

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt about its content and/or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial advisor authorised under the Financial Services and Markets Act 2000, as amended, if you are in the United Kingdom or, if not, another appropriately authorised independent financial advisor. If you have sold or transferred all your shares in U and I Group PLC, please send this document and the accompanying documents to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of shares in U and I Group PLC, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected. Whether or not you propose to attend the Annual General Meeting, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed form. The Form of Proxy must be received by our registrars no later than 12.00 noon on 12th July 2016.



## **U AND I GROUP PLC**

(incorporated and registered in England and Wales under number 1528784)

### **ANNUAL GENERAL MEETING**

**Thursday, 14th July 2016**

### **Notice of Annual General Meeting and Chairman's explanatory letter**

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The Notice of the Annual General Meeting is set out on pages 3 to 5 of this circular.

A proxy form or voting instruction form (as appropriate) for use in connection with the Annual General Meeting is enclosed with this Notice.

The following documents are available to be viewed at or downloaded from the U+I website at [www.uandiplc.com/investors](http://www.uandiplc.com/investors):

Annual Report for the year ended 29th February 2016

Preliminary results presentation for the year ended 29th February 2016

Notice of Annual General Meeting 2016

**Dear Shareholder,**

### **Annual General Meeting 2016**

I have the pleasure of inviting you to the first Annual General Meeting (AGM) of the Company under the name U and I Group PLC (U+I), previously Development Securities PLC, to be held at our new headquarters at 7A Howick Place, London SW1P 1DZ, on 14th July 2016 at 12:00 noon.

The AGM provides an opportunity for your Directors to meet with you to discuss the strategy and development of the Company and answer any questions you might have.

As I have set out in my letter introducing the Corporate Governance Report on page 73 of this year's Annual Report, this has continued to be a year of significant change for the Company. In summary these changes have included:

- Change of Company Name: In November we held a General Meeting to change our Company name to U and I Group PLC, and introduced our new brand U+I.
- Move to Howick Place. We also moved into our newly renovated headquarters in November; these changes reflected the final stages of the integration of Development Securities and Cathedral.
- Board Changes:
  - Michael Marx retired as Chief Executive of the Company at the 2015 AGM. He took on the position of Non-executive Director until stepping down from the Board at the end of the financial year. Matthew Weiner and Richard Upton took over respectively as Chief Executive and Deputy Chief Executive effective at the close of the 2015 AGM.
  - Peter Williams and Lynn Krige joined the Board as independent Non-executive Directors; they also became respectively Chairman designate and Chairman designate of the Audit and Risk Committee following the announcement that Sarah Bates and I would be stepping down from the Board following the 2016 AGM.
- New Dividend Policy: As set out on page 5 and 6 of our Annual Report we have introduced a new dividend policy consisting of an ordinary dividend and a supplemental dividend relating to the level of net free cash flow secured in the financial year. The Board's decision to pay a supplemental dividend will be influenced by considering the Group's future working capital requirements, the economic cycle, the Group's current risk profile and its position in relation to its target gearing level. For the financial year ended 29th February 2016 your Board confirmed a supplemental dividend of 8.0 pence per share, payable on 17th June 2016 to shareholders on the register at 13th May 2016, and proposes a final dividend of 3.5 pence per share, payable on 19th August 2016 to shareholders on the register at 22nd July 2016. When including the interim dividend this makes for total dividends for the year of 13.9 pence per share.

### **Notice of AGM**

The formal notice convening this AGM, which sets out the Resolutions being proposed to the meeting, can be found on pages 3 to 5 of this circular. Further explanation of the Resolutions being put to the meeting can be found on pages 116 to 119 of the Annual Report.

### **Directors**

In accordance with the UK Corporate Governance Code all Directors will retire from office and each Director, with the exception of Sarah Bates and myself, who have already expressed our intention to retire at the end of the AGM, will submit themselves for election or re-election by shareholders. Biographical details of each Director (as at the date of this Notice) are given on page 74 of the Company's Annual Report.

Having considered the performance of, and the contribution made by, each Director during the annual Board evaluation, the Board remains satisfied that the performance of each Director continues to be effective, and that each Director can demonstrate a commitment to the role and, as such, recommends the reappointment of each Director standing for election or re-election. More information on the Board and the Board evaluation process can be found on pages 77 to 82 of the Annual Report.

### **Recommendation**

The Directors consider that each Resolution to be proposed at the Annual General Meeting is in the best interests of the shareholders as a whole and unanimously recommend you to vote in favour of all resolutions, as they intend to do in respect of their own shareholdings.

Yours sincerely,

**David Jenkins**  
Chairman

## **Notice of 2016 Annual General Meeting for U and I Group PLC**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of U and I Group PLC ('the Company') will be held at 7A Howick Place, London SW1P 1DZ on 14th July 2016 at 12.00 noon. The business of the Annual General Meeting will be as follows:

### **Ordinary Business**

1. To receive the Company's Annual Report and Accounts for the financial year ended 29th February 2016, together with the Reports of the Directors and Auditors.
2. To approve the Directors' Remuneration Report, excluding the Directors' Remuneration Policy, in the form set out on pages 93 to 113 in the Company's Annual Report and Accounts for the financial year ended 29th February 2016.
3. To elect Mr P W Williams as a Director of the Company.
4. To elect Mrs L G Krige as a Director of the Company.
5. To re-elect Mr M S Weiner as a Director of the Company.
6. To re-elect Mr R Upton as a Director of the Company.
7. To re-elect Mr M O Shepherd as a Director of the Company.
8. To re-elect Mr N H Thomlinson as a Director of the Company.
9. To re-elect Mr B J Bennett as a Director of the Company.
10. To declare a final dividend of 3.5 pence per Ordinary share payable to the shareholders on the register at the close of business on 22nd July 2016.
11. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which the accounts are to be laid before the Company.
12. To authorise the Directors to determine the remuneration of PricewaterhouseCoopers LLP.

### **Special Business**

As Special Business, to consider and, if thought fit, pass the following resolutions, of which resolutions 14 and 17 will be proposed as ordinary resolutions and resolutions 13, 15 and 16 will be proposed as special resolutions (each a Resolution):

13. THAT the Company be and it is hereby generally and unconditionally authorised to make market purchases (as defined in Section 693(4) of the Companies Act 2006 ('the Act')) of Ordinary shares of 50 pence each in the capital of the Company ('Ordinary shares') on such terms and in such manner as the Directors may determine and, where such shares are held as treasury shares, the Company may use them for the purposes set out in Section 727 of the Act (including for the purpose of its employee share schemes), PROVIDED THAT:
  - (i) the maximum number of Ordinary shares hereby authorised to be purchased is 12,507,428;
  - (ii) the minimum price, exclusive of any expenses, which may be paid for an Ordinary share is the nominal value per Ordinary share;
  - (iii) the maximum price, exclusive of any expenses, which may be paid for each Ordinary share is, in respect of a share contracted to be purchased on any day, an amount equal to the higher of (a) 105.0 per cent of the average of the middle market quotations for an Ordinary share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the Ordinary share is contracted to be purchased

and (b) an amount equal to the higher of the price of the last independent trade of an Ordinary share and the highest current independent bid for an Ordinary share as derived from the London Stock Exchange Trading System; and

- (iv) the authority hereby conferred shall, unless previously revoked or varied, expire at the end of the next Annual General Meeting or on 1st September 2017 if earlier (except in relation to the purchase of Ordinary shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry).

14. THAT the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 ('the Act') to exercise all the powers of the Company to allot:

- (a) shares in the capital of the Company or grant rights to subscribe for or to convert any security into shares in the capital of the Company up to an aggregate nominal amount of £20,823,832; and in addition
- (b) comprising equity securities of the Company (as defined in Section 560(1) of the Act) up to a further aggregate nominal amount of £20,823,832 in connection with an offer of such securities by way of a rights issue,

such authorities to apply in substitution for all previous authorities granted pursuant to Section 551 of the Act and provided that they shall expire at the end of the next Annual General Meeting or on 1st September 2017 if earlier but, in each case, so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if the authority had not expired.

For the purposes of this Resolution 'rights issue' means an offer to:

- (a) holders of Ordinary shares of 50 pence each in the capital of the Company in proportion (as nearly as may be practicable) to the respective number of Ordinary shares held by them; and
- (b) holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

on a record date fixed by the Directors to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

15. THAT, subject to and conditional upon the passing of Resolution 14 above, the Directors be empowered, pursuant to Section 570 of the Companies Act 2006 ('the Act') to allot equity securities (as defined in Section 560(1) of the Act) wholly for cash:

- (i) pursuant to the authority given by paragraph (a) of Resolution 14 above and/or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the Act in each case:
- (a) in connection with a pre-emptive offer; and
- (b) otherwise than pursuant to paragraph 15(i)(a), up to an aggregate nominal amount of £3,126,857; and
- (ii) pursuant to the authority given by paragraph (b) of Resolution 14 above, in connection with an offer of such securities by way of a rights issue, as if Section 561(1) of the Act did not apply to any such allotment,

such power to expire at the end of the next Annual General Meeting of the Company or on 1st September 2017 if earlier but so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

For the purposes of this Resolution:

- (a) 'rights issue' has the same meaning as in Resolution 14 above;
- (b) 'pre-emptive offer' means an offer of equity securities open for acceptance for a period fixed by the Directors to holders (other than the Company) on the register on a record date fixed by the Directors of Ordinary shares of 50 pence each in the capital of the Company in proportion to their respective holdings but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;
- (c) references to an allotment of equity securities shall include a sale of treasury shares; and
- (d) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into Ordinary shares, the nominal amount of such Ordinary shares which may be allotted pursuant to such rights.

16. THAT a general meeting other than an Annual General Meeting may be called on not less than 14 clear working days' notice.

17. THAT in accordance with Section 366 of the Companies Act 2006 ('the Act'), the Company and all companies that are its subsidiaries at any time during the period for which this Resolution has effect be authorised to:

- (a) make political donations to political parties and/or independent election candidates, not exceeding £10,000 in total;
- (b) make political donations to political organisations, other than political parties, not exceeding £10,000 in total; and
- (c) incur political expenditure, not exceeding £10,000 in total,

provided that the aggregate amount of any such donations and expenditure shall not exceed £10,000 during the period beginning with the date of the passing of this Resolution and ending on the date of the Company's next Annual General Meeting.

For the purpose of this Resolution, the terms 'political donations', 'political expenditure', 'independent election candidates', 'political parties' and 'political organisations' shall have the meaning given by Part 14 of the Act.

More detailed information regarding the above Resolutions is set out on pages 116 to 119 of the Company's Annual Report for the financial year ended 29th February 2016.

Registered Office:  
7A Howick Place  
London SW1P 1DZ

By order of the Board  
**C Barton**  
Company Secretary  
27th April 2016

## Notes

Any shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote instead of the shareholder. Completion and return of a Form of Proxy will not preclude a shareholder from attending and voting at the Annual General Meeting in person. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy to abstain on the 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' the Resolution. A shareholder may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him/her. A shareholder must inform the Company's registrars in writing of any termination of the authority of a proxy.

A Form of Proxy for this Annual General Meeting is enclosed and, if used, should be either (a) lodged with Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or (b) the proxy appointment must be lodged using the CREST Proxy Voting Service in accordance with the instructions below, or (c) by completing and submitting online through our shareholder portal at [www.capitashareportal.com](http://www.capitashareportal.com) in each case so as to be received not later than 12.00 noon on Tuesday 12th July 2016.

To vote online you will need to log in to your shareholder portal account or register for the shareholder portal, if you have not already done so. Once you have registered, you will be able to vote.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting (and any adjournments thereof) by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction 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 ('Euroclear') specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). 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 Capita Asset Services (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the second paragraph above. For this purpose, the time of receipt will be taken to be the time (as determined by the time-stamp 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. After this time any change of instructions to a proxy appointed through CREST should be communicated to him/her by other means.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear 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, to procure that his/her CREST sponsor or voting service provider takes) 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.

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, as amended.

The right to appoint a proxy does not extend to persons whose shares are held on their behalf by another person and who have nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ('the Act') ('Nominated Person(s)'). Nominated Persons may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. The Nominated Person may, if he/she has not such proxy appointment right, or does not wish to exercise it, have the right under any such agreement to give voting instructions to the person holding the shares as to the exercise of voting rights.

The rights of shareholders in relation to the appointment of proxies can only be exercised by registered shareholders of the Company. Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.

Entitlement to attend and/or vote at the Annual General Meeting and the number of votes which may be cast at the Annual General Meeting will be determined by reference to the Company's register of members at 12.00 noon on Tuesday 12th July 2016, or if the Annual General Meeting is adjourned, 48 hours before the time fixed for the adjourned Annual General Meeting (as the case may be). In each case changes to the register after such time will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting (and any adjournment thereof).

Any corporation which is a shareholder can appoint one or more corporative representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

Under Section 319A of the Act, a shareholder attending the Annual General Meeting has the right to ask questions in relation to the business of the Annual General Meeting. The Company must cause to be answered any such question relating to the business being dealt with at the Annual General Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the Annual General 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 Annual General Meeting that the question be answered.

A copy of this notice, and other information required by Section 311A of the Act, can be found on the Company's website at [www.uandiplc.com](http://www.uandiplc.com).

Only holders of Ordinary shares of 50 pence each in the capital of the Company ('Ordinary shares') are entitled to attend and vote at this Annual General Meeting. As at 27th April 2016 (being the last practicable day prior to any publication of this notice) the Company's issued share capital consists of 125,074,280 Ordinary shares carrying one vote each (of which Ordinary shares 118,792 are held in treasury and do not have a voting entitlement). The total voting rights in the Company as at 27th April 2016 are 124,955,488.

The result of the vote will be announced to the London Stock Exchange as soon as possible following the conclusion of the Annual General Meeting and will also be published on the Company's website at [www.uandiplc.com](http://www.uandiplc.com).

You may not use any electronic address provided either in this notice or in any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

