



**Crest Nicholson Holdings plc
(the “Company” or “Crest Nicholson”)**

**RESPONSES TO QUESTIONS RECEIVED
FROM SHAREHOLDERS**

Please find below the Board’s responses to the questions received via e-mail from shareholders, who were unable to attend the AGM due to the Government’s guidance around social distancing.

Cancellation of the dividend

- 1. Why was it necessary to cancel the dividend when there are huge support measures available to you from the Government who will provide you with almost free cash for the foreseeable future?**

The Government announced a range of measures to support the economy throughout last week. These measures were announced at a high level, and some were announced after our decision. As you would expect the Company is investigating its eligibility for all of the communicated measures and taking external advice in this regard too. However, it is simply too soon to comment with any certainty as to what support Crest will qualify for and its associated level of contribution/relief.

Given the uncertainty associated with these measures, and the rapidly approaching AGM dividend resolution, the Board decided to act

prudently in cancelling the dividend and retaining the cash outflow of £56m.

2. Why are you conserving cash, if not for your shareholders – who has become more important than your shareholders?

Our decision to cancel the dividend and conserve cash is in consideration of all of our, stakeholders, not just our shareholders. The long-term viability of Crest Nicholson is in the best interests of shareholders, suppliers, customers and employees.

3. Will there be cuts to Directors' salaries, bonuses and perks?

It is very early days in a fast-moving situation. The Company has taken and is taking, appropriate immediate steps to conserve cash.

In the event that the Company has to consider any cuts to salary for employees, we expect that the Directors will be included in the same way.

In addition, variable pay such as bonuses and LTIPs predominately relate to financial performance – any reduction in financial performance will have a corresponding negative effect on any bonus or LTIP payments.

4. Why did you not replace the cash dividend with a dividend in shares instead?

Issuing dividend shares instead of a cash dividend was not something that it was possible to consider, or implement in the timeframe.

5. I bought shares in Crest Nicholson specifically because of the promised dividend – why didn't you cancel the dividend sooner?

The Board took the decision to cancel the dividend as soon as it was able to form a holistic view of the risks arising from the recent Government guidance on COVID-19, its likely impact to our trading performance and the timeline of our AGM dividend resolution.

AGM

6. Why have you not cancelled today's AGM and deferred it to a time after the coronavirus pandemic?

Unfortunately, the legal requirements around holding an AGM have not been modified by Government at this time. Whilst it has been necessary to proceed with the AGM, we have offered a dial in listen only facility for the formal proceedings of the AGM, and a managed conference call so shareholders can ask questions to the Board.

The Board hopes that we are in a situation later in the year where it might be appropriate for larger groups to assemble. At that time, we will engage with shareholders to understand whether a further shareholder meeting would be desirable prior to the next formal AGM.

In addition, the Board will consider potential changes to its Articles of Association in the future to allow greater remote participation in AGMs, by shareholders.

Trading

7. Can the company update shareholders on both reservations and cancellations last week and in recent weeks?

We would not comment on one week's trading in any market context. Given the current market uncertainty drawing conclusions from such a small sample could be misleading to all of our stakeholders. Up until 16 March 2020 the Company was trading in line with expectations including our cancellation rates. We will recommence financial guidance as soon as we can forecast with adequate levels of certainty and that we believe it is in the Company's interests to do so.

8. Will the Company reconsider the financial guidance point given that the significant initiatives identified by the UK Government last week will undoubtedly underpin the economy and shareholders need information to make informed decisions?

The Government announced a range of measures to support the economy throughout last week. These measures were announced at a high level, and some were announced after our decision. Until full details and criteria have been carefully considered, the Board cannot form a judgement as to whether any support will be given to Crest Nicholson and/or to what degree. As you would expect the Company is investigating its eligibility for all of the communicated measures and taking external advice in this regard too. However, it is simply too soon to comment with any certainty as to what support Crest will qualify for and its associated level of contribution/relief.

Accordingly, we do not believe the communication of these measures changes our position on withdrawing financial guidance.

9. Has the Chief Executive been in contact with both Homes England and the Housing Ministers to press for a range of initiatives to “keep Britain Building”? If so what feedback can he give?

We have a regular, long-standing and productive dialogue with the Homebuilders Federation and relevant Government departments. Unfortunately, these conversations are held on private basis and on occasion contain commercially sensitive information so we will not be disclosing the content of them.

Needless to say, the country continues to suffer from an undersupply of housing and the Government are keen to increase the volumes of housing constructed by our sector.