

THE BERKELEY GROUP HOLDINGS PLC
(“Berkeley” or the “Company”)

The Company is appreciative of the strong support it received from its shareholders at the Annual General Meeting (“AGM”) held on 5 September 2018. It notes that 31.4% of votes were cast against the re-election of Adrian Li (a decrease on the previous year’s vote against of 33.5%). Prior to the AGM, the Company consulted with a number of shareholders and with the main proxy advisory agents to discuss concerns they may have had regarding the number of directorships Adrian Li holds and whether he would have the capacity to deal with an exceptional period of Board activity at Berkeley and this is reflected in this year’s voting.

The Board notes that ISS and Glass Lewis recommended against Adrian’s re-election based on their stated policy positions. The Company also notes the FRC’s view that investors and their advisors should pay due regard to a company’s individual circumstances and should avoid a mechanistic assessment of compliance. In this case the Company strongly believes that Adrian Li is a valuable and effective independent Non-executive Director on Berkeley’s Board; a view supported by 68.6% of shareholders voting at the AGM. Specifically:

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

Berkeley seeks to have a Board of diverse experience, contribution and capabilities so that the Board can be properly challenged and supported across the range of its activities.

The Board strongly believes that Adrian Li has sufficient commitment to Berkeley to fulfil not only his day to day obligations to the Company but also in the event of an unforeseen corporate need. The Board recognises investor concerns on the level of director time commitments but believes that Adrian has fully demonstrated his availability and value to Berkeley. The Company will continue to engage with shareholders and with the main proxy advisory agents on this and other matters as appropriate.

2 January 2019