

Vistry Group

General Meeting – 14 July 2020

General Q&A

Shareholders are invited to submit any questions to the Board by email to investor.relations@vistrygroup.co.uk or by post to the Group Company Secretary at 11 Tower View, Kings Hill, West Malling, Kent ME19 4UY up until 12.00 noon on Monday, 13 July 2020.

The Board provides the following answers to general questions in respect of the general meeting to be held at the Company's head office at 11 Tower View, Kings Hill, West Malling, Kent ME19 4UY at 12.00 noon on 14 July 2020 (the "**General Meeting**").

Bonus Issue

Background and context

Why did you decide not to pay the Second Interim Dividend?

The Company's intention was to pay a cash dividend to its shareholders on the register as at 6.00 p.m. on 27 December 2019 by way of a second interim dividend payment of 41.0 pence per ordinary share totalling £60 million, which was expected to be paid on 29 May 2020 (the "**Second Interim Dividend**").

However, as set out in the Company's announcement dated 15 May 2020, the Company is taking measures to mitigate the impact of COVID-19 on its business and proposes that rather than pay the expected Second Interim Dividend, it will return value by way of a bonus issue through the issue of 4,369,992 ordinary shares valued at £60 million based on a share price of £13.73, being the closing share price of the Company on 27 December 2019 (the "**Bonus Issue**" and the "**Bonus Issue Shares**") to shareholders on the Company's register of members as at 6.00 p.m. on 27 December 2019 (the "**Qualifying Shareholders**").

Can you decide not to pay the Second Interim Dividend?

Under English law and the Company's Articles of Association, the Company can review or cancel a decision to pay an interim dividend at any time before payment, including after the shares have become ex-dividend.

Why are you seeking shareholder approval to issue the Bonus Issue Shares?

Pursuant to the Company's Articles of Association, the Bonus Issue requires approval from shareholders at the General Meeting. As mentioned above, the decision to return value to the Qualifying Shareholders by way of the proposed Bonus Issue was taken to mitigate the impact of COVID-19 on the Company's business. The executive leadership team is fully focused on managing the business to balance the preservation of operating cash flow with the long-term needs of the Company. In these challenging times, the Company's ability to implement specific measures to increase cash generation and reduce cash outflow is of utmost importance.

Why are only the Qualifying Shareholders eligible to receive the Bonus Issue Shares?

The Company intends to allot the Bonus Issue Shares as a substitute for the Second Interim Dividend. As a result, the Bonus Issue is intended to benefit the same shareholders who were previously to receive the Second Interim Dividend. If the Bonus Issue is approved, shareholders who were on the register as at 6.00 p.m. on 27 December 2019 will receive the Bonus Issue Shares.

What resolutions are shareholders being asked to vote on at the General Meeting?

The shareholders are being asked to vote on ordinary resolutions to authorise the directors of the Company to:

- (a) return capital in the sum of £60 million by way of the Bonus Issue; and
- (b) allot ordinary shares up to an aggregate nominal amount of £2,184,996 in connection with the Bonus Issue by capitalising retained profits of the Company.

Why are you seeking authority to allot the Bonus Issue Shares in addition to the authority approved at the annual general meeting for 2020?

The authority sought at the General Meeting to issue the Bonus Issue Shares (representing 2.01% of the issued share capital of the Company as at 17 June 2020) is in addition to the authority approved at the annual general meeting held on 20 May 2020 (the “**AGM Headroom**”). If such authority is approved, the allotment of the Bonus Issue Shares will not impact the AGM Headroom and will provide the Company with the flexibility to allot shares in the future should it be desirable. The Board has no present intention to exercise the authority approved at the annual general meeting other than in connection with employee share schemes.

Can I attend the General Meeting in person?

No, the General Meeting will be arranged without physical attendance due to the current outbreak of COVID-19. Shareholders can only participate in the General Meeting and exercise their shareholders’ rights by appointing the Chairman of the General Meeting as their proxy and providing their voting instructions to the proxy in advance of the General Meeting. Details on how to submit your proxy vote by post, online or through CREST are set out in the notes to the Notice of General Meeting.

If the Bonus Issue is approved at the General Meeting, when will the Bonus Issue Share be admitted to the London Stock Exchange?

Applications will be made to the Financial Conduct Authority and to the London Stock Exchange for admission of the Bonus Issue Shares. It is currently expected that admission of the Bonus Issue Shares will become effective at 8.00 a.m. on 15 July 2020. The Qualifying Shareholders will not need to make any payment for the Bonus Issue Shares allocated to them. The share certificates for the Bonus Issue Shares will be despatched within 14 days of admission to shareholders holding in certificated form.

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What are the tax consequences of the Bonus Issue for Qualifying Shareholders?

The Company cannot provide tax advice on the treatment of the Bonus Issue for Qualifying Shareholders. The tax consequences of the Bonus Issue will depend on the individual circumstances of the shareholder. Qualifying Shareholders who are in any doubt about their tax position are strongly recommended to consult a professional adviser.