

THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if resident elsewhere, from another appropriately authorised independent financial adviser in your own jurisdiction.

If you have sold or otherwise transferred all of your shares in the Company, please forward this document, together with the accompanying form of proxy as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

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# Mountview Estates P.L.C.

*(registered in England and Wales with no.328020)*

## Notice of General Meeting

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This document should be read as a whole. Your attention is drawn to the Letter which is set out in this document. The letter contains a recommendation that you vote in favour of the resolutions to be proposed at the General Meeting.

**Notice of the General Meeting of the Company to be held at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ at 11.00 a.m. on 19 November 2018 is set out at the end of this document.** A Form of Proxy to be used in connection with the resolutions to be proposed at the General Meeting is enclosed.

Whether or not you intend to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible by post or (during normal business hours only) by hand but, in any event, so as to be received by the Company's Registrar, Link Asset Services (PXS1), 34 Beckenham Road, Kent, Beckenham, BR3 4ZF by no later than **11.00 a.m. on 15 November 2018**. If you hold ordinary shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Company's Registrar, Link Asset Services, under CREST participant ID number RA10, so that it is received by no later than **11.00 a.m. on 15 November 2018**.

**MOUNTVIEW ESTATES P.L.C.**  
(registered in England and Wales with no.328020)

Directors:  
Mr A.C.J. Solway  
Mr D.M. Sinclair  
Mrs M.M. Bray  
Mrs M.L. Jarvis  
Mr A.W. Powell  
Dr A.R. Williams

Registered office:  
Mountview House  
151 High Street  
Southgate  
London N14 6EW

22 October 2018

To: Holders of ordinary shares in Mountview Estates P.L.C. (the **Company**)

Dear Shareholder,

### 1. Introduction

As announced following the Annual General Meeting of the Company held on 8 August 2018 (the **AGM**), the Company was disappointed to note that the resolutions concerning the re-appointment of Mr A.C.J. Solway and the election of Mr A.W. Powell as directors of the Company did not receive the support of a majority of independent shareholders who voted, which is now a requirement of the Listing Rules of the UK Listing Authority (the **Listing Rules**) given the Company has a controlling shareholder. As shareholders will be aware, the Sinclair family concert party constitutes a controlling shareholder for the purposes of the Listing Rules.

As stated in the announcement of the results of the AGM, the Company is entitled (in accordance with the Listing Rules) to put further resolutions to shareholders of the Company concerning the re-appointment of Mr Solway and the election of Mr Powell at a general meeting to be held within 90 and 120 days of the AGM. At such meeting, all shareholders (including Sinclair family concert party members) would be entitled to vote on this resolution.

The Company has considered the views of independent shareholders expressed at the AGM and now intends to hold a second vote on the re-appointment of Mr Solway and the election of Mr Powell as directors of the Company. As noted above, such resolution must be approved by a majority of all shareholders who vote at the meeting (and in accordance with the Listing Rules, there is no requirement for approval by a separate majority of independent shareholders who vote at the meeting).

Mr Solway is an experienced PLC Director and Chairman and Mr Powell is a former audit partner at KPMG, and in the Board's view, both bring considerable valuable experience to the Company. Full details of their experience is set out in Appendix 1.

The general meeting at which the vote on the re-appointment of Mr Solway and the election of Mr Powell as directors of the Company will be held at 11:00 a.m. on Monday 19 November 2018 at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ (the **General Meeting**). Pending the vote and as notified to shareholders at the AGM, Mr Solway is deemed to have been re-appointed and Mr Powell is deemed to have been elected to the Board from the date of the AGM until the conclusion of the General Meeting. If the re-appointment of Mr Solway and the election of Mr Powell is approved by a majority of shareholders voting at the General Meeting, Mr Solway and Mr Powell will then be re-appointed and elected, respectively, to the Board until the AGM to be held in 2019, at which they will each be required to retire by rotation in accordance with changes introduced by the Financial Reporting Council's 2018 UK Corporate Governance Code which will apply to the Company from the start of its financial year on 1 April 2019. However, if either of the resolutions is not passed, the re-appointment of Mr Solway and election of Mr Powell, (as the case may be), as directors of the Company will cease on the conclusion of the General Meeting.

### Amendment to the Remuneration Policy

The Company's current remuneration policy (the **Remuneration Policy**) was approved by the Company's shareholders at the AGM in 2017.

As more particularly described in the Remuneration Policy, remuneration of the Company's Executive Directors comprises an element of fixed, non-variable base salary, pension contribution, short term incentive and other benefits. The fixed base salary is reviewed in relation to seniority, inflation and personal performance and responsibility of the relevant director as well as benchmarking against appropriate peer group companies. The short term incentive is intended to reward the Executive Directors in light of the Group's financial performance and personal contribution to results. Accordingly, award of a short term incentive by the Company's Remuneration Committee will be set at a level which is linked to the Company's financial performance (primarily profit before tax) and other non-financial metrics and such award, as has historically been the case, will be adjusted to reflect those factors and the Company's performance year on year. Total remuneration of the Executive Directors would therefore comprise the fixed base salary (plus pension contributions and other benefits) and a short term incentive.

Against that background and following points that were raised by shareholders at the AGM, the Board have been reviewing the content of the Remuneration Policy as well as the content of the illustration that was included in the Reports and Accounts, both at the time of the adoption of the Remuneration Policy and for the financial year ending 2018 (the **Illustration**). While inclusion of the Illustration is a regulatory requirement, it does not form part of the Remuneration Policy and is included to demonstrate the operation of the Remuneration Policy.

While the Board considers that executive remuneration has been set by the Remuneration Committee in accordance with the Remuneration Policy, they acknowledge that there could be ambiguity in some of the current wording of the Remuneration Policy. In particular, as noted above, the intention and approach in relation to the short term incentive award is to adjust the quantum of such award to align it with, among other things, the Company's financial performance. It was not and has never been the intention of the Remuneration Policy that the short term incentive should be utilised to adjust total remuneration of the directors by reference to the Company's financial performance. As noted above, base salary is a fixed, non-variable element of executive remuneration which is set each year by the Remuneration Committee and to which the Executive Directors are contractually entitled. It is only the quantum of the short term incentive which should be affected by the Company's financial performance, as has consistently been the case, including prior to the adoption of the Remuneration Policy. Shareholders will note that, at the time of the adoption of the Remuneration Policy, the only material change in the approach to be applied by the Remuneration Committee in relation to the basis for the award of a short term incentive was, in line with best practice, to introduce a cap on the level of such award, being 250% of base salary.

Reflecting on the above, the Board considers, however, that the wording in the Remuneration Policy and the illustration could be clearer in certain respects. Accordingly, in light of the review of the Remuneration Policy and the points set out above, it is proposed that, for clarificatory purposes, the Remuneration Policy should be amended to reflect the above and adopted in the form set out in Appendix 2. Appendix 2 also includes an illustration on the application of the Remuneration Policy which the Board considers is clearer and shows more detail than previously.

As amendments to a remuneration policy following its adoption require shareholder approval, in light of the fact that the General Meeting is to be held in November 2018 in accordance with the Listing Rules, the Company has decided to take the opportunity to propose a resolution that shareholders approve the Remuneration Policy as amended and set out in Appendix 2. To assist shareholders, a version of the Remuneration Policy has been included in Appendix 2 marked up to show all changes proposed, excluding the changes to the illustration bar charts. If approved by shareholders, the amended Remuneration Policy will be effective from the date of the Remuneration Policy approved at the 2017 Annual General Meeting.

## **2. Resolutions**

The formal Notice, containing the resolutions referred to above to be proposed to the shareholders of the Company, is attached to this letter. Certain additional information required by the Listing Rules in relation to resolutions 2 and 3 concerning the re-appointment of Mr A.C.J. Solway and the election of Mr A.W. Powell is also set out on page 4 of this document.

## **3. Action to be taken**

Whether or not shareholders intend to be present at the General Meeting, they are requested to complete and sign the accompanying Form of Proxy and return it, in accordance with the instructions printed on it, by post or (during normal business hours only) by hand to Link Asset Services (PXS1), 34 Beckenham Road, Beckenham, BR3 4ZF **to arrive as soon as possible and, in any event, by no later than 11.00 a.m. on 15 November 2018.**

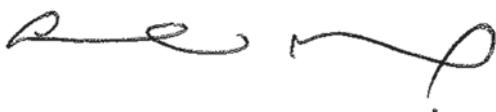
Shareholders who hold their ordinary shares in CREST may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Link Asset Services **so that it is received by no later than 11.00 a.m. on 15 November 2018.**

The return of a completed Form of Proxy or CREST Proxy Instruction will not prevent a shareholder from attending the General Meeting and voting in person (in substitution for their proxy vote) should he or she wish to do so and is so entitled.

## **4. Directors' recommendation**

The Board believes that the resolutions to be proposed at the General Meeting are in the best interests of the Company and its shareholders as a whole and, accordingly, unanimously recommends that shareholders vote in favour of the resolutions to be proposed at the meeting, as all Directors intend to do in respect of their own beneficial holdings.

Yours sincerely



Dr A.R. Williams  
Non-Executive Director

## APPENDIX 1 – ADDITIONAL INFORMATION

### **Resolutions for the re-appointment of Mr A.C.J. Solway and the election of Mr A.W. Powell as directors of the Company**

As shareholders will be aware, the Sinclair family concert party holds approximately 51.8% of the Company's issued share capital. For the purposes of the Listing Rules, as the aggregate shareholding of the Sinclair family concert party is in excess of 30% of the Company's issued share capital, the Sinclair family concert party is treated as a controlling shareholder of the Company (as referred to in the Letter contained in this circular). As a result of this, where a circular is being sent to shareholders regarding the re-election of an independent director, the Listing Rules require companies with a controlling shareholder to make certain disclosures about such director's relationships, independence, effectiveness and appointments. These are set out below in relation to Mr Solway and Mr Powell.

#### **Mr Solway**

*Relationships, transactions and arrangements:* Other than his letter of appointment as Non-Executive Chairman of the Company, Mr Solway has confirmed that there are no existing or previous relationships, transactions or arrangements that he has or has had with the Company, its directors, the controlling shareholder or any associates of the controlling shareholder.

*Independence:* the independence of each of the directors is regularly considered by the Board and the Board is satisfied as to the independent character of Mr Solway and that no relationships or circumstances are likely to affect his judgement.

*Effectiveness:* Mr Solway joined the Company on 11 June 2015 and became Non-Executive Chairman of the Board on 1 July 2015. Following a successful career in the financial services and wealth management industries, Mr Solway now holds a portfolio of non-executive directorships. His extensive breadth of experience has provided invaluable Chairmanship since his appointment and he will continue to serve the Company well. He holds the Institute of Directors' Certificate in Company Direction.

*Selection:* Mr Solway was appointed to the Board following a selection process which involved external recruitment consultants who were retained to identify potential candidates who could serve as an independent non-executive chairman.

#### **Mr Powell**

*Relationships, transactions and arrangements:* Other than his letter of appointment as a Non-Executive Director of the Company, Mr Powell has confirmed that there are no existing or previous relationships, transactions or arrangements that he has or has had with the Company, its directors, the controlling shareholder or any associates of the controlling shareholder.

*Independence:* the independence of each of the directors is regularly considered by the Board and the Board is satisfied as to the independent character of Mr Powell and that no relationships or circumstances are likely to affect his judgement.

*Effectiveness:* as announced by the Company at the time of his appointment, Mr Powell is a chartered accountant and a former partner of KPMG and was appointed as Chair of the Audit and Risk Committee. At the time of his appointment, the Board had identified the need to add an independent non-executive director with relevant financial experience. As an experienced chartered accountant, the Board considers he brings extensive corporate governance and accounting practitioner skills to the Board, which adds to its overall balance and effectiveness.

*Selection:* Mr Powell was appointed to the Board following a selection process which involved external recruitment consultants to identify candidates with the relevant financial experience who could meet the criteria referred to above and serve as Chair of the Audit and Risk Committee.

## APPENDIX 2 – AMENDED REMUNERATION POLICY

### Key principles of Remuneration Policy

The Company's Remuneration Policy is designed to attract, motivate and retain the right talent for our business in order that it can continue to deliver excellent returns for shareholders.

The Remuneration Committee believes that there should be a clear link between the Group's financial results and the Short Term Incentive element of the remuneration of Executive Directors. In order to achieve this, the Remuneration Policy provides for the Executive Directors' total remuneration to comprise the following elements: base salary, a Short Term Incentive award, pension and contractual benefits. Of the total remuneration, the two elements that are reviewed annually by the Remuneration Committee are base salary and the Short Term Incentive award. Base salary is reviewed against seniority, inflationary increases, personal performance, changes in responsibilities and the peer group; whereas the Short Term Incentive award is reviewed and aligned to;

- (1) The Company's financial metrics (primarily profit before tax);
- (2) A director's personal contribution, and
- (3) Non-financial corporate goals to build for long term success, including management development, succession planning and the maintenance of robust business infrastructure.

At the same time the Remuneration Committee reviews market comparators to ensure that reward is appropriate. The Remuneration Committee considers the relative performance of the Company's results in relation to its peers in determining where appropriate benchmarks should be set (i.e. upper quartile, median or lower quartile).

Given that the Executive Directors (particularly the CEO) have significant holdings of the Company's shares, the Remuneration Committee does not consider that a long-term incentive share scheme (LTI) is appropriate. This will be reviewed if other Executive appointments are made in the future. The Executive Directors do not receive a pension, but the Remuneration Policy still provides for a pension contribution in the event that new appointments are made in the future. Pension contributions are made on behalf of other employees working at the Company.

### Remuneration Policy

Subject to shareholder approval at the General Meeting on 19 November 2018, the Remuneration Policy set out below will be effective from the date of the Remuneration Policy approved at the 2017 Annual General Meeting.

The tables below summarise the main elements of the remuneration packages of the Directors, the key features of each element, their purpose and linkage to our strategy.

#### Executive Directors

##### BASE SALARY

Purpose and link to strategy	To provide a competitive level of non-variable remuneration aligned to the Company's peer group and reflective of the seniority of the post, the experience of the Executive and the known and expected contribution to the Group's strategy.
Operation	Base salaries are reviewed each year with regard to the seniority of the individual, changes to responsibilities, performance, peer group, inflationary increases in line with the Consumer Prices Index and the average change in total workforce salary.
Opportunity	Base salaries are fixed for each financial year and effective from 1 April each year.
Performance metrics	None

##### PENSION

Purpose and link to strategy	To attract and retain high quality Executives by providing income in retirement.
Operation	The Company would offer contributions to an approved defined contribution pension scheme.
Opportunity	Contributions would be made to a limit of 20% of base salary only.
Performance metrics	None

##### SHORT TERM INCENTIVE

Purpose and link to strategy	Incentive award to be aligned with Group financial performance and reward personal contribution to results.
Operation	Awards are reviewed each year with regard to the individual's performance and their contribution to the Company's performance, financial results and peer group comparators.
Opportunity	Any award under this scheme will be set at a level that aligns the Short Term Incentive award with the Company's financial performance, while also reflecting non-financial contributions and remaining comparable with our peer group. The maximum percentage of base salary payable for an award under this scheme is 250% (reflecting the absence of an LTI scheme at the Company).
Performance metrics	The Remuneration Committee considers financial metrics (currently primarily profit before tax), other non-financial achievements and corresponding movements within the peer group over the course of the financial year under review.

## **BENEFITS**

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Purpose and link to strategy	To aid the recruitment and retention of high quality Executives.
Operation	The Company provides private medical insurance, sick pay and life assurance. Other benefits may be provided if the Remuneration Committee considers it appropriate.
Opportunity	The benefits are fixed in relation to the Executive's salary. The Remuneration Committee reviews the appropriateness of these benefits. The value of benefits may vary from year to year depending on the cost to the Company from third-party providers.
Performance metrics	None

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## **Non-Executive Directors**

The policy on Non-Executive Directors' fees is set out below:

### **FEES**

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Purpose and link to strategy	Non-Executive Directors receive a fee to cover their time and expenses in attending Board, Committee and any other meetings that they are required to attend over the year. Non-Executive Directors may receive additional fees and expenses for attending meetings not in the ordinary course of their duties, or where additional effort is needed above that required by the ordinary course of business.
Operation	Fees are reviewed periodically by the Board with reference to the expected time commitment and market level for such services.
Opportunity	Fees are fixed for each financial year. Non-Executive Directors are not entitled to any other incentives or benefits beyond their fees and reimbursement for travel and related business expenses reasonably incurred in performing their duties.
Performance metrics	None

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## **Approach to recruitment remuneration**

When setting the remuneration package for a new Executive Director, the Remuneration Committee will apply the same principles and policy as set out above. Depending on individual circumstances, the Remuneration Committee will consider reintroducing pension contributions and other long-term incentives appropriate to the individual and their responsibilities.

Base salary will be set at a level appropriate to the role and experience of the Executive Director being appointed. This may include agreement on future increases up to a market rate, in line with increasing experience and responsibilities, subject to good performance, where it is considered appropriate.

In relation to external appointments, the Remuneration Committee may structure a remuneration package that it considers appropriate to recognise awards or benefits that may or will be forfeited on resignation from a previous position, taking into account timing and valuation – and any other matters it considers relevant. The policy is that the maximum payment under any such arrangement (which may be in addition to the normal variable remuneration) should be no more than the Remuneration Committee considers is required to provide reasonable compensation to the incoming Executive Director.

In the case of an employee who is promoted to the position of Executive Director, it is the Company's policy to honour pre-existing award commitments (including awards, incentives, benefits and contractual arrangements) in accordance with their terms.

Where any recruitment involves the agreed relocation of the individual, the Company may offer additional benefits and to meet some or all associated costs.

Where an individual is appointed as a result of an acquisition, merger or other corporate event, the Company will honour any legacy terms and conditions.

Non-Executive Directors appointments will be made based on a Non-Executive Director Agreement. Non-Executive Directors fees, including those of the Chairman, will be set at a competitive market level, reflecting the experience of the individual and the responsibility and time commitment of the role.

In all cases the Remuneration Committee will bear in mind the best interests of the Company and to not pay more than is fair or necessary.

## Details of Directors' service contracts

### Executive Directors

	Contract Date	Unexpired Term	Notice Period
Mr D.M. Sinclair	8 August 2002	No fixed term	12 months
Mrs M.M. Bray	1 April 2004	No fixed term	12 months

The Executive Directors service contracts contain provisions relating to matters such as salary, pension arrangements, salary continuance in the event of illness, holidays, life and medical insurance, etc. The Executive Directors' service contracts can be terminated on 12 months' notice by either party.

The Executive Directors are entitled to a compensation payment upon a change of control of the Company. Such compensation payment (subject to the deduction of income and other taxes required by law and any other sums owed by the Executive Director to the Company) is equal to the Executive Director's annual gross remuneration as reported in the Company's last audited accounts. The Executive Directors' contracts make no other provision for termination payments other than for salary and benefits in lieu of notice.

Executive Directors are entitled to reasonable out of pocket expenses when on Company business.

### Non-Executive Directors

	Contract Date	Unexpired Term	Notice Period
A.C.J. Solway	28 June 2018	8 months	None
M.L. Jarvis	1 July 2017	20 months	None
Dr A.R. Williams	1 December 2015	1 month	None
A.W. Powell	1 April 2018	29 months	None

Non-Executive Directors are only entitled to accrued fees due to them at the date of termination of their appointment.

### Other matters

The Remuneration Committee may make minor amendments to the policy set out above without obtaining shareholder approval.

In making its decisions, the Remuneration Committee shall take into account the conditions of the Group as a whole and proposals as regards the general staff.

Last, the Remuneration Committee considers the views of investor bodies and shareholders. The Company seeks an ongoing dialogue with shareholders on all matters of strategic importance – including remuneration.

### Policy regarding external appointments

Executive Directors are not encouraged to hold external directorships. Duncan Sinclair is a director of Sinclair Estates Ltd. and Ossian Investors Ltd, companies which hold property assets in run-off.

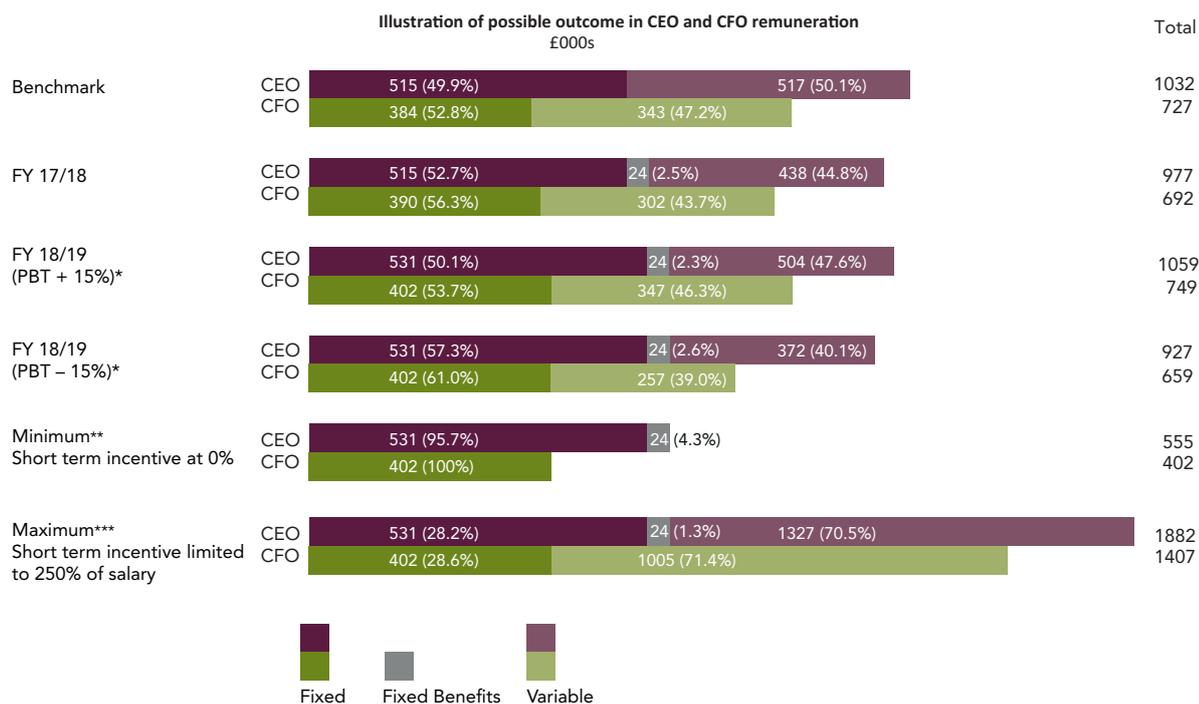
Non-Executive Directors are appointed because of their skills and experience and it is accepted that they have other commitments beyond Mountview. The Chairman keeps the availability of Non-Executive Directors under review to ensure that the Company is able to access them as required.

## Illustration of the application of Remuneration Policy

The Remuneration Committee would start its process by reviewing the market benchmarks for remuneration amongst the Company's peer group, with particular focus on any movements in salaries for the current year and recent company performance. The Committee would then determine the appropriate level of base salary for the Executive Directors with reference to these results, as well as considering relative performance against the peer group.

The Committee would set the Executive Directors' short term incentive award at a level to reflect the Company's financial performance while remaining comparable with our peer group. The award would be referenced to the financial metrics of the Company (primarily profit before tax) and will also take account of such other factors as the Remuneration Committee sees fit such as:

- Any other non-financial factors to be considered.
- The total remuneration of other peer group companies and movement in market benchmarks.



\* As noted above, the quantum of a short term incentive (STI) award is referenced to the company's financial performance (primarily PBT) and other non-financial metrics. The above illustrations show the impact on the STI award in the circumstances where PBT is 15% over or 15% below PBT in the previous financial year and all other factors remain unchanged.

\*\* Minimum is based on fixed remuneration consisting of projected annual salary for 18/19 with fixed benefits but assuming no STI award.

\*\*\* Maximum is based on fixed remuneration consisting of projected annual salary for 18/19 with fixed benefits with the maximum STI award opportunity of 250% of base salary.

## APPENDIX 2 – AMENDED REMUNERATION POLICY – TRACKED CHANGES

### Key principles of Remuneration Policy

The Company's Remuneration Policy is designed to attract, motivate and retain the right talent for our business in order that it can continue to deliver excellent returns for shareholders.

The Remuneration Committee believes that there should be a clear link between the Group's financial results and the [Deleted: total remuneration of Executive Directors. A key metric would be profit before tax. The Committee also considers non-] **Short Term Incentive** element of the remuneration of Executive Directors. In order to achieve this, the Remuneration Policy provides for the Executive Directors' total remuneration to comprise the following elements: base salary, a Short Term Incentive award, pension and contractual benefits. Of the total remuneration, the two elements that are reviewed annually by the Remuneration Committee are base salary and the Short Term Incentive award. Base salary is reviewed against seniority, inflationary increases, personal performance, changes in responsibilities and the peer group; whereas the Short Term Incentive award is reviewed and aligned to;

- (1) The Company's financial metrics (primarily profit before tax);
- (2) A director's personal contribution, and
- (3) Non-financial corporate goals to build for long term success, including management development, succession planning and the maintenance of robust business infrastructure.

[Deleted: The Company rewards its Executives in relation to the Group's performance.] At the same time the Remuneration Committee reviews market comparators to ensure that reward is appropriate. The Remuneration Committee considers the relative performance of [Deleted: Mountview's] **the Company's** results in relation to its peers in determining where appropriate benchmarks should be set (i.e. upper quartile, median or lower quartile).

Given that the Executive Directors (particularly the CEO) have significant holdings of the Company's shares, the Remuneration Committee does not consider that a long-term incentive share scheme (LTI) is appropriate. This will be reviewed if other Executive appointments are made in the future. The Executive Directors do not receive a pension, but [Deleted: remuneration policy] **the Remuneration Policy** still provides for a pension contribution in the event that new appointments are made in the future. Pension contributions are made on behalf of other employees working at [Deleted: Mountview] **the Company**.

### Remuneration Policy

Subject to shareholder approval at the General Meeting on 19 November 2018, the Remuneration Policy set out below [Deleted: is] **will be effective from the date of the Remuneration Policy approved** [Deleted: with effect from 9 August 2017]. The Remuneration Policy is to ensure that the total remuneration of the Executive Directors reflects their performance and the performance of] **at the** [Deleted: Group, with reference to its peer group] **2017 Annual General Meeting**.

The tables below summarise the main elements of the remuneration packages of the [Deleted: Executive] Directors, the key features of each element, their purpose and linkage to our strategy.

#### Executive Directors

##### BASE SALARY

Purpose and link to strategy	To provide a competitive level of non-variable remuneration aligned to the Company's peer group and reflective of the seniority of the post, the experience of the Executive and the <b>known and</b> expected contribution to the Group's strategy.
Operation	Base salaries are reviewed each year with regard to the seniority of the individual, changes to responsibilities, performance, peer group, <b>inflationary increases in line with the Consumer Prices Index</b> and the average change in total workforce salary.
Opportunity	Base salaries are fixed for each financial year and effective from 1 April each year.
Performance metrics	None
[Deleted: Changes in year	See page 32 'Directors' Remuneration Table'.]

##### PENSION

Purpose and link to strategy	To attract and retain high quality Executives by providing income in retirement.
Operation	The Company would offer contributions to an approved defined contribution pension scheme.
Opportunity	Contributions would be made to a limit of 20% of base salary only.
Performance metrics	None
[Deleted: Changes in year	Contributions are limited to a percentage of salary only.]

##### SHORT TERM INCENTIVE

Purpose and link to strategy	[Deleted: To align remuneration] <b>Incentive award to be aligned</b> with Group financial performance and reward personal contribution to results.
Operation	[Deleted: Base salaries] <b>Awards</b> are reviewed each year with regard to the [Deleted: seniority of the individual, changes to responsibilities,] <b>individual's performance</b> [Deleted: ,] <b>and their contribution to the Company's performance, financial results and peer group</b> [Deleted: and the average change in total workforce salary] <b>comparators</b> .

## SHORT TERM INCENTIVE

Opportunity	Any award <b>under this scheme</b> will be set at a level that aligns [Deleted: individual total remuneration] <b>the Short Term Incentive award</b> with [Deleted: that of appropriate market benchmarks and] the Company's financial performance [Deleted: .], <b>while also reflecting non-financial contributions and remaining comparable with our peer group</b> . The maximum percentage of base salary payable <b>for an award</b> under this scheme is 250% (reflecting the absence of an LTI scheme at the Company).
Performance metrics	The Remuneration Committee considers financial metrics (currently primarily profit before tax) [Deleted: and], <b>other non-financial achievements and corresponding movements within the peer group over the course of the financial year</b> under review.
[Deleted: Changes in year	Short Term Incentives are limited to a maximum of 250% of salary. See also page 32 'Directors' Remuneration Table'.]

## BENEFITS

Purpose and link to strategy	To aid the recruitment and retention of high quality Executives.
Operation	The Company provides private medical insurance, sick pay and life assurance. Other benefits <b>may be provided if the Remuneration Committee considers it appropriate</b> . [Deleted: (including relocation expenses) may be provided if the Committee considers it appropriate.]
Opportunity	The benefits are fixed in relation to the Executive's salary. The <b>Remuneration Committee</b> reviews the appropriateness of these benefits. The value of benefits may vary from year to year depending on the cost to the Company from third-party providers.
Performance metrics	None
[Deleted: Changes in year	See page 32 'Directors' Remuneration Table'.]

## Non-Executive Directors

The policy on Non-Executive Directors' fees is set out below:

### FEES

Purpose and link to strategy	Non-Executive Directors receive a fee to cover their time and expenses in attending Board, Committee and any other meetings that they are required to attend over the year. Non-Executive Directors may receive additional fees and expenses for attending meetings not in the ordinary course of their duties, or where additional effort is needed above that required by the ordinary course of business.
Operation	Fees are reviewed periodically by the Board with reference to the expected time commitment and market level for such services.
Opportunity	Fees are fixed for each financial year. Non-Executive Directors are not entitled to any other incentives or benefits beyond their fees and reimbursement for travel and related business expenses reasonably incurred in performing their duties.
Performance metrics	None
[Deleted: Changes in year	See page 32 'Directors' Remuneration Table'.]

## Approach to recruitment remuneration

When setting the remuneration package for a new Executive Director, the **Remuneration Committee** will apply the same principles and policy as set out above. Depending on individual circumstances, the **Remuneration Committee** will consider reintroducing pension contributions and other long-term incentives appropriate to the individual and their responsibilities.

Base salary will be set at a level appropriate to the role and experience of the Executive Director being appointed. This may include agreement on future increases up to a market rate, in line with increasing experience and responsibilities, subject to good performance, where it is considered appropriate.

In relation to external appointments, the Remuneration Committee may structure a remuneration package that it considers appropriate to recognise awards or benefits that may or will be forfeited on resignation from a previous position, taking into account timing and valuation – and any other matters it considers relevant. The policy is that the maximum payment under any such arrangement (which may be in addition to the normal variable remuneration) should be no more than the **Remuneration Committee** considers is required to provide reasonable compensation to the incoming **Executive Director**.

In the case of an employee who is promoted to the position of Executive Director, it is the Company's policy to honour pre-existing award commitments (including awards, incentives, benefits and contractual arrangements) in accordance with their terms.

Where any recruitment involves the agreed relocation of the individual, the Company may offer additional benefits and to meet some or all associated costs.

Where an individual is appointed as a result of an acquisition, merger or other corporate event, the Company will honour any legacy terms and conditions.

[Deleted: NED] **Non-Executive Directors** appointments will be made based on a Non-Executive Director Agreement. [Deleted: NED's] **Non-Executive Directors** fees, including those of the Chairman, will be set at a competitive market level, reflecting the experience of the individual and the responsibility and time commitment of the role.

In all cases the Remuneration Committee will bear in mind the best interests of the Company and to not pay more than is fair or necessary.

#### **Details of Directors' service contracts**

##### **Executive Directors**

	<b>Contract Date</b>	<b>Unexpired Term</b>	<b>Notice Period</b>
Mr D.M. Sinclair	8 August 2002	No fixed term	12 months
Mrs M.M. Bray	1 April 2004	No fixed term	12 months

The Executive Directors service contracts contain provisions relating to matters such as salary, pension arrangements, salary continuance in the event of illness, holidays, life and medical insurance, etc. The Executive Directors' service contracts can be terminated on 12 months' notice by either party.

The Executive Directors are entitled to a compensation payment upon a change of control of the Company. Such compensation payment (subject to the deduction of income and other taxes required by law and any other sums owed by the Executive Director to the Company) is equal to the Executive Director's annual gross remuneration as reported in the Company's last audited accounts. The Executive Directors' contracts make no other provision for termination payments other than for salary and benefits in lieu of notice.

Executive Directors are entitled to reasonable out of pocket expenses when on Company business.

##### **Non-Executive Directors**

	<b>Contract Date</b>	<b>Unexpired Term</b>	<b>Notice Period</b>
A.C.J. Solway	28 June 2018	[Deleted: 11] 8 months	None
M.L. Jarvis	1 July 2017	[Deleted: 24] 20 months	None
Dr A.R. Williams	1 December 2015	[Deleted: 5] 1 month [Deleted: s] None	
A.W. Powell	1 April 2018	[Deleted: 33] 29 months	None

[Deleted: NEDs] **Non-Executive Directors** are only entitled to accrued fees due to them at the date of termination of their appointment.

#### **Other matters**

The Remuneration Committee may make minor amendments to the policy set out above without obtaining shareholder approval.

In making its decisions, the Remuneration Committee shall take into account the conditions of the Group as a whole and proposals as regards the general staff.

Last, the Remuneration Committee considers the views of investor bodies and shareholders. The Company seeks an ongoing dialogue with shareholders on all matters of strategic importance – including remuneration.

#### **Policy regarding external appointments**

Executive Directors are not encouraged to hold external directorships. Duncan Sinclair is a director of Sinclair Estates Ltd. and Ossian Investors Ltd, companies which hold property assets in run-off.

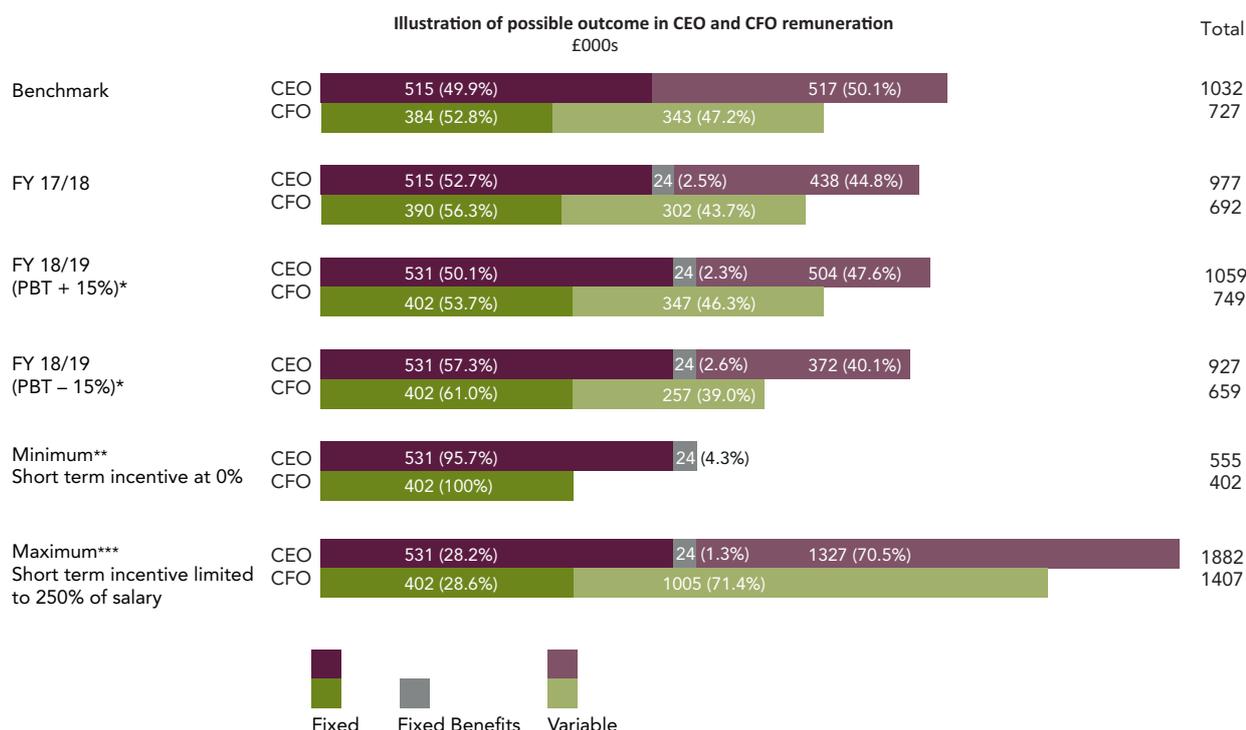
[Deleted: NEDs] **Non-Executive Directors** are appointed because of their skills and experience and it is accepted that they have other commitments beyond Mountview. The Chairman keeps the availability of [Deleted: NEDs] **Non-Executive Directors** under review to ensure that the Company is able to access them as required.

## Illustration of the application of Remuneration Policy

The Remuneration Committee would start its process by reviewing the market benchmarks for remuneration amongst the Company's peer group, with particular focus on any movements in salaries for the current year and recent company performance. The Committee would then determine the appropriate level of base salary for the Executive Directors with reference to these results, as well as considering relative performance against the peer group.

The Committee would [Deleted: then] set the Executive Directors' [Deleted: total remuneration for the year using the] short term incentive award at a level to reflect the Company's financial performance while remaining comparable with our peer group. The [Deleted: quantum for the incentive] award would be referenced to the financial metrics of the Company (primarily [Deleted: be set to adjust the Executive Directors' total remuneration by a similar figure to that of the movement in the Company's] profit before tax) [Deleted: . This calculation (shown below) would be mitigated by] and will also take account of such other factors as the Remuneration Committee sees fit such as:

- Any other non-financial factors to be considered.
- The total remuneration of other peer group companies and movement in market benchmarks.



\* As noted above, the quantum of a short term incentive (STI) award is referenced to the company's financial performance (primarily PBT) and other non-financial metrics. The above illustrations show the impact on the STI award in the circumstances where PBT is 15% over or 15% below PBT in the previous financial year and all other factors remain unchanged.

\*\* Minimum is based on fixed remuneration consisting of projected annual salary for 18/19 with fixed benefits but assuming no STI award.

\*\*\* Maximum is based on fixed remuneration consisting of projected annual salary for 18/19 with fixed benefits with the maximum STI award opportunity of 250% of base salary.

# Mountview Estates P.L.C.

(registered in England and Wales with no.328020)

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a General Meeting of Mountview Estates P.L.C. (the **Company**) will be held at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ at 11.00 a.m. on 19 November 2018 for the purposes of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

**Resolutions:**

1. That the Amended Directors' Remuneration Policy, the full text of which is included in Appendix 2 of the Circular of which this Notice forms part, be approved.
2. To re-appoint Mr A.C.J. Solway as a Director of the Company..
3. To elect Mr A.W. Powell as a Director of the Company.

BY ORDER OF THE BOARD

**M.M. Bray**

*Company Secretary*

Registered office:  
Mountview House  
151 High Street  
Southgate  
London N14 6EW

22 October 2018

## NOTES:

1. A Member who is entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him/her. A proxy need not also be a Member of the Company. If a Member appoints more than one proxy to attend the Meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the Member. If a Member wishes to appoint more than one proxy and so requires additional Forms of Proxy, the Member should contact Link Asset Services (PXS1), 34 Beckenham Road, Beckenham, Kent BR3 4ZF.
2. A Form of Proxy is enclosed with this Notice and should be completed in accordance with the instructions contained therein. Completion and return of the Form of Proxy will not prevent a Member from attending the Meeting and voting in person. To be effective, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be deposited at the office of the Company's Registrars, Link Asset Services (PXS1), 34 Beckenham Road, Beckenham, Kent BR3 4ZF, by 11.00 a.m on 15 November 2018 or in the case of any adjournment of the Meeting, not later than 48 hours before the time of such adjourned Meeting. Amended instructions must also be received by the Company's Registrars by the deadline for receipt of Forms of Proxy.
3. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by 11.00 a.m on 15 November 2018 or in the case of any adjournment of the Meeting, no later than 48 hours before the time of such adjourned Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended). In any case your proxy instruction must be received by the Company's Registrars by 11.00 am on 15 November 2018 or no later than 48 hours before the time of any adjourned Meeting.
4. Any person receiving a copy of this Notice as a person nominated by a Member to enjoy information rights under Section 146 of the Companies Act 2006 (a "Nominated Person") should note that the provisions in Notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the Meeting in place of a Member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the Member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the Member as to the exercise of voting rights at the Meeting. Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the Member who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that Member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) and for the purposes of Section 360B of the Companies Act 2006, entitlement to attend and vote at the Meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company as at close of business on 15 November 2018 (the "Specified Time") or 48 hours (excluding any day or part of any day that is not a working day) before the date of any adjourned Meeting. If the Meeting is adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of Members to attend and vote and for the purpose of determining the number of votes they may cast at the adjourned Meeting. Changes to entries on the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
6. Any corporation which is a Member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Member, provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares.
7. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any Member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Services Authority.

8. Any Member attending the Meeting has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the Meeting put by a Member attending the Meeting. However, Members should note that no answer need be given in the following circumstances:
  - a. if to do so would interfere unduly with the preparation of the Meeting or would involve a disclosure of confidential information;
  - b. if the answer has already been given on a website in the form of an answer to a question; or
  - c. if it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
9. This Notice, together with information about the total numbers of shares in the Company in respect of which Members are entitled to exercise voting rights at the Meeting as at 22 October 2018 being the last business day prior to the printing of this Notice 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.mountviewplc.co.uk](http://www.mountviewplc.co.uk).
10. Any electronic address provided either in this Notice or in any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.
11. As at 22 October 2018, being the last business day prior to the printing of this Notice, the Company's issued capital consisted of 3,899,014 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 22 October 2018 are 3,899,014.
12. Copies of the Directors' service contracts and letters of appointment with the Company are available for inspection at the registered office at Mountview House, 151 High Street, Southgate, London N14 6EW during normal business hours on weekdays (Saturdays, Sundays and English public holidays excepted) from the date of this Notice until the conclusion of the Meeting and will also be available for inspection on the date and at the place of the Meeting from 15 minutes prior to the commencement of the Meeting until the conclusion of the Meeting.

