. No comparison metrics were used.

Although the Committee takes into account the pay and conditions of other employees, the Company did not consult with employees when drawing up the Remuneration Policy.

Consideration of shareholder views

The Committee takes the views of the shareholders seriously and these views have been taken into account in shaping the Remuneration Policy through an extensive shareholder consultation exercise. Shareholder views are considered when evaluating and setting remuneration strategy and the Committee commits to consulting with key shareholders prior to any significant changes to the Remuneration Policy.



NOTES

1. Voting record date

Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 and section 311(3) of the Companies Act 2006 (the "Act"), the Company specifies that in order to have the right to attend and vote at the Annual General Meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.30pm on 4 September 2019, or, in the event of any adjournment, at 6.30pm on the date which is two business days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting or the adjourned meeting.

2. Proxies

A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the Annual General Meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent the member. The proxy must vote as the member instructs and must attend the meeting for the member's vote to be counted.

In June 2019, shareholders were notified that the Company would no longer be sending hard copy Forms of Proxy in respect of Annual General Meetings. To submit your voting instructions electronically via our registrar's website please go to www.signalshares.com and enter 'The Berkeley Group Holdings plc'. If you have not already registered for Signal Shares you will need your Investor Code which can be found on your share certificate or last dividend confirmation. Once registered you will be able to vote immediately by selecting 'Proxy Voting' from the menu. In order to be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received no later than 11:00am on 4 September 2019. The proxy appointment will not be accepted if found to contain a computer virus.

In the event that you do require a hard copy Form of Proxy, or you do not know your Investor Code, you will be able to request this from our registrar, Link Asset Services, by calling them on 0871 664 0391, or, if calling from overseas, on +44 (0) 371 664 0391. Calls cost 12p per minute plus your phone company's access charge; calls from outside the United Kingdom will be charged at the applicable international rate. Link Asset Services are open between 09:00 – 17:30 (London time), Monday to Friday excluding public holidays in England and Wales.

Registration of your proxy vote, completion of a hard copy Form of Proxy, or other instrument appointing a proxy or any proxy instruction via CREST, will not preclude you from attending and voting in person at the meeting if you wish to do so.

If you appoint a proxy or proxies and then decide to attend the Annual General Meeting in person and vote in the poll then the vote(s) in person will override the proxy votes(s). If the vote in person is in respect of your entire holding then all proxy votes will be disregarded. If, however, you vote at the Annual General Meeting in respect of less than your entire holding, and you indicate on your polling card that all proxies are to be disregarded, that shall be the case; but if you do not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding your entire holding.

The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that

a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

3. Nominated Persons

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 Act (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 by whom he was nominated 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.

4. CREST

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 on the Euroclear website (www.euroclear.com/CREST). 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.

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 Limited's (EUI) 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 number – RA10) by 11:00am on 4 September 2019. 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. 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.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommend that the shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.



5. Corporate Representatives

A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the Meeting. In accordance with the provisions of the Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.

6. Joint holders

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority will be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.

7. Questions

Any member attending the Annual General 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 (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

8. Voting at the meeting

Voting on Resolutions 1 to 28 will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held. Members and proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the meeting. As soon as practicable following the Annual General Meeting, the results of the voting at the Annual General Meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the Resolutions will be announced via a Regulatory Information Service and also placed on the Company's website: www.berkeleygroup.co.uk.

9. Total voting rights

As at 29 July 2019 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 138,093,313 ordinary shares of 5p each. The Company holds 11,141,900 ordinary shares in treasury and is not permitted to exercise voting rights in respect of those shares. Therefore the total voting rights in the Company are 126,951,413.

The contents of this Notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Meeting, details of the total voting rights that members are entitled to exercise at the Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website: www.berkeleygroup.co.uk.

10. Audit

Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act, (in each case) that the members propose to raise at the Annual General Meeting. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act.

Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

11. Directors' interests

Since 19 June 2019 (the date of the annual report and accounts), there have been changes to the Directors' interests in the Company's shares. Detailed below are the Directors' interests as at 29 July 2019:

Director	Beneficially owned shares ⁽ⁱ⁾
A W Pidgley, CBE	3,567,939
R C Perrins	1,360,283
R J Stearn	150,074
S Ellis	264,199
J Tibaldi	31,732
P Vallone	26,825
K Whiteman	256,270
Sir J Armit	8,891
G Barker	12,422
D Brightmore-Armour	1,000
R Downey	-
A Li	20,000
A Myers	3,000
Dame A Nimmo	2,000
P Vernon	609
V Wadley, CBE	3,000

(i) Beneficial interests include shares held directly or indirectly by connected persons.

12. Substantial shareholders

Since 19 June 2019 and up to 29 July 2019 the Company has received no notification(s) in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules.

13. This notice

A copy of this notice, and other information required by section 311A of the Act, can be found at www.berkeleygroup.co.uk/investor-information.

14. Documents on display

Copies of Executive Directors' service agreements, copies of the terms and conditions of appointment of Non-executive Directors and a copy of the amended rules of The Berkeley Group Holdings plc 2011 Long Term Incentive Plan are available for inspection at the Company's registered office during normal business hours from the date of this notice until the close of the Annual General Meeting (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.

15. Electronic address

You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this Notice of Meeting (or in any related documents including the Chairman's letter) to communicate with the Company for any purposes other than those expressly stated.



(Registered in England and Wales, No. 5172586)
Berkeley House, 19 Portsmouth Road,
Cobham, Surrey KT11 1JG